



Conference Session:

**THE LEGAL PLAN'S FINANCIAL
AUDIT — AND OTHER TOOLS TO
EVALUATE PLAN USAGE AND DESIGN
with Eugene McGlynn and
Steve Ginsberg (moderator)**

**Friday, April 17, 2015
10:45 AM to 11:45 AM**

4/17: The Legal Plan's Financial Audit

THE LEGAL PLAN'S FINANCIAL AUDIT - AND OTHER TOOLS TO EVALUATE PLAN USAGE AND DESIGN with Steve Ginsberg (moderator) and Eugene McGlynn

Date: Friday, April 17, 2015

Time: 10:45 AM to 11:45 AM

SESSION DESCRIPTION:

Through the analysis of the audited financial statements, benefit consultant projections and legal plan utilization reports, Trustees can properly evaluate the current plan design, and be positioned to adjust benefits when necessary.

ABOUT THE SPEAKERS:



Stephen Ginsberg is the Executive Director of the Unifor Legal Services Plan (“ULSP”), formerly the Canadian Auto Workers Legal Services Plan, which provides benefits to 86,000 active and retired members, and their spouses and dependents, employed and/or retired from at GM, Ford, Chrysler and thirty other Unifor-represented workplaces in Canada. ULSP delivers legal services using its own staff offices and a panel of approximately 1,000 Co-Operating Lawyers, who agree to charge fees in accordance with the ULSP Fee Schedule. Stephen has been involved in all aspects of ULSP operations since its inception in 1985. Stephen has been active in the GLSA (formerly API) for over twenty-five years. He is a former API President, and currently serves on the GLSA Board and the GLSA Conference Committee. Stephen received his B.A. from the University of Toronto and his J.D. from the University of Western Ontario. He practised criminal law in Toronto, and was Counsel to the Metropolitan Toronto Police Complaints Board prior to joining the ULSP.

Eugene McGlynn is the Fund Administrator of the Boston Teachers Union Health and Welfare Fund and the Boston Teachers Union Paraprofessional Health and Welfare Fund; he also serves as the Plan Administrator of the Boston Teachers Union Prepaid Legal Services Fund. In addition, Mr. McGlynn is the Treasurer of the BTUHWB Building Corporation, LLC, and acts as the building/facilities manager of the Boston Teachers Union building in Boston, MA. Prior to working with the Boston Teachers Union in June 2006, Mr. McGlynn served in a similar capacity, for over eight years, with a Taft Hartley Welfare and Pension Fund located in New Jersey.

A. Preparing for the Audit

1. Staff office to be audited is notified of the date, at least one month in advance.
2. Audit team (two or three lawyers from another office) is chosen.
3. Audit team leader is chosen - leader is responsible for details and final report.
4. Head office supplies audit team with the following:
 - a) list of cases, by lawyer, active more than 12 months,
 - b) other relevant statistics (e.g. closed files to be audited),
 - c) audit quality standards and checklist.
5. Audit team meets with Executive Director.
6. Audit team meets with Managing Lawyer of office to be audited.
7. Audit team chooses specific files to be audited and faxes list to Managing Lawyer prior to audit.

B. The Audit

1. Audit team arrives in audited city the afternoon prior to the audit.
2. Audit takes one or two days (evenings used as well).
3. Lawyers and support staff in audited office are available to assist with retrieval of targeted files and to answer general questions.
4. At end of audit, the team meets with the Managing Lawyer to give some feedback.

C. Final Report

1. At end of audit, team meets for two or three hours to write an outline of the final report.
2. Final report is prepared in draft and sent to Managing Lawyer of audited office within 30 days from end of audit.
3. Conference call is arranged for audit team and Managing Lawyer.
4. Final report is sent to Executive Director within 45 days from end of audit.
5. Final report should cover all matters outlined in Quality Standards document.
6. First section of final report should be General Office Organization.
7. Remainder of final report should be broken down according to area of practice as follows:
 - a) wills and estates,
 - b) real estate,
 - c) family law,
 - d) other litigation.

and each of the above sections should be divided into Files, Work Product and Client Relations.

8. Final report should contain other sections where appropriate and a Recommendations section.

The goal for every staff office is to provide **quality** legal services in a **cost-effective** manner. In order to ensure that we achieve that goal on a continuing basis, internal audits will be conducted from time to time by colleagues from other staff offices. The auditors will be guided by the following standards.

A. General Office Organization**1. Appearance of Office**

- is conducive to client and staff satisfaction
- is arranged to ensure client confidentiality (telephone & in person)

2. Filing Systems

- files can be retrieved easily by all potential users
- general filing system for forms, precedents & research (computerized when possible)
- system to ensure that short (e.g. advice) cases are left open for at least 30 days to see if client returns and same CIF is used.

3. File Storage

- stored files can be easily retrieved by all potential users

4. Reception and Intake

- notes/instructions are adequate to inform lawyer about initial call/visit from new client
- system to avoid personal interview when telephone call would suffice
- system to ensure that cases not referred out unless absolutely appropriate
- system to check for conflicts

5. Mail, Fax and Courier

- mail is date-stamped
- documents reach intended recipient in a timely fashion
- courier calling is centralized to avoid duplication.

B. Files

1. Organization

- limitation dates clearly marked
- interview/telephone notes and correspondence reflect chronological progression of the file
- separated into notes and correspondence; pleadings; transcripts; research; expert reports, witness statements and other documentary evidence
- no loose papers (i.e. tacked in)

2. Limitation Dates

- separate tickle system outside of actual file, for use by others in absence of lawyer
- advance warning system for deadlines
- fail-safe warning system for day of the event itself
- policy identifying person in charge of ensuring dates not missed
- lawyer and secretary have duplicate calendar

3. Docket Sheets or Slips

- used for time, notes of telephone calls, oral instructions to staff, meetings

C. Work Product

1. Use of Checklists and Precedents

- to reduce time and ensure accuracy and detail
- retrieval system for forms and precedents
- "to do" lists to help organize time and priorities

2. Delegation of Work to Support Staff

- to ensure least cost and faster client service
- support staff responds to client and lawyer calls
- support staff does as much as possible on each file

3. Legal and Factual Knowledge

- relevant statutes and case law identified in the file
- full factual investigation
- alternative strategies and risks identified and evaluated in file
- thoroughness (i.e. "no stone unturned") but also efficient (i.e. only relevant stones turned over)

4. Articulate and Neat

- all written material (e.g. correspondence, memos, pleadings) logical, grammatically correct and easily understood by recipient
- all written material error-free (no typos) and well-presented on the page

5. Timely

- quick requisition or demand letters / litigation filed within reasonable time
- files tickled regularly to avoid undue inactivity
- reporting letters are timely
- files closed promptly (both in office and to head office via CIF)

6. Peer Review

- other lawyer in office should read important pleadings, documents, memos etc.
- should be mandatory written policy in certain situations (e.g. multiple parties)
- management feedback and guidance apparent

D. Client Relations

1. Retainers

- in writing for all litigation files over four hours
- funds obtained "up-front" to cover initial fees and disbursements
- interim billings to replenish trust account and avoid receivables

2. Instructions and Authorizations

- obtain written client instructions and authorizations, in addition to retainer when appropriate
- should be mandatory written policy in certain situations (e.g. settlements)

3. Keeping Client Informed

- phone calls returned within 24 hours
- important correspondence and documents copied to client

Audit Checklist

A. General Office Organization	Yes	No	Rating (1-10)	Comments
1. Appearance of Office				
- conducive to satisfaction				
- client confidentiality				
2. Filing Systems				
- easy retrieval				
- forms, precedents, research				
- CIF duplication				
- same CIF - advice - 30 days				
3. File Storage				
- easy retrieval				
4. Reception & Intake				
- notes/instructions				
- avoid personal interviews				
- referring cases out				
- conflicts				
5. Mail, Fax and Courier				
- mail date stamped				
- timeliness				
- courier duplication				

Audit Checklist

B. Files	Yes	No	Rating (1-10)	Comments
1. Organization				
- limitation dates marked				
- notes/correspondence chronological				
- separate parts				
- no loose papers				
2. Limitation Dates				
- separate tickle system				
- advance warning				
- fail safe - day of event				
- person in charge				
- lawyer/secretary duplicate calender				
3. Docket Sheets or Slips				
- used				

Audit Checklist

C. Work Product	Yes	No	Rating (1-10)	Comments
1. Use of Checklists and Precedents				
- use checklists				
- retrieval system				
- time/priorities organized				
2. Delegation of Work				
- support staff for calls				
- support staff delegation fully utilized				
3. Legal and Factual Knowledge				
- statutes/cases identified				
- facts investigated				
- strategies/risks identified				
- thorough				
- efficient (relevancy)				
4. Articulate and Neat				
- logic, grammar, comprehensible				
- no typos, well-presented				
5. Timely				
- prompt letters/litigation				
- regular tickling				
- reporting letters timely				
- closed promptly				
6. Peer Review				
- lawyer double-check				
- management guidance				

Audit Checklist

D. Client Relations	Yes	No	Rating (1-10)	Comments
1. Retainers				
- in writing over 4 hours				
- funds "up front"				
- interim billing				
2. Instructions/Authorizations				
- in writing when appropriate				
- mandatory policy				
3. Keeping Client Informed				
- 24 hour phone call return				
- copies to clients				

UNIFOR LEGAL SERVICES PLAN
STATEMENT OF RECEIPTS AND EXPENDITURES
for the period ending December 31, 2014

	Jan-Oct	November	December	YTD 2014	YTD 2013
<u>RECEIPTS</u>					
Funding from Sponsors (schedule)					
Investment Income	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<u>EXPENDITURES</u>					
OFFICE COSTS (schedules)					
Salaries					
Operating Supplies and Expenditures					
Capital Expenditures-Fixed Assets					
Capital Expenditures-Rent Deposits					
Capital Expenditures-Startup Costs	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
LAWYER FEES					
Co-operating lawyer fees					
Co-operating notary fees					
Non co-operating lawyer fees					
Non co-operating notary fees					
GST	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL EXPENDITURES	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<u>RESERVE ADJUSTMENTS</u>					
Claims in Proc Adj-O/S Lawyers,All Groups					
Cost-to-Complete Adj-All Lawyers,All Groups	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL EXPENDITURES & RESERVE ADJ	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
EXCESS RECEIPTS OVER EXP & RESERVES	0.00	0.00	0.00	0.00	0.00
Excess(Deficit) from prior year					
DUE TO SPONSORS-END OF PERIOD	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

CAW Legal Services Plan

USAGE BY STATUS

Actives

	2005	2006	2007	2008	2009
	54,759	54,630	52,853	49,478	42,342
Opened Cases	34,570	32,564	31,499	29,354	26,534
% USAGE	63.1%	59.6%	59.6%	59.3%	62.7%

Retirees & Surviving Spouses

Opened Cases

% USAGE

	2005	2006	2007	2008	2009
	49,950	50,659	52,066	55,649	59,629
Opened Cases	15,542	16,679	17,846	19,225	20,531
% USAGE	31.1%	32.9%	34.3%	34.5%	34.4%

CAW Legal Services Plan

LAWYER TYPE

LAWYER	2005		2006		2007		2008		2009	
	Staff	23,161	46.2%	23,258	47.2%	23,858	48.3%	24,074	49.6%	23,919
Co-operating Lawyer	20,415	40.7%	19,743	40.1%	19,322	39.2%	18,602	38.3%	17,924	38.1%
Non-co-operating Lawyer	5,391	10.8%	5,049	10.3%	4,957	10.0%	4,765	9.8%	4,162	8.8%
Non-co-operating Notary	367	0.7%	341	0.7%	360	0.7%	341	0.7%	280	0.6%
Co-operating Notary	756	1.5%	829	1.7%	825	1.7%	768	1.6%	752	1.6%
U.S.A. Cases	22	0.0%	23	0.0%	23	0.0%	29	0.1%	28	0.1%

CAW Legal Services Plan

LEGAL PROBLEM TYPE
(Opened Cases)

	2005		2006		2007		2008		2009	
Wills & Estates	27,486	54.8%	27,903	56.7%	28,699	58.2%	30,278	62.3%	30,330	64.4%
Real Estate	12,361	24.7%	11,729	23.8%	10,959	22.2%	9,257	19.1%	8,361	17.8%
Landlord/Tenant	89	0.2%	134	0.3%	104	0.2%	85	0.2%	101	0.2%
Family	4,651	9.3%	4,463	9.1%	4,191	8.5%	4,099	8.4%	3,727	7.9%
Civil Litigation	475	0.9%	433	0.9%	486	1.0%	536	1.1%	469	1.0%
Criminal	783	1.6%	808	1.6%	844	1.7%	689	1.4%	656	1.4%
Consumer/Debtor	1,710	3.4%	1,638	3.3%	1,588	3.2%	1,644	3.4%	1,504	3.2%
Administrative	2,557	5.1%	2,135	4.3%	2,474	5.0%	1,963	4.0%	1,872	4.0%
Advice Only							28	0.1%	45	0.1%
TOTAL	50,112	100.0%	49,243	100.0%	49,345	100.0%	48,579	100.0%	47,065	100.0%

CAW Legal Services Plan

LEGAL PROBLEM
(Opened Cases)

Person Usage

	2005		2006		2007		2008		2009	
Wills & Estates	10,644	37.3%	10,778	38.7%	11,258	40.6%	11,536	43.8%	11,559	46.1%
Real Estate	8,819	30.9%	8,559	30.7%	7,883	28.4%	6,768	25.7%	6,068	24.2%
Landlord/Tenant	85	0.3%	129	0.5%	99	0.4%	82	0.3%	99	0.4%
Family	4,048	14.2%	3,913	14.1%	3,694	13.3%	3,555	13.5%	3,251	13.0%
Civil Litigation	454	1.6%	413	1.5%	473	1.7%	522	2.0%	454	1.8%
Criminal	736	2.6%	780	2.8%	803	2.9%	657	2.5%	621	2.5%
Consumer/Debtor	1,420	5.0%	1,400	5.0%	1,345	4.8%	1,448	5.5%	1,311	5.2%
Administrative	2,315	8.1%	1,874	6.7%	2,191	7.9%	1,759	6.7%	1,657	6.6%
"PLUS" Advice	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	42	0.2%

TOTAL	28,521	100.0%	27,846	100.0%	27,746	100.0%	26,327	100.0%	25,062	100.0%
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NOTE: Any person that has cases in more than one legal problem category is counted more than once.
Net number of persons which used the Plan in 2009 is 21,124.

Family Usage

	2005		2006		2007		2008		2009	
Wills & Estates	7,031	28.7%	7,128	30.1%	7,406	31.6%	7,542	34.4%	7,606	36.7%
Real Estate	8,689	35.5%	8,408	35.5%	7,722	33.0%	6,632	30.2%	5,941	28.7%
Landlord/Tenant	85	0.3%	129	0.5%	98	0.4%	82	0.4%	99	0.5%
Family	3,874	15.8%	3,709	15.6%	3,523	15.0%	3,398	15.5%	3,118	15.0%
Civil Litigation	450	1.8%	412	1.7%	469	2.0%	519	2.4%	452	2.2%
Criminal	725	3.0%	772	3.3%	792	3.4%	653	3.0%	607	2.9%
Consumer/Debtor	1,407	5.8%	1,381	5.8%	1,337	5.7%	1,415	6.5%	1,293	6.2%
Administrative	2,204	9.0%	1,772	7.5%	2,079	8.9%	1,686	7.7%	1,570	7.6%
"PLUS" Advice	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	42	0.2%

TOTAL	24,465	100.0%	23,711	100.0%	23,426	100.0%	21,927	100.0%	20,728	100.0%
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NOTE: Any family that has cases in more than one legal problem category is counted more than once.
Net number of families which used the Plan in 2009 is 16,542.