

Justice and Solicitor General

Annual Report **2018–19**

Note to Readers:

Copies of the annual report are available on the Alberta Open Government Portal website www.alberta.ca

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ISBN: 978-1-4601-4382-7 (Print)
ISBN: 978-1-4601-4383-4 (PDF online)
ISSN: 2371-2244 (Print)
ISSN: 2371-2252 (PDF online)

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Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Fiscal Planning and Transparency Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 21 ministries.

The annual report of the Government of Alberta contain, the consolidated financial statements of the province and the *Measuring Up* report, which compares actual performance results to desired results set out in the government's strategic plan.

This annual report of the Ministry of Justice and Solicitor General contains the financial information of the ministry and a comparison of actual performance results to desired results set out in the ministry business plan. This ministry annual report also includes:

- the financial statements of entities making up the ministry including the Human Rights Education and Multiculturalism Fund, the Victims of Crime Fund, for which the minister is responsible;
- the financial statements of the Office of the Public Guardian and Trustee, Estates and Trusts for which the minister is responsible;
- other financial information as required by the *Financial Administration Act* and *Fiscal Planning and Transparency Act*, either as separate reports or as a part of the financial statements, to the extent that the ministry has anything to report; and,
- financial information relating to trust funds.

In December 2018, government announced changes to the 2018-19 ministry annual reports. Ministry and department audited financial statements, previously included in the annual report of the Ministry of Justice and Solicitor General, have been replaced with the financial information of the ministry found starting on page 54.

Key information previously contained in the annual reports, of each of the 21 ministries, is now included in the audited consolidated financial statements of the province.

Message from the Minister



Over the past 12 months, Justice and Solicitor General continued to fulfill its mission of keeping our communities safe and secure, and ensuring Albertans have access to a fair and responsive justice system. This ministry has a large and capable team, and the achievements described in this report are a testament to their hard work.

Our first duty continues to be protecting public safety. Albertans remain concerned about rising crime rates, and the justice system's capacity for dealing with these offences. These concerns are particularly acute in rural areas of the province, where isolated properties can be a prime target for thefts. By allocating new funding to address child exploitation and domestic violence, to hire Crown prosecutors and civilian employees, and to support strategies that enable frontline officers to spend more time in the field, we can better protect vulnerable Albertans. We will also seek out how best to prosecute cases more quickly and reduce court backlogs.

My thanks to the ministry staff for the commitment and professionalism they have shown during the past year. Similarly, I appreciate all our partners across the justice and law enforcement system, who do outstanding work under often difficult and dangerous circumstances. I am confident that together we can find innovative and fiscally responsible ways to address the challenges facing us.

[Original Signed By]

Honourable Doug Schweitzer
Minister of Justice and Solicitor General

Management's Responsibility for Reporting

The Ministry of Justice and Solicitor General includes the Department of Justice and Solicitor General, the Human Rights Education and Multiculturalism Fund, and the Victims of Crime Fund.

The executives of the individual entities within the ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the ministry complies with all relevant legislation, regulations, and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and strategic plan, annual report, quarterly reports, and other financial and performance reporting.

Responsibility for the integrity and objectivity of consolidated financial statements and performance results for the ministry rests with the Minister of Justice and Solicitor General. Under the direction of the minister, I oversee the preparation of the ministry's annual report, including the financial information and performance results. The financial information and performance results, of necessity, include amounts that are based on estimates and judgments. The financial information is prepared using the government's stated accounting policies, which are based on Canadian public sector accounting standards. The performance measures are prepared in accordance with the following criteria:

Reliability – information used in applying performance measure methodologies agrees with the underlying source data for the current and prior years' results.

Understandability – the performance measure methodologies and results are presented clearly.

Comparability – the methodologies for performance measure preparation are applied consistently for the current and prior years' results.

Completeness – outcomes, performance measures and related targets match those included in the ministry's *Budget 2018*.

As deputy minister, in addition to program responsibilities, I am responsible for the ministry's financial administration and reporting functions. The ministry maintains systems of financial management and internal control which give consideration to costs, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the province under ministry administration;
- provide Executive Council, The President of Treasury Board and Minister of Finance, and the Minister of Justice and Solicitor General the information necessary to the fulfillment of their responsibilities; and,

- facilitate preparation of ministry business plans and annual reports required under *the Fiscal Planning and Transparency Act*.

In fulfilling my responsibilities for the ministry, I have relied, as necessary, on the executives of the individual entities within the ministry.

[Original Signed By]

Philip Bryden, Q.C.
Deputy Minister of Justice and Deputy Solicitor General
June 3, 2019

Results Analysis

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Ministry Overview

In 2018-19, Justice and Solicitor General strived to achieve four outcomes:

- **Outcome One:** Albertans are safe and protected through focused work on a preventative and sustainable model of community safety.
- **Outcome Two:** Vulnerable Albertans are safe and supported during interactions with the justice system.
- **Outcome Three:** Albertans have access to information and services to help resolve their civil, criminal, and/or family legal issues, and, when required, have appropriate and timely access to the courts.
- **Outcome Four:** Alberta's custodial and community supervision is sustainable, appropriate, and proportionate.

The following key risks to achieving ministry outcomes were identified:

- **Proportionality.** In order to ensure that serious and violent crimes are resolved within the timeframe imposed by the Supreme Court of Canada in the *R v Jordan* decision, the ministry must modify its approach. The system response must be proportionate to the severity of the crime committed, while balancing the cumulative impact that low-level prolific crimes have on victims and communities. If the current disproportional response to crime and social disorder is not addressed, it will result in further strains on the justice system including delays in court, dismissal of cases, and ultimately the erosion of community safety.
- **Sustainability and integration.** A sustainable justice system must focus on crime prevention, and operate in a cohesive and integrated manner to coordinate, align and prioritize work effectively. There are many different competing mandates, priorities and pressures within the justice system so a balanced response is required. Without balance, complex issues are addressed in a disjointed and siloed manner, staff struggle to deliver services that meet client expectations, and the system is difficult for Albertans to access and navigate.
- **Evidence based decision-making.** In order to provide modern services efficiently and effectively, decision makers require timely access to accurate, reliable and appropriate information. Without this information, decisions could be delayed and uninformed, undermining the ministry's credibility and ability to achieve its strategic outcomes.

Organizational Structure

Justice and Solicitor General

Alberta Crown Prosecution Service Division

The Alberta Crown Prosecution Service (ACPS) is responsible for the prosecution of persons charged under the *Criminal Code*, *Youth Criminal Justice Act*, and provincial statute offences.

The ACPS also handles criminal appeals in the Court of Appeal of Alberta and the Supreme Court of Canada on behalf of Alberta's Attorney General. Additionally, the ACPS develops criminal law policy for

the province and supports criminal law consultation with other provinces, territories, and the Government of Canada.

The authority to conduct prosecutions, including all of the discretionary decisions that must be made in every case, originates with the office of the Attorney General. With this role also comes the duty to remain independent. Crown prosecutors are appointed to act for the Attorney General and administer justice at the local level. Through these appointments, the Attorney General empowers agents to perform his prosecutorial duties.

Correctional Services Division

Correctional Services is responsible for the effective and efficient custody and supervision of adults and youth under correctional authority, including the facilitation of rehabilitation opportunities. Custody is reserved for adults who are remanded or serving a sentence of less than two years and for youth who are remanded or sentenced. Community supervision includes programs such as pre-trial supervision, probation, and alternative measures/sanctions for both adults and youth.

Justice Services Division

Justice Services provides public-facing programs and a range of services including: facilitating court-ordered child, spousal, and partner support; recovering fines under the *Criminal Code* and *Traffic Safety Act*; providing Albertans with compensation for injuries received in accidents involving uninsured or unknown (hit and run) motorists; and reducing crime by taking away money and property acquired through illegal means. The Property Rights Advocate Office is a resource for Albertans and ministries that addresses systemic issues affecting property rights. The Office of the Public Guardian and Trustee provides decision-making support for personal and financial challenges facing Albertans, and the Office of the Chief Medical Examiner provides responsive front-line death investigation and death certification services for sudden deaths. The ministry is party to a tri-partite agreement with the Law Society of Alberta and Legal Aid Alberta (LAA) in the delivery of legal aid to Albertans; oversight of this agreement is carried out within this division.

Legal Services Division

Legal Services assists the minister in providing legal advice to the Premier and Cabinet. With a comprehensive understanding of government's legislative and regulatory frameworks, policy objectives, and key programs, the division provides legal representation for, and legal advice to, all government departments. The division supports deputy ministers and their departments in managing legal risks and ensuring that public affairs are administered according to law. The Legislative Counsel Office within the division drafts legislation, regulations, and Orders in Council.

Ministry Support Services

Ministry Support Services include the minister's office, deputy minister's office and the Corporate Services Division. Corporate Services includes branches that are critical to supporting ongoing government operations such as financial services, policy, planning and coordination activities, evaluation, agency oversight, facilities and fleet management, procurement, emergency management and transformation services. These advisory and support services are provided to the entire ministry, and Alberta courts to establish and maintain strategic priorities and optimize operating efficiency, while ensuring division, ministry and Government of Alberta goals are aligned. Corporate Services also oversees the ministry's training academy for correctional and peace officers.

Public Security Division

Public Security is responsible for law enforcement, crime prevention, restorative justice, and victim services. This mandate covers a broad portfolio of functions, such as: integrated policing initiatives; delivery of supplementary law enforcement (including court security); prisoner transport; traffic safety enforcement; protection of officials and infrastructure; commercial vehicle safety enforcement; fish and wildlife enforcement; police oversight and contract management; oversight of private investigators and security guards; and security services for government buildings, employees, the judiciary, and members of government. Additionally, the division is responsible for providing victims and their families with general information concerning services available to victims on how the justice system operates and overall oversight and administration of the *Victims of Crime Act* and the *Canadian Victims Bill of Rights*.

Resolution and Court Administration Services

Resolution and Court Administration Services (RCAS) provides resolution services to Albertans and court administration services to support Alberta courts and Albertans. The division's vision is to innovate, collaborate and provide strategic leadership in its service delivery to Albertans and the courts. This includes the provision of a broad range of services to help resolve legal issues, including information services, referrals to legal resources, dispute resolution, and court assistance. RCAS supports the three Alberta courts by providing administrative and technical support services. The division implements policies, programs, and legislative and regulatory initiatives related to a number of areas, including judicial appointment and selection and judicial compensation, as well as family, surrogate, criminal, and civil matters.

Agencies, Boards and Commissions

Alberta Human Rights Commission

The Minister of Justice and Solicitor General is responsible for the *Alberta Human Rights Act* (the Act), which establishes the Alberta Human Rights Commission (the Commission) and the Human Rights Education and Multiculturalism Fund (the Fund).

Reporting to the Minister, but independent of the Government of Alberta, the Commission protects human rights across the province by resolving complaints made under the Act. Human rights tribunals adjudicate complaints that cannot be resolved. The Commission works to eliminate discrimination and barriers to full participation in society through education and community engagement. The Chief of the Commission and Tribunals, members of the Commission and the Director of the Commission are appointed through Orders in Council.

The Commission is also responsible for overseeing the administration of the Human Rights Education and Multiculturalism Fund on behalf of the Minister of Justice and Solicitor General. Through its grant program, the Fund provides financial support to community organizations for projects that foster equality and reduce discrimination. The Fund also provides financial support for the Commission's education and engagement initiatives. The Commission publishes an annual report that summarizes its activities.

Alberta Review Board

The Alberta Review Board makes or reviews dispositions concerning any accused adult or young person for whom a verdict of “not criminally responsible because of mental disorder” or “unfit to stand trial” is rendered, according to the provisions of the Criminal Code. The board also has the responsibility of determining whether such a person should be subject to a detention order, or be granted either a conditional discharge or an absolute discharge. The board members are appointed through Orders in Council.

Criminal Injuries Review Board

The Criminal Injuries Review Board considers requests for reviews of decisions regarding applications for financial benefits for victims of crime under the *Victims of Crime Act*. The board may request experts to assist with a review and has the power to confirm, rescind, or vary decisions made by the Director of the Victims of Crime Financial Benefits Program. The board members are appointed through Orders in Council.

Fatality Review Board

The Fatality Review Board is responsible for the review of investigations under the *Fatality Inquiries Act* (the Act). The board determines whether there is a need to hold a public fatality inquiry and reviews complaints with respect to misbehaviour, incompetence, or neglect of duty by medical examiners or the inability of medical examiners to perform their duties under the Act. The board members are appointed through Orders in Council.

Judicial Council

The Judicial Council screens individuals to determine whether they are qualified for appointment to the Provincial Court of Alberta. The council is granted jurisdiction to deal with complaints against masters, provincial court judges, and justices of the peace. The council is composed of six members, two of whom are appointed by Ministerial Orders and four who are designated under the *Judicature Act*.

Law Enforcement Review Board

The Law Enforcement Review Board hears appeals from members of the public and police officers who have complaints regarding the actions of police officers, or who are unsatisfied with the disposition of their complaint by the responsible chief of police. The board is established under the *Police Act*. The board also hears appeals relating to peace officer employer authorizations or peace officer appointments cancelled under the *Peace Officer Act*. The board members are appointed through Orders in Council.

Notaries Public Review Committee

The Notaries Public Review Committee advises the Minister of Justice and Solicitor General on appointments of lay notaries public. The committee consists of a member of the Law Society of Alberta, a member of the community, and a member of the ministry (who acts as the secretary). All are appointed by Ministerial Orders under the Government *Organization Act*.

Provincial Court Nominating Committee

The Provincial Court Nominating Committee makes recommendations to the Minister of Justice and Solicitor General on the appointment of individuals to the Provincial Court of Alberta. The committee is composed of 11 members, eight of whom are appointed by Ministerial Orders and include representatives from the legal profession and members of the public. The remaining three committee members are the Chief Judge of the Provincial Court of Alberta, the President of the Law Society of Alberta, and the President of the Canadian Bar Association (Alberta Branch) or their representatives. By way of convention, the minister uses this committee's recommendations in making recommendations to Cabinet for the appointment of new judges.

Rules of Court Committee

The Rules of Court Committee makes recommendations to the Minister of Justice and Solicitor General on amendments to the Rules of Court made under the *Judicature Act*. The committee consists of six members: the Chief Justice of Alberta or designate; the Chief Justice of the Court of Queen's Bench or designate; the Chief Judge of the Provincial Court of Alberta or designate; two members appointed on recommendation of the Law Society of Alberta; and, one member appointed at the discretion of the minister.

Victims of Crime Programs Committee

The Victims of Crime Programs Committee makes recommendations on grant applications and provides information on programs and services to assist victims of crime. The committee members are appointed by Ministerial Orders.

Key Factors Influencing Performance

Justice and Solicitor General strives to ensure that all Albertans live in safe and secure communities while having access to a fair and innovative justice system that is supportive and responsive to their needs.

Alberta's population continues to grow in both size and diversity, and the geographic spread of its communities creates a number of challenges to providing consistent and standardized services. Court decisions and new federal legislation have also placed pressures on Alberta's justice system.

The ministry continues to modernize and update its services to meet growing demand, improve access to and the availability of services in rural communities, adapt to the changing demographics of the population, and respond to court rulings and legislative changes.

The legalization of cannabis on October 17, 2018 coincided with the introduction of new laws and regulatory frameworks for controlling its production, distribution, sale, and possession. While the oversight of this new industry is the responsibility of the Alberta Gaming, Liquor and Cannabis Commission, the enforcement of these new laws, specifically those related to drug-impaired driving, remain with the justice system and its partners.

The timeframes for bringing criminal charges to trial established by the Supreme Court of Canada in the *R v Jordan* decision have continued to create pressures in Alberta's justice system. The system response must be proportionate to the severity of the crime committed, while balancing the cumulative impact that low-level prolific crimes have on victims and communities. To meet these challenges, there has been an increased use of sanctions, where appropriate, to address matters outside of the courts, and allow more serious matters requiring court time to be heard more quickly.

The ministry has continued to look into innovative methods of modernizing the justice system. By adopting and expanding the use of technologies, such as electronic document filing and ticketing, the ministry has been able to make better use of the resources and ensure that the administration of justice in the province remains stable and sustainable. The ministry has been working to improve data collection and analysis processes to better provide decision-makers with timely access to accurate, reliable and appropriate information, ultimately enhancing the ministry's ability to achieve its strategic outcomes.

Alberta has seen a steady increase in overall crime severity, including an increased rate of violent and property crime, and the growing influence of organized crime. This trend is particularly evident in rural areas, where law enforcement faces unique challenges. The ministry has been addressing these issues with help from our justice system partners to place resources where they are most needed. To be sustainable, the justice system must focus on crime prevention, and operate in a cohesive and integrated manner to coordinate, align and prioritize work effectively.

Some justice system clients experience a multitude of interrelated issues, such as addiction, mental health, and poverty, and require many types of supports. Justice and Solicitor General, along with its partner agencies and ministries, has increased its efforts to develop a more integrated and coordinated approach to address these clients' needs and the root causes that lead to or exacerbate individuals' interactions with the justice system.

Discussion and Analysis of Results

Outcome One

Albertans are safe and protected through focused work on a preventative and sustainable model of community safety

The justice system is multifaceted and must strive to strike the right balance between complex and competing priorities. To promote sustainability, the ministry aims to shift over time from a reactive model to a preventative model, as well as use evidence-based resources to enhance the ability to generate and analyze meaningful data for decision-making. The preventative model promotes community safety by addressing the underlying drivers of crime and emphasizing rehabilitation to reduce recidivism.

Key Strategies

1.1 Together with our partners, explore opportunities to engage in a more preventative approach to criminal justice that ensures drivers of crime, including addiction and mental health issues, are addressed.

Justice and Solicitor General worked with partners to develop an informed, consistent, and coordinated approach to address drivers of crime and provide better service to Albertans. The ministry recognizes that many of its clients have complex needs and continues to work with its partners to provide comprehensive solutions to help address these issues.

The Office of the Public Guardian and Trustee (OPGT) has been working with Alberta Community and Social Services to share information regarding common clients with complex needs, ensuring wrap-around services are available to address issues such as mental health, addictions, and criminal justice involvement. This approach ensures integrated service delivery, which contributes to system sustainability.

The ministry continues to explore ways to assist Albertans who need specialized assistance within the justice system. In April 2018, Justice and Solicitor General collaborated with the Provincial Court of Alberta, Alberta Health, Alberta Health Services, Alberta Community and Social Services, and Legal Aid Alberta to launch the Edmonton Mental Health Court. Based on models used in other Canadian jurisdictions, the Mental Health Court is a collaborative approach between the justice system and health care professionals to hear cases involving Albertans who may be facing mental health challenges and illnesses. Crown prosecutors, defence counsel, social workers, and mental health professionals work together to help accused persons receive appropriate sentencing and address their psychosocial needs by connecting them to resources in the health system and the community, ultimately addressing the underlying reasons that may lead to criminal behaviour.

Quick Fact

From April 2018 to March 2019, the Edmonton Mental Health Court heard approximately 3,800 matters.

The Mental Health Police Advisory Committee works with police, health, and community partners to deliver two-day “Police & Community Response to Mental Illness” training across the province. To date,

six sessions have been offered (Edmonton and Grande Prairie in 2017; St. Paul, Red Deer and Medicine Hat in 2018; and Lethbridge in 2019) with approximately 250 police members receiving training. The goal of the training is to help police, and the communities within which they operate, feel more empowered to effectively deal with calls for service involving people with mental illness. The training sessions also ensure all local partners involved in mental illness service delivery are part of the same conversation, hearing the same information on best practices and local processes for the care and treatment of those in the community with mental illness.

The Sexual Violence Police Advisory Committee (SVPAC) was established in April 2015 as a part of a broader approach to address sexual violence and to promote consistent practices across Alberta. SVPAC provides a forum for collaboration on issues surrounding sexual violence and facilitates knowledge exchange between law enforcement, subject matter experts, victim serving agencies and government. The SVPAC continues to meet monthly and is currently exploring the topic of sexual assault exam kits and the Sexual Assault Response Teams model in hopes of developing consistency in the cost, availability, and application of sexual assault examinations throughout Alberta.

A subcommittee of the SVPAC is managing ongoing work related to the development of a sexual violence curriculum for law enforcement. The Curriculum Design Subcommittee is working with a curriculum designer and scientific advisor to develop training curriculum on consent law, myths and stereotypes, best practices for communicating with victims and witnesses, as well as the neurobiology of trauma, to augment existing curriculum within police services. A Trauma Informed Sexual Violence Investigation module will be developed for law enforcement to access through the Canadian Police Knowledge Network.

Quick Fact

In 2018, approximately 300 people received family violence training, including for the first time, Fish and Wildlife officers.

The Family Violence Police Advisory Committee (FVPAC) continues to act as forum for addressing emerging family violence, and includes the organization of family violence training for police and other justice system stakeholders. On behalf of the committee, the ministry hosts, schedules and coordinates two-day training sessions focused on key family violence issues and topics relevant to police, community corrections and court administration officers. Topics include, but are not limited to, domestic violence investigations, criminal harassment, protection orders, victims services, and the effects of family violence on children. FVPAC led the development of [Strategies for Safety: Considerations for Individuals Experiencing Family Violence](#), a guide which provides police and other frontline responders with tools, strategies, and information to support and engage victims of family violence throughout the safety planning process.

Justice and Solicitor General is committed to working with partners to address illicit drug use and reduce opioid-related deaths in Alberta. The Office of the Chief Medical Examiner (OCME) is supporting Alberta Health in reducing opioid-related deaths by sharing case and toxicity data, which then informs quarterly surveillance reports on opioid misuse produced by Alberta Health.

The Emerging Substances Police Advisory Committee (ESPAC) was developed in 2016 and includes representation from law enforcement agencies, Justice and Solicitor General, Alberta Health, Alberta Health Services, and other stakeholders. ESPAC provides input and explores the challenges associated with education and enforcement around the use of illicit drugs, including fentanyl. The group has focused on developing and implementing common key messages and approaches to education, enforcement, and safety principles related to illicit drug misuse and provides a forum in which to share information and concerns among law enforcement. In October 2018, two-day symposiums were held in both Calgary and

Edmonton for law enforcement and peace officers on the topics of fentanyl abuse and new cannabis legislation.

In June 2018, Justice and Solicitor General launched a multi-phase review of *Alberta's Police Act*, which was enacted in 1988. The ministry initiated this review in response to requests from key external stakeholders, including the Alberta Association of Chiefs of Police, Alberta Association of Police Governance, Alberta Federation of Police Associations, Alberta Urban Municipalities Association, Rural Municipalities of Alberta, Criminal Trial Lawyers' Association, and the Law Enforcement Review Board.

Feedback from Indigenous participants highlighted the importance of having a separate engagement strategy for Indigenous communities and organizations to speak to topics including First Nations policing, and how the Calls to Action from the Truth and Reconciliation Commission of Canada and restorative justice and diversion practices could be integrated into the *Police Act*.

The first phase of the review gathered stakeholder perspectives on topics related to the *Police Act* and Police Service Regulation. Engagements took place with police (chiefs and members), policing oversight bodies, the health sector, social services, legal services, the social justice sector, Indigenous communities and organizations, crime prevention and restorative justice groups, victim services, and academia. Round-table discussions with stakeholders explored the topics of enhancing trust, legitimacy and supports, collaborative approaches, roles and responsibilities, policy and oversight, diversion and the power of discretion, officer safety, communication, analytics, and information exchange.

To date, feedback has highlighted that relationships between police services and community partners are critical to the success of policing. The need for mutual understanding between police services and community partners was a recurring theme throughout the engagement process. Stakeholders emphasized the necessity for a multi-factor police funding model that better reflects the needs of small, mid-size, and large municipalities. Stakeholders supported exploration of a centralized, arm's-length police oversight and complaints model to ensure impartial and timely reviews of complaints. This approach would enhance trust in police services and support meaningful resolution for complainants and officers involved. There was consensus support for expansion of restorative justice techniques for pre-charge diversion, as well as a formalized framework to facilitate the use of these approaches.

1.2 Enhance collaborative relationships between government, law enforcement partners and the communities they serve, in order to modernize enforcement and promote effective crime reduction.

Justice and Solicitor General is committed to crime prevention and reduction. On April 1, 2018 the province launched a seven point action plan allocating \$10 million to address rural crime – \$8 million to the RCMP and \$2 million to the Alberta Crown Prosecutor Service to hire additional Crown prosecutors in rural Alberta. With this funding, the RCMP launched its strategy to reduce rural crime, hiring an additional 39 police officers and 40 civilian employees. Since the launch of the action plan and the RCMP's crime reduction strategy, property crime have seen a 9.8 percent decrease in rural detachments and a 6.1 percent decrease in municipal detachments.

A comparison of crime statistics from the 2017 calendar year to 2018 reveals there have been 480 fewer homes broken into, almost 3,500 fewer thefts, and more than 1,200 fewer vehicles thefts. As part of the action plan, implementation of RCMP data centres, as well as call management centres, has allowed officers to continue their investigative or patrol duties, rather than returning to their detachment following a police response. Officers are now able to phone the data centre, where civilian staff input information into the RCMP police database. The call management centres divert non-emergency calls for service (i.e., call

which do not need to be addressed immediately or pose a threat to public safety) to Call Back Units instead of frontline members. Work will continue in 2019 to further enhance the rural crime strategy.

In 2018-19, \$170,000 in grant funding was provided directly to provincial network associations, including the Alberta Crime Prevention Association, the Alberta Citizens on Patrol Association, and the Alberta Rural Crime Watch Association. These organizations play an important role in engaging local communities to take part in reducing crime risk and coordinating crime reduction efforts throughout the province.

Alberta's Civil Forfeiture program takes the profit out of crime by removing property associated with crime so it cannot be used to carry out future crimes, and by using forfeited property to support crime prevention initiatives. In 2018-19, the program resulted in forfeiture of over \$2.2 million in property associated with crime, which was a 57 percent increase over 2017-18 (\$1.4 million). This increase was primarily due to the implementation of the Civil Forfeiture Office's (CFO) Administrative Disposition procedure, which allowed the CFO to accept a higher number of police referrals and reduced the demand for litigation services.

Quick Fact

In 2018-19, \$2.5 million in grant funding from the Civil Forfeiture program was awarded to community organizations that promote crime prevention.

Administrative Disposition is a statutory procedure in situations where forfeiture is unopposed that allows for forfeiture of property associated with crime without requiring a court action. Implementation of Administrative Disposition has resulted in the diversion of most civil forfeiture cases from the Courts, freeing up court time. In 2018-19, 77 percent of all Administrative Disposition files were diverted from the Courts, resulting in continued improvement to justice system efficiency. The operating cost for the CFO was approximately \$0.93 million in 2018-19.

Justice and Solicitor General is responsible for ensuring policing services are providing effective and adequate policing in their communities, and performing their duties according to legislated requirements, standards and community priorities. In 2018-19, the ministry implemented updated Alberta Policing Standards which were then distributed to all police services, and developed a new audit process. A Policing Standards Committee, with representatives from the ministry and all police services in Alberta, was created to help prepare police for upcoming audits and to provide proactive feedback regarding the standards. A new Alberta Physical Readiness Evaluation for Police (A-PREP) Manual and Forms were created with input from various police services to enhance the police recruitment selection process. In addition, the ministry worked with Alberta Transportation to draft and implement a new Automated Traffic Enforcement Technology Guideline to provide more clear direction to police services, municipalities, and contract service providers.

Justice and Solicitor General provided over \$10 million to Indigenous communities for policing services. Three independent police services operate in Indigenous communities through policing agreements with the province and the federal government. In 2018-19, the ministry provided an additional \$1.1 million to recruit crime prevention officers and school resource officers for the Blood Tribe Police Service, Tsuut'ina Police Service and Lakeshore Regional Police Service. The ministry continues to negotiate with Public Safety Canada for additional police resources, as well as negotiating multi-year funding agreements in an effort to enhance policing services in Alberta's Indigenous communities.

In addition to its work with external law enforcement partners, Justice and Solicitor General ensures the delivery of supplementary enforcement services such as court security, prisoner transport, traffic safety

enforcement, protection of government and justice officials, commercial vehicle safety enforcement, and fish and wildlife enforcement.

The Fish and Wildlife Enforcement Branch's mission is to conserve and protect the province's wildlife, fisheries, and public lands on behalf of Albertans. Fish and wildlife officers are appointed under various federal and provincial legislation and deliver conservation law enforcement services through education, prevention, and enforcement programs. They are responsible for protection of life and property by delivering prevention, mitigation and compensation programs to address human/wildlife conflict.

Quick Fact

In 2018-19, Fish and Wildlife Enforcement received 14,873 calls through the Report a Poacher hotline and recorded 61,263 contacts with the public. They also issued 8,511 enforcement actions.

Through its work, Justice and Solicitor General's Commercial Vehicle Enforcement Branch (CVEB) helps to keep Alberta's highways safe. CVEB is responsible for monitoring the weight and mechanical fitness of

commercial vehicles, as well as monitoring the fitness of commercial vehicles. CVEB is the lead agency in Alberta for the Commercial Vehicle Safety Alliance, certifying officers to conduct North American Standard Inspections to achieve uniformity, compatibility and reciprocity of inspections and enforcement by certified inspectors. Over the past year, CVEB supported Alberta Transportation to develop new requirements for commercial truck and bus drivers, and commercial transport companies, which came into effect March 1, 2019.

Quick Fact

In 2018-19, Commercial Vehicle Enforcement officers inspected 27,696 commercial vehicles and drivers, resulting in a measureable safety benefit to the public of approximately \$3,066 per inspection or \$84.9 million overall.

CVEB, in partnership with the Alberta Motor Transport Association, received a national award from the Intelligent Transportation Systems Society of Canada for technology that enables commercial carriers with exemplary safety records to participate in a province-wide pre-clearance program to bypass weigh stations. This program results in a number of benefits such as time savings and reduced fuel costs while supporting safety on our roads. This program plays an important role in highway safety as it provides additional incentives to achieving high safety ratings.

The Alberta Sheriffs Branch plays a key role in promoting safe and resilient communities throughout the province. Sheriffs are appointed peace officers under the *Alberta Peace Officer Act* and perform a wide range of activities in partnership with other law enforcement and policing partners. Sheriffs provide investigative and enforcement support to police agencies, as well as providing court security and prisoner escort services for court facilities across the province, and perimeter screening services to base court facilities. Legislature and Government Center Security provides security for special events, protests, and organized rallies. The Sheriffs Operational Communications Center provides provincial radio communications and dispatch for sheriffs, and is the branch's central hub for Canadian Police Information Centre (CPIC) data transfer.

Quick Fact

Court Security and Prisoner Transport conducted 45,233 prisoner escorts and traveled over 2,525,761 kms. Sheriff perimeter screening stations at various courthouse locations across the province screened 1,592,892 people and seized 6,866 weapons, drugs, and drug paraphernalia.

The Safer Communities and Neighbourhoods Unit (SCAN) improves community safety by using civil legislation to target residential and commercial properties where specified illegal activity is occurring. This activity includes drug consumption, drug trafficking, gangs, and the exploitation of individuals for the purpose of prostitution. The *Safer Communities and Neighbourhoods Act* holds property owners accountable for the illegal activity taking place on their property. SCAN investigators also support property owners by assisting them in removing problem tenants where specified illegal activity is occurring. SCAN is a resource for communities across Alberta and has been extremely successful, having investigated more than 4,900 complaints since the inception of the program in October of 2008. During this same time, 74 Community Safety Orders have been executed in the province.

Quick Fact

In the 2018 calendar year, SCAN executed eight Community Safety Orders, issued 84 warning letters, and worked on 833 investigative files.

The Sheriffs Investigative Support Unit consist of covert surveillance teams who provide investigative surveillance support to both government and police agencies, for major and organized crime investigations within Alberta. These teams have also worked a number of national security and child exploitation files, with great success. They were integral in gathering evidence to support the police in obtaining numerous search warrants, which resulted in large seizures of drugs and firearms, as well as high-profile arrests.

The ministry's commitment to traffic safety is reflected in Sheriffs Traffic Operations partnership with RCMP traffic services, with 18 Integrated Traffic Units deployed throughout the province. This unit works to address infractions such as seatbelt violations and distracted driving, promoting safety and reducing serious injuries and fatal collisions.

Justice and Solicitor General has initiated several projects aimed at increasing diversity among its enforcement personnel. In late 2018, a Fish and Wildlife Female Officer Recruitment and Retention Project began examining issues around the recruitment and retention of female fish and wildlife officers. In the Sheriffs Branch, a Women's Working Group was formed to identify recruiting and retention issues. The objective is to identify what is hindering women from applying and what is necessary to retain them once they are hired.

Quick Fact

In 2018, a total of 24,472 active individual licenses and 916 business licenses were provided through the Security Services and Investigators program.

Justice and Solicitor General also provides a number of key oversight functions. The Security Services and Investigators Program licenses businesses and individuals engaged in the broad industry of security and investigative services in accordance with Alberta's *Security Services and Investigators Act*. A new registry agent program was implemented allowing Albertans to obtain licenses through a local registry agent office the same day. The initial rollout involved 12 agencies. The ministry also administers the Body Armour Control Program, which provides permits for body armour to individuals with no

criminal record who legitimately require it for their job or personal safety as legislated under Alberta's *Body Armour Control Act*.

Changes to the qualifications for community peace officers (CPOs) and new policy requirements for their employers were announced in fall 2018 in response to recommendations from the fatality inquiry into the death of Rod Lazenby, a CPO who was killed while on duty in 2012. All CPOs are now required to meet

the same training and physical assessment standards, regardless of legislative authority and role, with the exception of CPOs employed in administrative roles.

1.3 Alberta has legislation, regulations, policies, and programs in place to implement the federal government's decision to legalize cannabis in 2018.

Alberta launched its legal cannabis retail system on October 17, 2018, which includes both licensed private storefront and public online sales, successfully meeting the federally established legalization date. Following more than 18 months of preparation, and one of the largest public consultations in Alberta's history, Alberta's system for legalized cannabis provides adults safe access to legal cannabis while protecting Alberta's youth and public health, promoting safety on roads, in workplaces and in public spaces, and limiting the illegal market.

While Alberta was prepared for the initial proposed legalization date of July 2018, ultimately the federal government selected October 17, 2018 as the date of the federal *Cannabis Act* would come into force, delaying implementation of the provincial system accordingly. Following the legalization of cannabis, responsibility for cannabis-related work transferred to Treasury Board and Finance, which oversees the Alberta Gaming, Liquor and Cannabis Commission.

The Alberta Cannabis Framework and enabling legislation sets the stage for responsible cannabis use in our province and outlines our four policy priorities:

- keeping cannabis out of the hands of children and youth
- protecting safety on roads, in workplaces and in public spaces
- protecting public health
- limiting the illegal market for cannabis

The framework was developed after months of engagement with Albertans, stakeholders and partners, extensive research into other jurisdictions and published evidence, and consideration of our existing gaming, liquor and tobacco laws. Alberta has committed to ongoing evaluation and review of the system to ensure that it is working as intended and achieving its policy objectives.

The federal decision to legalize cannabis aims to prevent Canadians from entering the criminal justice system and receiving criminal records for simple cannabis possession offences. At the same time, it will free up resources in the criminal justice system, which were previously required to deal with cannabis-related offences.

Alberta's legislative framework regulates the legal cannabis industry and enforces provincial offences under the *Gaming, Liquor and Cannabis Act*. Penalties for cannabis offences under this provincial legislation are similar to penalties for alcohol and tobacco offences in that they involve fines without a criminal record. These provincial offences are also within the jurisdiction of the *Justice of the Peace Act* and are dealt with before a Justice of the Peace.

Additionally, Alberta worked with its partners to guide training and policy across law enforcement agencies, ensuring police and peace officers would consistently apply the new rules to achieve policy objectives for the legalization of cannabis.

The development of the Alberta Cannabis Framework and supporting legislation involved extensive research into the ways other jurisdictions approached cannabis legalization, and the impacts of cannabis legalization on their health and justice systems. The Framework was also supported by existing research

related to the health impacts of cannabis, as well as an understanding of the impacts of involvement in the justice system by disadvantaged or vulnerable groups. The Alberta government continues to collect information on charges laid for new offences created under federal and provincial legislation. This information will be used to support future decision-making as the system for legalized cannabis in Alberta continues to unfold.

Performance Measure 1.a:

Percentage of Albertans who feel safe walking alone in their area after dark

Prior Years' Results				Current Result	2018-19 Target
2014-15 Result	2015-16 Result	2016-17 Result	2017-18 Result		
81%	Not Available*	80%	Not Available*	84%	85%

* Beginning in 2015-16, a biennial survey schedule was adopted with targets and results available every other year.

In 2018-19, most Albertans (84%) said they felt very (40%) or reasonably (44%) safe. The result is up four percentage points from the previous survey and is one percentage point below the target of 85 percent.

Higher perceived levels of safety were identified among those who live in the rural south; those in households with an annual income of \$80,000 or more; males; and, those with university or post-graduate education.

Lower perceived levels of safety were identified among divorced, separated or widowed respondents; those in households with an annual income of less than \$40,000; those with some college, vocational, trade school or university education; females; those who live in rural north; residents of Edmonton; those with high school education or less; and, respondents 55 years of age or older.

Rural crime was a concern for many Albertans in 2017 and 2018. Crime management and prevention in rural communities comes with unique challenges related to geographic size and spread, associated community diversity, response time issues, resource availability, and small population bases to support policing services. In early 2018, the government announced an investment of \$8 million into Royal Canadian Mounted Police (RCMP) funding and a further \$2 million for Crown prosecutions specifically to address rural crime. A seven-point action plan was developed in consultation with the RCMP to allocate the funds and help reduce rural crime by putting resources where they are most needed, focusing on crime reduction, enhanced intelligence and sharing information to better identify and catch prolific offenders. This action plan and subsequent media attention, may have contributed to increased feelings of safety across the province. The action plan involved the creation of Crime Reduction Units; increased criminal intelligence gathering and analysis; the establishment of a data centre; enhanced coordination between law enforcement including peace officers; enhanced technology and bait programs; and, increased public education and engagement.

The ministry continues to work with partners on further crime reduction strategies through involvement of multiple ministries, law enforcement and community agencies, and citizens to develop a multifaceted approach. Holistic strategies best address the root causes and social dynamics underlying criminal

activity and recognize that crime reduction and prevention is not solely a police matter. The slight increases in feelings of safety may be attributed to this rural crime action plan.

Performance Measure 1.b:

Percentage of Albertans satisfied with policing in Alberta over the past 12 months.

Prior Years' Results				Current Result	2018-19 Target
2014-15 Result	2015-16 Result	2016-17 Result	2017-18 Result		
81%	Not Available*	82%	Not Available*	77%	82%

* Beginning in 2015-16, a biennial survey schedule was adopted with targets and results available every other year.

The percentage of Albertans who were satisfied with policing in 2018-19 was five percentage points lower than the previous result and the target of 82 percent. This variance may be attributed to rural crime concerns raised by citizens in Alberta and the sentiment that police are not doing enough to address this issue.

Of the Albertans who are satisfied with policing, 31 percent are very satisfied and 46 percent are somewhat satisfied. Twenty-two percent are dissatisfied with policing; of these, 15 percent are somewhat dissatisfied and seven percent are very dissatisfied.

Respondents more likely to be satisfied with policing in Alberta over the past 12 months include those living in Alberta for 20 years or less; those with some college, vocational, trade school, or university education; and, those who live in Calgary or Edmonton.

Respondents less likely to be satisfied with policing in Alberta over the past 12 months include those who have a post-graduate degree; those who have completed college, vocational, or trade school education; those living in Alberta for 21-40 years; those living in small cities in southern Alberta and rural north; and, those who do not feel safe walking alone in their neighbourhood after dark.

Research shows that for those under the age of 25, the relationship between age and perceptions of police is negative, for those 25 and older the relationship is positive, and the group aged 20-24 holds the lowest level of confidence. It also indicates that those who feel safe walking in their neighbourhoods at night and those who feel that crime has not increased in recent years were more likely to view police favourably, and that those who encountered police as a victim or witness or due to a traffic stop were more likely to view police negatively.

Satisfaction with police cannot be attributed to one variable alone. It is influenced by a number of factors, including: length of time an individual has lived in the province/neighbourhood/ community; which community they live in; perceived safety in homes and neighbourhoods; confidence in the justice system; victimization; age and marital status. Crime rates and crime severity may also influence feelings towards law enforcement. Rural crime was a concern for many Albertans in 2017 and 2018. At a national level, the rate of crime is higher in rural populations. This was particularly true in Alberta, where rural crime rates were 38 percent higher than urban crime rates. These higher rates were largely due to high rates of property crime. The government recognized that crime management and prevention in rural communities

comes with unique challenges related to geographic size and spread, associated community diversity, response time issues, resource availability, and small population bases to support policing services. Policing is also becoming increasingly complex, requiring more specialized functions and expensive technology. Some of those challenges include more complex and sophisticated criminal activity, opioid and other drug addiction impacts, the impacts of technology, a strained justice system, and the demands of extensive investigative rigour.

In early 2018, the government announced an investment of \$8 million into Royal Canadian Mounted Police (RCMP) funding and a further \$2 million for Crown prosecutions specifically to address rural crime. The seven-point plan was developed in consultation with the RCMP to allocate the funds and help reduce rural crime by putting resources where they are most needed, focusing on crime reduction, enhanced intelligence and sharing information to better identify and catch prolific offenders. Going forward, it is anticipated that as further action plan work is implemented satisfaction may increase.

Outcome Two

Vulnerable Albertans are safe and supported during interactions with the justice system

It is a priority for the Government of Alberta and the ministry to ensure the safety and well-being of vulnerable Albertans, including newly arriving immigrants, victims of crime, self-represented litigants, and low-income Albertans. The ministry also works closely with First Nations and Métis communities through community corrections, court services, justice services, and crime prevention programming, and is committed to continuing to work with Indigenous communities and service providers to address root causes of crime, taking into consideration Indigenous cultural experiences and approaches. The ministry is committed to ensuring Alberta's legal aid plan and services provide essential and high quality legal aid services for disadvantaged and low-income Albertans. In collaboration with federal counterparts, the ministry is working to ensure victims' rights are protected and that these individuals are supported as they recover and move forward with their lives. A continuum of services that spans the spectrum from prevention to intervention is required to ensure vulnerable people receive the support they need, and also supports the transformation of the justice system to one that is more client-centered and sustainable.

Key Strategies

2.1 Implement a longer-term legal aid plan with stakeholders in Alberta.

Alberta's Legal Aid Program ensures low-income and vulnerable Albertans have meaningful access to legal rights and protections benefiting all Albertans. Legal Aid Alberta (LAA) provides a range of services related to criminal (adult and youth), family, child welfare, refugee/immigration legal matters and for adult guardianship/trusteeship applications.

With input from stakeholders, government negotiated a new five-year governance agreement with LAA and the Law Society of Alberta (LSA), which defines the scope and mandate of Alberta's legal aid plan.

In 2018-19, the government provided \$104.1 million to LAA (original budget of \$89.3 million plus an in-year supplemental estimate of \$14.8 million). In March 2019, the government approved LAA's 2019-20 Budget, along with an operating grant of \$106.8 million for 2019-20, which is subject to finalization of Budget 2019.

The additional funding will improve access to justice, legal aid services, and Alberta's legal system by making it more efficient, minimizing delays, and reducing court backlogs.

During negotiation of the new Governance Agreement, steps were made to update LAA's mandate, refine the current scope of services, create operational efficiencies, and improve budgeting and performance measurement processes. New provisions in the Governance Agreement clearly define the type and scope of legal aid services LAA will provide. The Governance Agreement, sustainable funding model, and the corresponding analyses, directly address the Office of the Auditor General (OAG) of Alberta's recommendation that the ministry conduct analysis to determine the nature and level of services Alberta's publicly funded legal aid system can sustain.

In addition, the following steps have been taken to ensure the ministry has processes in place to measure, monitor and report on the quality, efficiency and cost-effectiveness of publicly funded legal aid services:

- In January 2018, Treasury Board requested an independent audit of LAA, which was completed. In September 2018, Legal Aid Alberta submitted a high-level plan to address recommendations in the audit report and committed to providing regular progress updates.
- The addition of duty counsel at first appearance bail hearings was fully implemented on September 24, 2018. The impact of LAA's duty counsel at first appearance bail hearings is being monitored and assessed using key performance results to inform continuous improvement opportunities and solutions for improving bail hearing processes. These activities will continue in 2019-20.
- Implementation of the new Governance Agreement will begin in April 2019. A Provincial Performance Measurement Framework has been developed to monitor outcomes of the new five-year Agreement and is continually being refined in collaboration with LAA. The Framework will monitor and report on LAA's value for money; efficiency; effectiveness; quality of Alberta's legal aid program; and, measure its performance over the span of the five-year Agreement.

The ministry is committed to leading Alberta's legal aid plan, program and services, and ensuring it continues to meet the needs of low-income and vulnerable Albertans; aligns with justice system and ministry mandates; and, complies with provincial and federal agreements.

Quick Fact

"The new agreement is the most dramatic improvement to Alberta's legal plan in 40 years, where more Albertans will have access to the family law and criminal duty counsel services they need".

Law Society of Alberta

2.2 Work collaboratively with partners to explore gaps and identify creative solutions to provide service to victims of crime as they transition through the criminal justice process. This will be accomplished through the examination of performance measures, policies, and practices to build strategic accountabilities in support of a sustainable continuum of services for victims of crime in Alberta.

Justice and Solicitor General supports victims and survivors of crime through various programs and initiatives. The ministry works with victims, justice system partners, including police-based victim services units, specialized and community-based non-government organizations, as well as government departments to ensure a coordinated approach is taken to developing, implementing and evaluating policies, programs and legislation that support the rights of victims and access to timely and effective services. Through the Victims of Crime Fund, in 2018-19, an additional \$4.5 million in funding was provided to improve the scope and quality of programs for victims of crime in five key areas: police-based victim services units, support for domestic violence survivors, help for victims in court, restorative justice initiatives and expanded outreach services for Indigenous victims.

Quick Fact

In 2018-19, Justice and Solicitor General increased funding for police-based victim services units. This included increases from \$300,000 to \$500,000 in Edmonton and Calgary, increases from \$150,000 to \$300,000 in Red Deer, Grande Prairie, Lethbridge and Medicine Hat, and an increase from \$265,000 to \$300,000 in the Regional Municipality of Wood Buffalo.

In 2018-19, the Alberta Community Restorative Justice (ACRJ) grant program provided \$636,000 in funding to non-profit organizations that practice, promote, or develop restorative justice initiatives across the province. Two priorities are developing capacity within their organization and providing direct mediation services. In 2018-19, the ministry continued to prioritize the implementation of the *Canadian Victims Bill of Rights*, including restitution, complaints and testimonial aids. Victims have the right to have the court consider making a restitution order when deciding the offender's sentence, requiring the offender to reimburse the victim for financial losses the victim suffered because of the crime. To facilitate this policy, the ministry established a working group that completed an assessment of requirements for the development of a victim-centered restitution program.

In 2018-19, the ministry continued to explore best practices that will help Alberta develop and increase capacity to track, and manage victim complaints, and to provide effective support to individuals and organizations involved in decision-making processes as it relates to victims' rights and recovery. A jurisdictional scan was completed during the year to identify best practices across Canada that will inform practices in Alberta. Justice and Solicitor General provided presentations to police-based victims service units to increase their awareness of the complaints mechanism available through the Victims of Crime Protocol.

The *Canadian Victims Bill of Rights* ensures victims have the right to have their security and privacy considered at all stages of the criminal justice process, and to have reasonable and necessary protection from intimidation and retaliation. To this end, the ministry is focusing on installing systems and implementing processes that make it easier for victims and witnesses to provide their testimony in court proceedings. Through the purchase of one-way witness screens, the ministry is working to ensure all victims, in particular individuals in rural, Indigenous communities and isolated areas, have the ability to request testimonial aids if and when available. In 2017-18, the ministry introduced new technology to assist victims with their testimony by allowing secure video conferencing from a remote room within a courthouse. This technology was further validated during 2018-19, allowing the ministry to monitor its effectiveness in facilitating greater victim participation in the criminal justice system.

The Victims of Crime Fund (VOCF) is required to provide financial benefits to eligible victims of crime in accordance with legislation. Financial benefits may be provided to victims who apply and meet the eligibility requirements set out in the *Victims of Crime Act (VOCA)* and *Victims of Crime Regulation (VOCR)*. Victims who have suffered a physical and/or psychological injury as a direct result of an eligible offence may be eligible for a benefit. The eligible offences and the related injury benefit amounts are identified in schedules in the *Victims of Crime Regulation (VOCR)*. The total amount of financial benefits fluctuates from year to year based on the number of applications received, the type of, and severity of, injuries. Payments are an acknowledgement of victimization.

During 2018-19 the financial benefits program processed 4,326 applications with just over \$23.8 million dollars paid out to eligible victims of crime in Alberta.

The ministry is working with justice system partners to provide an integrated response to enhance services to victims of domestic violence. This integrated response will assist in expediting cases and increasing system efficiencies. The ministry is currently partnering with stakeholders on an approach to integrate access to information, supports and referrals to community programs and services. This integrated response relies on an effective case management model with specialized justice workers embedded within the domestic violence court, providing dedicated assistance to victims throughout their justice system experience. Going forward, the ministry will be examining opportunities to scale the model outward to all locations with a domestic violence court.

The Integrated Threat and Risk Assessment Centre (ITRAC) was established in 2007 by the Government of Alberta to reduce and prevent serious violence and death in intimate partner relationships. ITRAC is composed of civilian employees and law enforcement members, with a mandate to enhance the safety of domestic violence victims by managing risk using an integrated and objective threat-assessment approach. This is achieved through operational threat and risk assessments, the training of threat assessors through the ITRAC provincial certification process, providing domestic violence and threat assessment education, and through ongoing research, led by ITRACs in-house forensic psychologist. On March 4, 2019 ITRAC was transferred into the Public Security Division of Justice and Solicitor General. ITRAC's move to the ministry promotes enhanced victim safety and offender management by ensuring increased collaboration with stakeholders, increased visibility of the ITRAC program and overall increased efficiency and effectiveness of the program. This is achieved through integrated information sharing with, and access to, stakeholders, including Alberta Crown Prosecutions Services, Corrections, Community and Social Services, and Children's Services.

Quick Fact

In 2018, the Integrated Threat and Risk Assessment Centre (ITRAC) completed 153 full threat assessments and concluded 235 threat files. ITRAC assessments assisted 175 victims and 294 children.

In 2018-19, Justice and Solicitor General provided \$1 million in funding to expand the Indigenous Victim Outreach Services program into more communities to increase access to support for Indigenous victims of crime in both urban and rural settings. The Indigenous Victim Outreach Specialist (IVOS) will have a physical presence in Indigenous communities as well as municipalities that service large Indigenous populations. IVOS ensures immediate cultural safe trauma-informed support and assistance to the most vulnerable populations, by reducing barriers to accessing services.

The 16 successful recipients of Indigenous Victim Outreach funding were Cochrane and Area Victim Services Society, Cold Lake Victim Services Society, Elk Point & Area Victim Services Society, Foothills Regional Victim Services Association, High Level Community Policing Society, Peace Regional Victim

Services, Ranchlands Victim Services Society, Regional Municipality of Wood Buffalo Victim Services, St. Paul & Area Victim Services Society, Wetaskiwin & District Victim Services, Edmonton Police Service Victim Service Unit, High Prairie & District Victim Assistance, Lac La Biche Victim Services, Lesser Slave Lake Indian Regional Counsel Society, Rocky & District Victim Services Unit Society, and Wabasca Regional Victim Services. The ministry continued to develop Indigenous focused cultural safety resources and training for victim services providers and criminal justice partners.

Victim Services also held its annual three-day Indigenous Awareness Training. There were 21 registered participants for this three-day training event, including Justice and Solicitor General staff, representatives from the Centre to End all Sexual Exploitation (CEASE), Cold Lake Victim Services, Westlock Victim Services, Midwest Victim Services, Sturgeon Victim Services, Peace Regional Victim Services, Sexual Assault Centre of Edmonton, PACE Sexual Assault Centre, Caribou Child and Youth Centre, Wood Buffalo Victim Services, and Blood Tribe Police Victim Services. Participants who attended reported high rates of satisfaction with this experiential learning opportunity.

In support of the National Inquiry into Missing and Murdered Indigenous Women and Girls, the ministry provides a Family Information Liaison Unit (FILU) to help families of missing and murdered Indigenous women and girls access information and resources. The unit is a single point of contact where experienced front-line staff provide families with information about the justice system and legal processes, as well as specific updates about criminal investigations, court proceedings or fatality inquiries involving their loved ones. The team also links families with Elders, Indigenous knowledge keepers, spiritual support, ceremonies, healers and counselling. The FILU is Alberta’s first government-run victim services unit that has worked directly with Indigenous communities, clients and families, police, health providers, provincial government departments, and other national program and services to meet the needs of families who may wish to participate in the National Inquiry process. In 2018, the Family Information Liaison Unit formed an Elder advisory committee, named the Helping Us Grow Group (HUGG). The committee is in place to establish an additional level of support to the FILU and to clients in their respected regions. In March 2018, the Missing and Murdered Indigenous Woman (MMIW) initiative hosted a family gathering in Grand Prairie, for families with missing or murdered loved ones. Families were able to attend breakout sessions focused on grief and loss, intergenerational trauma, coping with a missing or murdered loved one, and other various healing ceremonies. This gathering received positive feedback from the families that attended.

Performance Measure 2.a:

Percentage of victims satisfied with services provided by employees and volunteers within the criminal justice system.

Prior Years' Results				Current Result	2018-19 Target
2014-15 Result	2015-16 Result	2016-17 Result	2017-18 Result		
84%	85%	83%	86%	83%	84%

In 2018-19, respondents reported an overall satisfaction rate of 83 percent. This is approximately 3 percentage points lower than last year’s result of 86 percent and is one percentage point below the target. This result is still within the normal trend.

Victims who have suffered physical or psychological injury because of violent criminal offences can apply for a financial benefit. Alberta Justice and Solicitor General surveys victims who apply for financial benefits to assess their satisfaction with the services they received from service providers in the criminal justice system. This indicator represents overall satisfaction with services on a scale of one to five with one representing “very dissatisfied” and five representing “very satisfied”.

Alberta Victim Services expected a slight change in satisfaction due to the introduction of the *Canadian Victims Bill of Rights* in 2017-18 where victims may have had higher expectations associated with the changes to how victimization is addressed within the justice system. For example, victims are to be considered throughout the criminal justice process; they have the right to information; the right to seek restitution; the right to participate; and the right to protection. Not all of these victim rights may have been in place at the time of completing the satisfaction survey. The result from 2018-19 is on trend with the results from previous years and satisfaction rates continue to remain in line with previous years’ targets when compared with the reported rates between 2012 and 2017 which fluctuated between 83 and 85 percent.

Victims who completed the survey also provided comments and suggestions about the assistance they received. The responses regarding support and services from victim services units, victim serving organizations and police were positive overall. Many noted appreciation for specific staff and volunteers who assisted them and provided services and support beyond their expectations.

Outcome Three

Albertans have access to information and services to help resolve their civil, criminal and/or family legal issues, or when required, have appropriate and timely access to the courts.

Not all legal issues require court intervention to achieve resolution. To promote overall sustainability of the justice system, the ministry is committed to delivering alternative dispute resolution pathways to enable Albertans to resolve their legal issues outside of the courts, where appropriate. Albertans will benefit from affordable and less adversarial options, including administrative alternatives to court processes for less serious matters. These services provide applicants with options and alternatives to court, including information, referrals, and mediation. At the same time, justice and court resources can focus on the timely resolution of serious or complex criminal, family, and civil matters. By informing Albertans about resolution options, Albertans will receive greater value for their justice system spending, while enabling the ministry to address citizen needs with a fair and innovative justice system.

Population increases and other socio-economic factors create additional demands on Alberta’s justice services. The capacity of the courts and the government to handle the increasing volume in the system is limited. The *R v Jordan* decision compresses timelines for resolving cases, affecting the sustainability of the justice system. Among the strategies the ministry is advancing to mitigate this risk, is providing more out-of-court resolution options to Albertans, which ensures that judicial resources focus on the areas where they are most critically needed.

Key Strategies

3.1 Support the collaborative efforts of Alberta Criminal Justice Summit participants to improve the province's criminal justice system in light of *R v Jordan*.

The Alberta Criminal Justice Summit (Justice Summit) brings together criminal justice system stakeholders to help address pressures created by the Supreme Court's decision in *R v Jordan*, regarding the right of accused to be tried within a reasonable time. This is a system-wide effort to address delays in the justice system through integration and engagement with all stakeholders involved in the justice system.

At the first meeting of the Justice Summit in April 2017, challenges and opportunities were discussed and the participants determined priorities that should be pursued by Alberta criminal justice stakeholders to improve the system. The priorities identified were: cases moving through the system; restorative justice; overrepresentation of Indigenous people in the justice system; public confidence in the justice system; and, *Jordan's* impact on Legal Aid. Subsequent meetings of the Summit, which took place in September 2017, June 2018, and November 2018, discussed plans and progress toward achieving these priorities.

Quick Fact

Through the Alberta Criminal Justice Summit, Justice and Solicitor General is engaging key stakeholders, including the judiciary from Provincial Court and Court of Queen's Bench, the Public Prosecution Service of Canada, police services across Alberta, the defence bar, and Indigenous organizations.

The expedient movement of cases through the system was identified as critical to meeting timelines specified in the *Jordan* decision and for the sustainability of the justice system. The ministry is engaging with police services to explore solutions and develop integrated policies to shorten the time from arrest to first court appearance and to reduce the overall time to trial. Throughout these efforts, the ministry continues to collect and analyze data about cases, *Jordan* timelines, and times to trial. In order to take a systems-approach, data is regularly shared with stakeholders so that causes of delays can be targeted.

Additionally, to address the over-representation of Indigenous people in the justice system, the Summit is

developing an initiative in collaboration with Siksika Nation. The aim of the initiative is to work collaboratively to find ways to reduce administrative offences.

The Justice Summit is expected to reconvene in 2019 to continue its discussion of priorities and opportunities to further address delays and support improvement within the criminal justice system.

3.2 Continue to build on citizen-centered approaches to service delivery to provide Albertans the information and resources they need to confidently navigate the justice system.

The ministry continues to improve access to information and resources, which helps Albertans navigate the justice system more effectively. Individuals involved in the justice system have unique needs that require flexible and user-friendly services. As a result, the ministry has improved multi-language services for Albertans, modernized its technology to improve service delivery, and enhanced services for vulnerable individuals.

The ministry supported the Government of Alberta's French Policy by increasing access to ministry resources in French. Funding of \$186,000 from the federal government under the Access to Justice in Both Official Languages Support Fund was used to translate into French the Parenting After Separation course, several self-represented litigant booklets, and e-courses for families undergoing separation. This investment will ensure that francophone Albertans have access to a variety of family services in both official languages. In addition to promoting official language access, the ministry continues to offer multilingual services by using a telephone language translation service.

The ministry improved access to information through enhancements to the Alberta courts website, including updating and posting forms online for use by self-represented litigants. The increased availability of these forms (along with instructions for completing them) makes it easier for self-represented litigants to address their civil and family legal issues.

The ministry continues to use technology to improve services to Albertans. Transcript Management Services transitioned to an online service delivery model, streamlining the process for ordering and paying for court transcripts. The ministry also invested in client-relationship management software to track interactions through the system and reduce the time it takes for Albertans to receive assistance. As the system matures and expands, the ministry will be able to use appropriate demographic information, types of issues, and satisfaction ratings to continue to improve services for Albertans through enhanced capturing and tracking of data.

Operational improvements were implemented in the Court of Queen's Bench of Alberta, which reduced the processing times of surrogate matters. The changes included dedicating at least one clerk to review the files, merging counter services with bankruptcy court, introducing automated phone messages for simple inquiries, and adopting technology to reduce data entry and file review times. The provincial processing time to resolve surrogate matters decreased from 16 weeks to approximately six to eight weeks.

3.3 Continue to work on reform in the family justice system to make it more responsive by providing families with coordinated services to resolve disputes where possible without having to go to court, and when court processes are required, making them less adversarial.

Family law matters have a profound impact on the lives of Albertans, and are becoming increasingly complex. Services that provide information and access to self-represented parties, and alternatives to court, can help families find less adversarial approaches to resolving their legal issues. The growing costs of litigation can also make mediation and alternative dispute resolution options more attractive for resolving family disputes. At the same time, diverting matters from court to family mediation programs allows justice and court resources to focus on the timely resolution of more serious or complex family matters.

Quick Fact

The ministry provides multilingual assistance to Albertans using a telephone language interpretation service. This service was used for approximately 230 hours in 2018-19 to interpret criminal proceedings, which enhanced access to justice for Albertans.

Quick Fact

Provincial Court family matters have increased 20.8% over the past three years, from 9,900 actions commenced in 2016-17 to 11,962 in 2018-19. During the same time, Provincial Court child welfare matters increased 7.2%, from 5,732 actions commenced in 2016-17 to 6,145 in 2018-19.

Studies show that families with healthy structures have a reduced need for other social services, which benefits the system as a whole. While family conflicts have occurred in greater numbers over the past decade, there remains an opportunity to divert users with less severe issues away from the courtroom. This diversion will diminish delay times and reduce strain upon families. The ministry offers a Provincial Court Family Mediation Program, free to families who qualify, to support out-of-court resolution of family disputes.

The ministry also offers Indigenous Family Court Worker services to Indigenous people involved in the family justice system. The program assists the courts in understanding the unique dynamics and needs of Indigenous families. Indigenous Court Workers help clients understand their legal rights and responsibilities, provide non-therapeutic counselling and support, and may speak to the court on behalf of clients. They may also provide mediation services to help families resolve conflict or refer clients to other community supports.

With a \$500,000 investment in enhanced family services, the Family Justice Navigator pilot project was implemented in the Family and Community Social Services office at Northgate Mall in Edmonton and at the Sherwood Park courthouse. Holistic assessments are being conducted to ensure clients are aware of the programs available to them and receiving the services they require, up to and including court assistance. Significant support has been provided to clients for both *Family Law Act* and *Divorce Act* matters. Work on the project continues to include further community development and collaboration with stakeholders, such as Children's Services and local school boards. Expansion to other locations is being explored.

The investments in the Family Mediation Program and the Family Justice Navigator project are designed to work in coordination with the Alberta courts in a way that advances information sharing and process improvement. This provides greater opportunity for Albertans to resolve their matters outside the formal court setting, thereby providing enhanced client service and promoting sustainability of the justice system.

3.4 Explore, and where possible, implement reforms and electronic processes for driving offences (including traffic tickets), increasing the justice system's capacity to handle more serious civil, criminal and family matters in a timely way.

Transformative changes are needed to effectively handle the volume of traffic tickets while ensuring a fair process exists for people to challenge any ticket they deem to be unjust. In 2018-19, Justice and Solicitor General continued to implement the electronic ticket issuing technology (eTicketing) and an eTraffic initiative to provide Albertans with timely access to information about traffic offences and the ability to resolve issues conveniently and reliably. The goal is to make the process more sustainable and accessible, while maintaining the right of Albertans to challenge their tickets.

Electronic ticket issuing technology (eTicketing) facilitates the same day uploading of ticket data to the courts by law enforcement. ETicketing reduces ticket processing time, data entry errors, and allows Albertans to resolve their traffic matters sooner.

Quick Fact

RCMP Traffic Units and Alberta Traffic Sheriffs implemented the eTicketing Project on November 27, 2017. To date, over 219,000 tickets have been issued electronically and were available to be paid or dealt with just 24 hours after the ticket was issued.

In 2018-19, the ministry supported eTicketing implementation with the Camrose Police Service, the Lethbridge Police Service, and the Medicine Hat Police Service. As the implementation of eTicketing relies heavily on the initiative and resources of individual law enforcement agencies, the ministry has limited control over the degree to which eTicketing is adopted by law enforcement across the province. As a result, implementation across the province has been slower than expected, despite the benefits of this electronic process. Moving forward, the ministry will continue to engage with law enforcement agencies to better communicate the benefits of eTicketing and encourage them to adopt it.

Over the past year, the ministry worked with Service Alberta to build a systems interface that will eventually be used to provide citizens full visibility of their traffic matters, including upcoming court dates and outstanding fines.

3.5 Continue to develop, implement and evaluate a case management model of program delivery to enhance Family Support Order Services' client services.

Supporting the ministry's efforts to promote a more client-focused approach with early point-of-entry resolution, the Family Support Order Services (FSOS) Case Management Pilot Project (CMPP) continued during the fiscal year. The pilot shifted Maintenance Enforcement Program (MEP) service delivery from task management to case management, providing clients with a single point of contact for all their FSOS matters, promoting consistency and improved access for Albertans. FSOS successfully launched the 18-month Case Management Pilot Project on February 26, 2018. In May 2018, the Quality Framework was launched to ensure value continued to be delivered to Albertans, and to track performance of key program activities known to contribute to positive outcomes. The CMPP is helping case officers to work with their clients on a one-on-one basis to voluntarily bring files into compliance while taking fewer and less severe enforcement actions. Working with individual payors to develop a plan to pay down their files over time reduces the need for court applications for stays of enforcement. As case officers become more familiar with their clients as individuals, they are also able to make better-informed referrals to other services that might assist clients in resolving issues outside FSOS's mandate.

Quick Fact

Since implementation of the Case Management Pilot, Family Support Order Services' client complaints have decreased 41 percent. The total amount collected for families rose by \$7.6 million over last year.

Performance Measure 3.a:

Percentage of Albertans who agree that fair and impartial service is provided to prosecute people charged with a crime.

Prior Years' Results				Current Result	2018-19 Target
2014-15 Result	2015-16 Result	2016-17 Result	2017-18 Result		
81%	Not Available*	83%	Not Available*	70%	84%

* Beginning in 2015-16, a biennial survey schedule was adopted with targets and results available every other year.

In 2018-19, many Albertans (70 percent) agreed that Justice and Solicitor General provides a fair and impartial service to prosecute people charged with a crime. This is 14 percentage points below the target of 84 percent and is down 13 percentage points from the previous survey. Among those who agreed, (53 percent) somewhat agreed and (17 percent) strongly agreed. Twenty-five percent of Albertans disagreed that Justice and Solicitor General provides a fair and impartial prosecution service. Of these, 18 percent somewhat disagreed and seven percent strongly disagreed.

Agreement was higher among respondents who have post-graduate education, respondents with an income of \$120,000 or more, respondents who have lived in Alberta for 20 years or less, and respondents living in Edmonton. Agreement was lower among respondents who live in rural Alberta; and, those who feel unsafe in their neighbourhood after dark.

The result is impacted by a variety of factors. From 2008-09, (when this measure was first introduced in the business plan), to 2016-17, the percentage of Albertans who agreed that Justice and Solicitor General provides a fair and impartial prosecution substantially increased. The decrease from the previous survey may reflect the media coverage of major trials around the time the survey was administered and high-profile prosecutions that occurred outside of Alberta. Furthermore, at the time the survey was administered, the federal government legalized cannabis. This decision may have influenced survey results as Albertans attempted to predict the impacts of legalization, such as possible challenges associated with detecting and enforcing cannabis-impaired driving, and potential court delays resulting from the processing of cannabis-impaired driving cases.

The measure is also responsive to policy and program intervention by the ministry including prosecutions, public education and information programs and initiatives. The ministry has undertaken a number of initiatives to improve the efficiency and effectiveness of prosecution and court services, including: eliminating warrants to enforce minor infractions, using Court Case Management Offices to reduce pressure on the system, and using remote courtroom scheduling for defence counsel.

Many projects pursued by the Alberta Crown Prosecution Service have the concept of proportionality at their core. This involves the use of resolution options such as alternative mechanisms and streamlined processes to address less serious matters outside the formal court system, allowing courts to focus on more serious and violent criminal matters. The public may perceive that traditional, formal court processes are necessary. As less serious matters are diverted from the courts, public perception of prosecution services may be negatively influenced.

As a response to the consistent finding that the majority of Albertans accessed information about the justice system from the media, including media websites, the ministry is working to share balanced information about the work and activities of the Alberta Crown Prosecution Service.

Performance Measure 3.b:

Median elapsed time from first to last appearance for a criminal case in Provincial Court and Court of Queen's Bench of Alberta

Prior Years' Results				Current Result (2016-17)*	2018-19 Target
2012-13 Result	2013-14 Result	2014-15 Result	2015-16 Result		
121 days	127 days	120 days	125** days	128 days	122 days

* The most current data available from the Canadian Centre for Justice Statistics (CCJS) is for 2016-17.

** On January 24, 2019, CCJS revised Alberta's 2015-16 median elapsed time from 124 days to 125 days. The 2018-19 target of 122 days was set based on the previously reported 2015-16 result of 124 days. (For further explanation of the revision of results, please see the performance measure methodology.)

In 2016-17, the median elapsed time from first to last appearance for adult criminal cases tried in the Provincial Court of Alberta and the Court of Queen's Bench was 128 days, which was six days above the target of 122 days. This is a 2.4 percent increase compared to the revised median elapsed time of 125 days in 2015-16. Median elapsed time is affected by various factors, including the number of cases, the complexity of cases, and justice system resources.

Historically, Alberta has aimed to have a median elapsed time that is equal to or lower than the Canadian median elapsed time. A variety of different factors can contribute to case processing times in criminal court. These include: the number of accused; the number and types of charges; the number of court appearances; the number of pre-trial motions; whether there is a guilty plea; whether a trial was held; whether an accused has legal representation; and whether a preliminary inquiry was requested and/or held. Case processing time is also influenced by the availability of court resources (judges and lawyers), case management practices, and differences in the structure and operations of courts.

Alberta's increase in median elapsed time can be partially attributed to an increase in the number of concluded cases. There was a one percent increase in cases concluded in 2016-17 over the previous year, from 58,611 cases to 59,198. Nationally, case counts increased 1.9 percent and the median elapsed time increased 9.3 percent; significantly greater than Alberta's increase of 2.4 percent.

Cases involving multiple charges as opposed to a single charge generally have a higher median time for completion (168 day versus 100 days, nationally). Alberta experienced a decrease in the number of single charge cases (-1.3 percent) while the number of multiple charge cases increased by more than the same proportion (2.3 percent). Multiple charge cases represented 65.3 percent of all cases in 2016-17, an increase from 64.4 percent in 2015-16.

Looking at the types of offences that cases involve can also help account for the difference in median elapsed times between Alberta and Canada as a whole. In Alberta, cases involving crimes against the person offences (which often result in more complex trials) increased by 1.8 percent, whereas for Canada as a whole increased 3.5 percent. In Alberta, cases involving crimes against property increased 12.5

percent and cases involving administration of justice offences increased 2.2 percent. In Alberta from 2015-16 to 2016-17, the median elapsed time for crimes against the person increased 3.8 percentage points, crimes against property increased 6.2 percentage points and administration of justice increased 1.0 percentage points. Cases involving these three types of offences represented 71.7 percent of all cases in Alberta in 2016-17. Decisions rendered by the Supreme Court of Canada as well as a variety of initiatives from all levels of government can influence the volume of cases and the processing of those cases before the courts.

Performance Measure 3.c:

Provincial Court lead time to trial for serious and violent matters

Prior Years' Results				Current Result	2018-19 Target
2014-15 Result	2015-16 Result	2016-17 Result	2017-18 Result		
22.4 Weeks	21.9 weeks	24.1 Weeks	22.5 Weeks	22.1 Weeks	22.0 Weeks

In 2018-19, Provincial Court lead time for serious and violent offences decreased by 1.8 percent from the previous year and met the target of 22 weeks. The decrease in lead time was achieved in spite of a 0.9 percent increase in serious and violent charges commenced from 28,699 charges in 2017-18 to 28,971 charges in 2018-19.

The decrease in lead time is attributed to a number of factors, including the Court Case Management (CCM) Program's aim to effectively manage cases in the provincial criminal court and, more recently, the policy implementation of the Triage Protocol. The exact responsiveness of lead times to the Triage Protocol and CCM were unknown.

Over the past several years, the ministry has actively employed numerous policy and program changes to increase proportionality and reduce serious and violent case lead time to trial. The one premise on which the results largely rest is that the ministry operates collaboratively towards these goals. Since the 2016 *R v Jordan* decision, the ministry has demonstrated a collaborative approach in ensuring serious and violent cases move efficiently through the criminal justice system.

Different factors contribute to case processing times in Provincial Court. These include the number of accused; the number and types of charges; the number of court appearances; the number of pre-trial motions; whether there is a guilty plea; whether a trial was held, whether an accused has legal representation; and whether a preliminary inquiry was requested and/or held. Case processing time is also influenced by the availability of court resources (judges and lawyers), case management practices, and differences in the structure and operations of courts. Collectively, the ministry and the Provincial Court Criminal have been working together to reduce lead times to trial.

The CCM Program's aim is to effectively manage criminal cases outside the courtroom in many locations in adult Provincial Court, and in turn, to increase public confidence in the justice system and improve access to justice. CCM's goal is to ensure all matters are dealt with in a timely manner. CCM uses new and innovative methods to schedule and dispose of matters are scheduled and disposed of matters in the Provincial Court.

It is impossible to identify any one specific initiative as the source of the changes observed in the statistical trends of this performance measure. Instead, the trends reflect the cumulative impact of the above-mentioned initiatives and factors.

Performance Measure 3.d:

**Effectiveness of alternative dispute resolution pathways – Family Mediation Program
Resolution Rate**

Prior Years' Results				Current Result	2018-19 Target
2014-15 Result	2015-16 Result	2016-17 Result	2017-18 Result		
89%	86%	88%	88%	87%	90%

In 2018-19, the Family Mediation Program resolution rate was 87 percent, three percent below the target of 90 percent; however, trend analysis shows general consistency over the past five years. From 2014-15 to 2018-19, Family Mediation's resolution rate fluctuated from a low of 86 percent to a high of 89 percent.

Program resolution rate is affected by various factors, including clients' complexity of issues, mediator skills, pairing, and assignment of cases.

Alternative dispute resolution pathways enable Albertans to resolve their legal issues outside of the courts, where appropriate. Albertans benefit from affordable and less adversarial options for resolving their family matters. The Family Mediation Program is a voluntary program where one of the parties must have a gross annual income of less than \$40,000 to qualify. Under the Family Mediation Program, Albertans coping with challenges such as divorce, separation, child access and parenting time can meet with a mediator to work towards resolving their disputes. The mediator provides information to families about child development and other issues related to parental conflict during separation and divorce, and helps parties to communicate and reach decisions that consider the needs and best interests of their children, without having to go to court. At the same time, diverting matters from court to the Family Mediation Program allows judicial and court resources to focus on the timely resolution of more serious or complex family matters.

The Family Mediation Program practices facilitative mediation, which means mediators do not dictate outcomes; instead they utilize communication techniques to support participants to make their own decisions. To some degree, results will always vary depending upon people's willingness and readiness to settle.

Mediators across the province are reporting a shift towards more complex family situations including increased mental health and addiction issues. Mediators are also reporting more clients who would benefit from therapeutic intervention prior to mediation as they are not emotionally ready to negotiate with the other parent. High-conflict families pose a particular challenge to the justice system. They are frequently referred to mediation but are less likely to come to an agreement.

Performance Measure 3.d:**Effectiveness of alternative dispute resolution pathways – Provincial Court Civil Mediation Program Resolution Rate**

Prior Years' Results				Current Result	2018-19 Target
2014-15 Result	2015-16 Result	2016-17 Result	2017-18 Result		
56%	53%	49%	50%	46%	56%

In 2018-19, the Provincial Court Civil Mediation Program resolution rate was 46 percent, 10 percentage points below the target of 56 percent and four percentage points below the previous year's result.

The Provincial Court Civil Mediation Program provides an opportunity for parties to resolve their own disputes outside of court, where appropriate. All Provincial Court civil matters are screened for mediation. Files deemed suitable based upon the written pleadings are diverted into the Provincial Court Civil Mediation Program. Parties do not need to proceed to court when matters settle, freeing court resources to deal with matters that require a judicial decision.

The program uses a co-mediation model. The complexity of files, parties' willingness and readiness to settle, the type of claim, the amount of the claim, the skill of the mediator, and mediator pairing all likely impact the resolution rate.

In 2012, the Civil Claims Implementation Project (CCIP) was initiated to explore ways of streamlining the civil claims process. At the time, the Provincial Court handled civil claims below \$25,000, while the Court of Queen's Bench handled claims at and above \$25,000. The process was expensive, time-consuming, and daunting for many potential litigants, and offered few alternatives. Two initial major reforms were proposed: increasing the financial jurisdiction of Provincial Court Civil to \$50,000, which was implemented in August 2014; and, offering other forms of alternative dispute resolution.

The final phase of the CCIP, a revamp of the entire civil claims process, went into operation on January 1, 2019. Under the new system, a Provincial Court judge reviews a civil matter and assigns it one of three resolution options: a standard civil claims trial for more complex matters; a simplified trial for more straightforward matters that can be resolved through a single appearance in front of a judge; and, binding judicial dispute resolution, in which a judge helps both parties reach a settlement. The changes brought about by CCIP also include changes to many of the forms used in the civil claims process, including the civil claim itself, which may make it easier to identify the issues in dispute. In turn, this may assist the coordinators of the Provincial Court Civil Mediation Program to better determine which case files may be appropriate for mediation and therefore screened into the program, and which case files are more appropriately resolved through the court process.

Performance Measure 3.e:**Percentage of *Gladue* reports produced within six weeks of request from courts**

Prior Years' Results				Current Result	2018-19 Target
2014-15 Result	2015-16 Result	2016-17 Result	2017-18 Result		
Not available*	90% (May-March)	91%	90%	92%	91%

* This performance measure was developed in 2015-16; therefore, historical results earlier than 2015-16 are not available.

The number of requests issued by the courts for *Gladue* reports increased by 18 percent over the past year, from 784 in 2017-18 to 926 in 2018-19. Of the reports requested in 2018-19, 92 percent were produced within six weeks of request from assignment by the coordinator, one percent above the target of 91 percent.

The eight percent (73 of 926) of ordered reports that were deemed incomplete were not completed due to an inability to locate the client (i.e., the accused) prior to the sentencing date. This figure has decreased from 10 percent in 2017-18. The ability to locate clients can be impacted by changes in residence and phone numbers, as well as other issues related to accessibility. Four percent (35 of 926) of the reports were reordered by the courts and were completed once clients were re-contacted/located. It is very difficult to predict the number of clients that may not be located in the upcoming year.

The 1999 Supreme Court of Canada decision, *R v Gladue* requires that lower courts consider the unique circumstances of Indigenous people when sentencing an Indigenous offender. This requirement is most often addressed by the Court of Queen's Bench and the Provincial Court of Alberta requesting a *Gladue* pre-sentence report. The ministry has developed a roster of trained community-based writers who are contracted to prepare *Gladue* reports. In 2018-19, the *Gladue* report program cost approximately \$1.1 million, which included contracts with 42 community-based writers and a *Gladue* Report Provincial Coordinator position.

Once the courts have ordered a *Gladue* pre-sentence report, the request is referred to the *Gladue* Report Provincial Coordinator who, in turn, assigns the report preparation to a writer in the community where the accused person is residing or being held in custody. The writer establishes contact with the accused and arranges to conduct the report interview. The initial interview is very in-depth and includes all aspects of the Indigenous person's life that may have contributed to bringing them in conflict with the justice system. These aspects include the impacts of colonization, the inter-generational trauma of residential school experiences, and loss of culture and language. The writer helps the accused person identify other significant collateral contacts, including the accused person's family members, associates, past care providers, or significant others. The writer then proceeds to interview each of these contacts, in part to validate the information provided by the accused and to gain the perspective of the significant people in the accused's life. After reviewing the information provided by all of the sources, the writer then identifies the *Gladue* factors present in the accused's life and compiles a list of community-based resources that the court may wish to consider in sentencing. The report, which typically averages between seventeen to twenty-five pages, is then submitted to the Provincial Coordinator for quality control and subsequently submitted to the court.

Providing *Gladue* reports to the court at the time of sentencing allows the matter to be dealt with in a timely manner and avoids potential lengthy and costly court adjournments. Failure to provide timely *Gladue* reports can result in sentencing delays. Not only do these delays contribute to increased costs for Crown prosecutions, defence counsel and Legal Aid Alberta, but, more importantly, they can also increase the time an accused spends in remand custody and can increase the number of times an accused must appear in court from the time of conviction to sentencing.

Justice and Solicitor General has established benchmarks to meet the increasing demand for *Gladue* reports and ensure an adequate number of report writers are available to respond to requests in each court district. While the ministry strives to produce all *Gladue* reports within six weeks, a number of external factors may influence the compliance rate for completion of reports, including:

- The number of *Gladue* reports ordered by the Courts. The volume of court-ordered *Gladue* reports continues to increase, up 250 percent since 2014-15 (when 264 reports were requested);
- Recruitment and training of writers to the roster. Maintaining a sufficient number of competent writers on the roster requires a significant investment in time and development; and,
- Locating and conducting interviews with offenders and their collateral contacts can pose a significant logistical challenge to report writers, which may result in report completion delays.

Because the ministry has no control over the number of *Gladue* reports the court requests, it is difficult to forecast the number of requests that will be made by each court district, and to determine the number of writers who will be required to meet the demand.

Outcome Four

Alberta's custodial and community supervision is sustainable, appropriate and proportionate.

To help Justice and Solicitor General move to a more sustainable tomorrow, the ministry ensures individuals under correctional authority are held accountable through custodial and community supervision. The ministry works closely with stakeholders to deliver programs that support individuals involved in the justice system and address the risk factors associated with their offending. While incarceration is appropriate in some circumstances, sometimes a different, more appropriate response may be needed. Examining innovative policies, processes and practices ensures efforts are strategically focused and give individuals appropriate supports to succeed in the community, or be held in custody. This approach reduces risk and, in turn, enhances the safety of Albertans and sustainability of the justice system.

Key Strategies

4.1 Work with partners in the evolution of rehabilitative policies and programs for individuals involved in the justice system by ensuring the services and supervision provided are responsive and coordinated, given varying needs and risks.

Interventions in the lives of Albertans who become involved in the justice system can take many forms, depending on the risks posed by the person and their individual circumstances. Justice and Solicitor General is focusing on developing and enhancing rehabilitative approaches that manage the risks currently posed by an individual, while also reducing that individual's risk of future reoffending.

Additionally, interventions need to be responsive to the capacities of individuals and any barriers limiting their ability to participate actively in rehabilitative programming.

A major initiative undertaken by the ministry is the implementation of a model for community corrections casework known as Effective Practices in Community Supervision (EPICS). EPICS implementation is occurring over a four-year period, with full implementation anticipated in 2020. The training continues to be provided to probation officers and senior probation officers (supervisors) in adult and youth community corrections. It teaches officers how to apply the principles of risk-need-responsivity in their work with offenders, specifically how to identify and change thoughts that lead to criminal behaviour. In September 2018, nine Probation Officers and Senior Probation Officers became certified EPICS trainers, allowing community corrections to deliver the training internally. EPICS implementation has assisted the ministry in identifying case management practices and policies that require strengthening. The ministry is addressing these needs through the development of a framework for effective case management, as well as continued enhancement of quality management practices. As training of all current staff will be completed in the next fiscal year, the training model will be added to the Probation Officer induction training. Officers will be supported to continue to develop their EPICS skills while the branch monitors model fidelity and addresses the principles of Risk-Need-Responsivity in the day-to-day work of Community Corrections. The data collection and analysis processes on its implementation, including a feedback loop to frontline operations, have been instrumental in community corrections' ability to make evidence-based decisions. The EPICS implementation has reinforced the importance of applying similar processes to other components of frontline operations.

Over the past year, the ministry continued its efforts to identify opportunities for enhanced sharing of appropriate information throughout Correctional Services Division to ensure all clients receive casework services that are consistent, continuous, and evidence-based. Work undertaken in 2018-19 focused on the development of options for an integrated case management framework in Alberta, based on the outcomes of cross-jurisdictional research, literature reviews, and surveys and interviews with casework staff across correctional settings spanning the province.

In support of Correctional Services' focus on rehabilitative approaches to offender management, a full review of Temporary Absence (TA) program policy was undertaken in 2018-19, with amendments made to support an increased use of the TA program for low-needs, low-risk offenders. The majority of offenders serving custodial sentences in Alberta are not bound by community supervision upon release, so they are not required to attend programs, counseling, or treatment. A TA release provides for a gradual and supervised reintroduction to the community and allows caseworkers to mandate attendance in rehabilitative programming that offenders would otherwise not be compelled to attend, resulting in a new opportunities to promote prosocial attitudes and behaviours. In addition to fully sentenced offenders, the TA Program provides an appropriate rehabilitative alternative for low-risk fine defaulters and intermittent servers who would otherwise be left to serve their entire sentence in a correctional or remand centre. The need for earlier identification of suitable TA candidates is paramount and the case management process has been accelerated to allow for the earlier release of offenders suitable for TA. In addition, collaborative case management efforts, at centres across the province, have enhanced the effective administration of the TA program by having probation officers, with their institutional colleagues, facilitate continuity of supervision as offenders' transition from custody to community. Effective use of the TA program helps ensure that appropriate low-risk sentenced offenders have access to closely supervised rehabilitative supervision in the community. This allows correctional and remand centres to focus their

Quick Fact

The fixed cost of operating the entire Temporary Absence Program is \$179,000 per year.

limited resources on higher-risk clientele. By ensuring custodial resources appropriately focus on high-risk offenders, the TA program helps support both the proportionality and sustainability of the justice system.

In 2018-19, Justice and Solicitor General partnered with Alberta Advanced Education to amend the provincial framework for adult education programs in correctional centres. This framework is intended to help correctional centres and educational institutions identify and develop education programs for adult offenders. The framework includes goals and objectives, as well as guidelines for program delivery. Alberta Advanced Education funds the educational/rehabilitative programs provided to adult incarcerated offenders by post-secondary institutions.

The ministry is enhancing a number of rehabilitative programs and initiatives specific to youth. There are increasing numbers of youth with complex and multiple needs that require intensive supports. The Intensive Rehabilitative Custody and Supervision (IRCS) program provides youth with intensive treatment and therapeutic supports in the community, based on individualized plans designed to reduce their risk of reoffending. The IRCS Program effectively provides treatment and prosocial supports targeting these risk factors.

Justice and Solicitor General is implementing a multi-year action plan to support more positive behaviours and decrease the negative, reactive, emotional responses and behaviours of young persons in youth justice settings. In 2018-19, the ministry focused on aligning resources for the action plan such as trauma experts, staffing, training, organizational and community supports, and policies and procedures. The full implementation of the action plan will occur over the coming years. It is anticipated that the learnings from this project will be used in other settings to modify current practices and encourage support staff to provide services that acknowledge the link between mental health, substance abuse, previous traumatic experiences, and involvement in the justice system.

Several Canadian studies have shown a significant overrepresentation of individuals affected by Fetal Alcohol Spectrum Disorder (FASD) in the correctional system. As a result, the ministry provided training on FASD to correctional peace officers, correctional services workers, probation officers, sheriffs, and community partners including police agencies.

In alignment with the Federal/Provincial/Territorial *FASD and Access to Justice* report, the Ministry prioritized responses to FASD. These responses better address the needs of offenders with FASD through policy-based solutions, enhanced justice practices in the criminal justice context, and evidence-based research to inform future decisions. Specific initiatives include the expansion of the FASD Support Program for Youth, plain language sentencing for probation, improved information sharing practices, developing training initiatives for justice professionals, and FASD screening and referral opportunities. These initiatives align with Alberta's FASD strategic plan.

The ministry also collaborated with the Northwest Central FASD Network's "In Reach" Program to provide information on FASD, family and sexual violence, sexual exploitation, and healthy relationships to women in provincial correctional facilities. The program, in partnership with JSG correctional staff, also provided FASD assessments, FASD-informed release plans, and transitions to appropriate FASD supports upon release.

Quick Fact

Justice and Solicitor General provided 41 FASD training and education sessions to Correctional Peace Officers/Correctional Service Workers, Probation Officers, and community members including RCMP, Youth Justice Committee members, and defence counsel. An FASD training and awareness session was also provided to Provincial Court Judges.

4.2 Explore new technology to enhance correctional operations and further develop the supervision and support to individuals under correctional jurisdiction, including the consideration of alternate methods for the delivery of programs and services.

The ministry is continuously working to make systems more efficient through the use of new technology. System efficiencies benefit all Albertans, by promoting a sustainable justice system and allowing the ministry to allocate resources to the areas in the greatest need.

To better support programming, the ministry made a number of enhancements to the Offender Records and Correctional Administration (ORCA) database in 2018-19. For example, changes to ORCA's Temporary Absence program, including simplified application, tracking, and approval process, reduced the need for resource-intensive data-collection and workarounds. The improved functionality of the Temporary Absence module improved access to records and information to support evidence-based decision-making. The cost to enhance the Temporary Absence module in ORCA was approximately \$100 thousand.

A number of data validation enhancements for ORCA have been identified that will support the quality of its data, while simplifying the process for fixing data entry errors, thereby ensuring the accuracy of the information available to staff for decision-making and planning. The project is currently in progress, with anticipated implementation in 2019-20. In addition, ongoing consultations with ORCA users will ensure that the database effectively supports all business processes.

In 2018-19, the Edmonton Remand Centre continued to use scheduling software, which allows schedulers to assign the most cost-effective staffing resources, ensure staff have the skills and experience required by each post, and better track absenteeism. A review was completed in 2018, based on ERC's experience with the system in 2017, and identified benefits such as improved business efficiencies, streamlined/automated processes, improved access to data for informed decision-making, and time savings on day-to-day scheduling functions. Throughout 2018-19, scheduling software was further implemented at the following correctional centres: Medicine Hat Remand Centre; Red Deer Remand Centre; Calgary Remand Centre; Calgary Correctional Centre; Calgary Young Offender Centre; Fort Saskatchewan Correctional Centre; and, Edmonton Young Offender Centre. Lethbridge and Peace River Correctional Centres are scheduled for implementation in 2019.

4.3 Advance policies, processes and practices regarding alternatives to incarceration and effective community transition to ensure ministry efforts are focused on individuals with the highest needs, enhancing the safety of Albertans.

Reserving custodial and community supervision for those who pose a risk to public safety, while providing needed services to those who can be safely released, allows Alberta's justice system to be sustainable and proportionate. Evidence indicates that when the correctional system focuses its resources on moderate and higher-risk individuals their risk of reoffending is reduced.

As part of Justice and Solicitor General's efforts to manage the remand population, the Bail Navigator pilot introduced three bail navigators at Edmonton Police Headquarters in December 2016 for a one-year period. The navigators helped accused persons understand the bail process and made referrals to appropriate agencies to support accused persons and mitigate risks, while allowing individuals to maintain their employment and other obligations in the community. In 2018, the ministry worked in partnership with the Edmonton John Howard Society to evaluate the pilot. While the data indicated that the pilot served a need by providing information to accused persons about the bail process, the introduction of legal aid duty counsel at all first appearance bail hearings rendered this function largely

redundant. As a result, the decision was made to discontinue continue the program as of March 2019. This project was funded through a contract with the Edmonton John Howard Society from November 2016 through March 2019, with a total value of \$435,000.

With a focus on proportionate and sustainable approaches to the justice system, the ministry is piloting expanded criteria for referrals to the Alternative Measure Program (AMP). Justice and Solicitor General will assess the impact of the pilot upon resources throughout the system and test the effectiveness of the new criteria. The expanded AMP criteria will redirect more matters from the court system, allowing them to be addressed proportionately according to the severity of the offence, while still holding offenders accountable for their actions.

Justice and Solicitor General is in the final stages of a multi-year project to review and update the tools, policies, and processes related to the classification and placement of adult inmates in remand and correctional centres. When an adult inmate is first sentenced to provincial custody, the Custody Security Assessment Tool (C-SAT) is used to assign them a security level. The Custody Security Assessment Review (C-SAR) is later used to re-assess security levels once staff have had a chance to observe the inmate's behaviour. In 2018-19, an internal policy review was undertaken to support changes to these tools based on recommendations from an external research validation study completed the previous year. Implementation of revised tools and policies is planned for 2019-20. Better classification systems contribute to institutional and public safety by ensuring that individuals in custody are assigned appropriate security levels based on a clearer understanding of their risks and needs.

In 2017, Justice and Solicitor General officially launched the Integrated Offender Management Initiative (IOMI) to test the viability and scalability of an integrated model in which government and community services would work collaboratively with law enforcement to address the criminogenic needs of identified offenders.

Quick Fact

While chronic offenders (those referred to court for 5 or more incidents) make up approximately 15% of the offender population, they are responsible for approximately 60% of all incidents.

Canadian Centre for Justice Statistics, Crime and Justice Research Paper Series - Court Careers of a Canadian Birth Cohort

IOMI focuses on the integration and cooperation of services through Case Development Groups, consisting of practitioners from Children's Services, Community and Social Services, Justice and Solicitor General, Seniors and Housing, Alberta Health Services and non-government organizations. Case development groups provide a venue for the identification of repeat offenders and support interdisciplinary responses to addressing underlying causes of their offending behaviour. IOMI has seen clients reduce their anti-social contacts with police while increasing their connection to prosocial supports in the community. In 2018, the IOMI team received an outstanding achievement award from the Alberta Association of Chiefs of Police. An extensive evaluation of the IOMI Edmonton Police Service North-East Division pilot project was conducted in 2018, with a final report due in 2019.

4.4 Through ongoing consultations with stakeholders, improve the Crown bail model across the province.

Through this initiative, Justice and Solicitor General balances public safety with the need to protect individuals' rights to due process and fair and timely legal proceedings. First appearance bail hearings

represent accused persons' initial interaction with justice system and the point at which they are most in need of legal services offered by duty counsel.

Based on a February 2017 Court of Queen's Bench decision, the province fully transitioned to Justice of the Peace (JP) bail hearings with Crown prosecutors in June 2017. Since that time, several changes have been made to improve the efficiency of the first appearance bail hearing system and of the justice system as a whole.

In September 2018, approximately \$95,000 was spent on the technical development of a Hearing List within the secure Criminal eFile application, which is used to manage ACPS files and disclosure. This Hearing List allows participants in the JP bail process to view an electronic docket of bail hearings and access bail packages, allowing better integration of the first-appearance bail hearing process with the subsequent prosecution of the file. It also allows law enforcement and defence counsel to obtain real-time information about the status of a given file.

The addition of duty counsel at first appearance bail hearings was fully implemented on September 24, 2018. Legal Aid Alberta (LAA) now provides duty counsel at these proceedings 16 hours a day, seven days a week, 365 days a year. In 2018-19, LAA spent approximately \$3 million to add duty counsel services at Bail Hearing Offices. With LAA duty counsel now present at first appearance bail hearings, accused individuals will have an advocate to explain the process to them, assist them in making informed decisions, and better prepare them for future court appearances. Before the implementation of this policy, many files were adjourned to Provincial Court for a bail hearing so that the accused could receive legal advice. Now, with access to duty counsel at first appearance, the accused can have a bail hearing, reducing the number of court appearances they need to make and freeing up court's time to deal with serious and violent offences, promoting sustainability within the justice system.

Quick Fact

The involvement of Crown prosecutors and duty counsel in the bail process results in more appropriate outcomes. Prosecutors have access to more information about the accused to make informed decisions about detention or release, helping to ensure that an accused is detained when necessary, or released with appropriate conditions. The presence of duty counsel ensures the accused has an understanding of the conditions by which he or she is bound.

In order for files to be prioritized appropriately and bail hearings to be conducted expediently, budget 2018 included funding for 13 new judicial clerk positions for the Bail Hearing Offices. The prioritization of these files ensures that accused persons are not detained longer than necessary before a bail hearing. In addition to Hearing Office clerks, approximately \$290,000 was allocated to Hearing Office Coordinators to identify files that were in jeopardy of exceeding the 24-hour detention threshold.

Multiple stakeholder workshops were held and process changes were made to decrease the overall length of bail hearings. Stakeholders will continue to monitor the length of time between individual's arrest and their bail hearing and measure progress towards reducing it.

Performance Measure 4.a:

Percentage of offenders successfully completing their sentence while on temporary absence without incurring new criminal charges.

Prior Years' Results				Current Result	2018-19 Target
2014-15 Result	2015-16 Result	2016-17 Result	2017-18 Result		
100%	100%	99.8%	100%	100%	100%

In 2018-19, the target was met as 100 percent of offenders (447) successfully completed their Temporary Absence Program without incurring new criminal charges. This is the same result as the previous year and meets the target.

The Temporary Absence Program is a conditional release program that targets low-risk offenders serving custodial sentences and provides these individuals with an opportunity to pursue employment or rehabilitative programming in the community, when they would have otherwise been incarcerated. The Correctional Services Division continues to focus efforts on risk reduction with the goal of preventing an individual's further involvement in criminal activity. The primary method of addressing risk is to provide offenders with rehabilitative opportunities through a number of means in both correctional centres and the community. The use of the Temporary Absence Program contributes to an offender's success in the community and allows for appropriate re-allocation of division resources due to reduced custody populations.

The criteria that are considered before granting an offender a temporary absence have been set in policy. Offenders are selected for the program based on an assessment of their low-risk of reoffending. These criteria include:

- rated as a minimum security risk;
- not considered a threat to the community;
- has demonstrated acceptable behaviour and a positive attitude while incarcerated;
- has successfully completed offence-specific treatment; and,
- has indicated agreement with the conditions of the temporary absence.

This measure focuses on the percentage of offenders completing their Temporary Absence Program without incurring new criminal charges. Offenders who fail to comply with any condition of a temporary absence permit may have their permit suspended and be required to return to custody immediately.

Successful completion of the temporary absence indicates these offenders are satisfactorily managed in the community while they are involved in constructive activities, and reflects the suitability of the release decision. No additional budget dollars are associated with this measure as offenders on temporary absence are supported by centre staff or, if released for 15 days or longer, by probation officers.

Performance Measure 4.b:**Percentage of probation officers trained in the use of effective intervention techniques derived from evidence-based principles.**

Prior Years' Results				Current Result	2018-19 Target
2014-15 Result	2015-16 Result	2016-17 Result	2017-18 Result		
Not Available	Not Available	18%	48%	66%	65%

In 2018-19, 66 probation officers were trained in the use of Effective Practices in Community Supervision (EPICS), for a cumulative total of 243 officers trained out of 367. This meets the target of 65 percent.

This measure is the first step in assessing the effectiveness of evidence-based community supervision practices on client risk. The fundamental components of these effective intervention techniques have been derived from evidence-based principles, which are offender risk, need and responsivity (RNR). As suggested by its name, this approach is based on three principles:

- the risk principle asserts that criminal behaviour can be reliably predicted and that treatment should focus on higher-risk offenders;
- the need principle highlights the importance of criminogenic needs in the design and delivery of treatment; and,
- the responsivity principle describes how the treatment should be provided.

Effective Practices in Community Supervision (EPICS) is a model that applies the principles of effective intervention techniques. EPICS includes the principles of RNR and eight core correctional practices, (which includes relationship skills, anti-criminal modeling, structured learning, cognitive restructuring, problem solving, effective reinforcement, effective disapproval, and use of authority). This is the model Alberta Correctional Services is adopting into community corrections.

A four-day training program enhances probation officers' ability to provide effective intervention to their respective clients. In addition to training, EPICS implementation is further supported by changes to policy and supervision standards toward a rehabilitative model of supervision. Supervision and coaching focus on the probation officer's interview with the client. Policy and training to support sustainment of EPICS are currently being developed. Eventually, these efforts will lead to a shift in focus and resources away from low-risk offenders to moderate- and high-risk sentenced community offenders.

The University of Cincinnati Corrections Institute (UCCI) was contracted to deliver EPICS training. As of 2018-19, UCCI met the end-user training and train-the-trainer session deliverables as outlined in the contract. In September 2018, nine Probation Officers and Senior Probation Officers became certified EPICS trainers, allowing community corrections to deliver the training internally. Future end-user EPICS training sessions will be provided and supported by in-house trainers. EPICS training will eventually form part of the Community Correctional Services Induction Training curriculum.

Performance Measure and Indicator Methodology

Performance Measures

1.a Public perception of safety in the neighbourhood: percentage of Albertans who feel safe walking alone in their area after dark

Source: *Alberta Justice and Solicitor General Public Opinion Survey*

Beginning in 2015-16, a biennial survey schedule was adopted with targets and results available every other year. The 2018-19 survey was conducted in November 2018. Professionally trained interviewers conduct all interviews. The survey was completed on a computer-assisted telephone interviewing system that allows for ongoing tabulation of results. Ten percent of all interviews were monitored online.

Historically, the sample size for this survey question was 750. With the merger of the former ministries of Justice and Attorney General and Solicitor General and Public Security, the previous survey sample sizes (750 for Justice and Attorney General and 1,200 for Solicitor General and Public Security) were combined. From 2012-13 to 2016-17, the sample size for this survey question was 2,000. In 2018-19, to reduce survey costs, the sample size was reduced to 1,006. This resulted in a slightly higher margin of error. In addition to reducing sample size, the ministry also reduced the length of the survey to focus solely on performance measure questions, one general question about understanding of the justice system, and seven associated demographic questions. The simplified questionnaire is consistent with past survey questions and methodology to ensure comparability of performance measure results.

To survey a random and representative sample of adult Albertans, Statistics Canada population estimates were used to generate a demographically-representative sample. In each of the six geographic regions of the province, the number of interviews in each age-gender segment was proportionate to their population estimates. Results are reliable within ± 3.1 percent at the 95 percent confidence level.

1.b Percentage of Albertans satisfied with policing in Alberta over the past 12 months

Source: *Alberta Justice and Solicitor General Public Opinion Survey*

Beginning in 2015-16, a biennial survey schedule was adopted with targets and results available every other year. The 2018-19 survey was conducted in November 2018. Professionally trained interviewers conduct all interviews. The survey was completed on a computer-assisted telephone interviewing system that allows for ongoing tabulation of results. Ten percent of all interviews were monitored online.

Historically, the sample size for this survey question was 1,200. With the merger of the former ministries of Justice and Attorney General and Solicitor General and Public Security, the previous survey sample sizes (1,200 for Solicitor General and Public Security and 750 for Justice and Attorney General) were combined. From 2012-13 to 2016-17, the sample size for this survey question was 2,000. In 2018-19, to reduce survey costs, the sample size was reduced to 1,006. This resulted in a slightly higher margin of error. In addition to reducing sample size, the ministry also reduced the length of the survey to focus solely on performance measure questions, one general question about understanding of the justice system, and seven associated demographic questions. The simplified questionnaire is consistent with past survey questions and methodology to ensure comparability of performance measure results.

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2.a: Percentage of victims satisfied with services provided by employees and volunteers within the criminal justice system

Source: Justice and Solicitor General, Public Security Division *Victim Services Evaluation Survey*

The ministry tracks the satisfaction of individuals who receive services from employees and volunteers within the criminal justice system. The evaluation survey is included in the Financial Benefits Application package and submitted with applications for financial benefits. Victims apply to the financial benefits program on a continual basis throughout the fiscal year and, as a result, the survey data collection timeframe runs for one full fiscal year. Therefore, for the fiscal year 2018-19, data was collected between April 1, 2018 and March 31, 2019. Results are compiled from the responses completed by individuals who choose to respond to this survey at the time they apply to the program. Results are reliable within ± 3.5 percent at the 95 percent confidence level.

The response rate for this survey was 23 percent in 2018-19. The response rate is calculated using the number of Financial Benefit applications received (3,206) and the total number of responses to the survey (742).

Respondents are asked to rate how satisfied they are with the overall service provided by employees and volunteers within the criminal justice system. The survey uses a five-point Likert scale ranging from one (very dissatisfied) to five (very satisfied). The methodology consists of totaling the cumulative score for the responses to this question and dividing that figure by the total number of valid completed responses to the question. The results provide an average score which is then converted to a percentage for consistency with other ministry performance measures.

3.a Percentage of Albertans who agree that fair and impartial service is provided to prosecute people charged with a crime

Source: *Alberta Justice and Solicitor General Public Opinion Survey*

Beginning in 2015-16, a biennial survey schedule was adopted with targets and results available every other year. The 2018-19 survey was conducted in November 2018. Professionally trained interviewers conduct all interviews. The survey was completed on a computer-assisted telephone interviewing system that allows for ongoing tabulation of results. Ten percent of all interviews were monitored online.

Historically, the sample size for this survey question was 750. With the merger of the former ministries of Justice and Attorney General and Solicitor General and Public Security, the previous survey sample sizes (750 for Justice and Attorney General and 1,200 for Solicitor General and Public Security) were combined. From 2012-13 to 2016-17, the sample size for this survey question was 2,000. In 2018-19, to reduce survey costs, the sample size was reduced to 1,006. This resulted in a slightly higher margin of error. In addition to reducing sample size, the ministry also reduced the length of the survey to focus solely on performance measure questions, one general question about understanding of the justice system, and seven associated demographic questions. The simplified questionnaire is consistent with past survey questions and methodology to ensure comparability of performance measure results.

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3.b Median elapsed time from first to last appearance for a criminal case in Provincial Court and Court of Queen's Bench of Alberta

Source: *Integrated Criminal Court/Adult Criminal Courts Survey*, Canadian Centre for Justice Statistics (CCJS). Data is available annually. CCJS Juristat publication was available on January 24, 2019.

Median elapsed time from first to last appearance represents the mid-point in elapsed time between first and last appearance for all adult criminal cases processed in provincial and superior court. In Alberta, these bodies are the Provincial Court of Alberta and the Court of Queen's Bench.

Performance data for median elapsed time from first to last appearance is obtained from the Integrated Criminal Court Survey/Adult Criminal Court Survey, CCJS. The ministry provides annual data from the Justice Online Information Network (JOIN) to the CCJS' Integrated Criminal Court/Adult Criminal Court Survey through an automated interface. At CCJS, the data is edited, verified, and signed off with the ministry. Information from a number of jurisdictions such as Manitoba, superior courts in Prince Edward Island, Quebec, Ontario, and Saskatchewan, as well as municipal courts in Quebec, are excluded due to the unavailability of data.

A methodology change was introduced by CCJS in 2007-08, which delayed the publication of further results until 2009-10. Therefore, results published in Alberta Justice and Attorney General annual reports prior to 2009-10 are not comparable to results published in the 2017-18 annual report. At the time of annual report publication, the most current results available from CCJS were for 2015-16.

Results published in the 2016-17 Justice and Solicitor General annual report have been restated. CCJS revised the 2015-16 result from 124 days to 125 days. The reason for CCJS' restatement was that in processing 2016-17 data, CCJS also received updated 2015-16 data, which included concluded cases in 2015-16 that were pending at the end of the reference period and had no subsequent activity for a year following the final appearance in 2015-16. When processing the 2016-17 data, these cases were therefore deemed complete for the 2015-16 reference period.

3.c Provincial Court lead time to trial for serious and violent matters

Source: Justice and Solicitor General Administrative Data, Alberta Crown Prosecution Service and Resolution and Court Administration Services

Provincial Court lead time to trial for serious and violent matters is the average number of weeks between the date serious and violent cases are scheduled for trial and the date that the trial or hearing is scheduled to occur, regardless of whether it actually goes forward on that date. Lead times include serious and violent *Criminal Code* federal charges only. Serious and violent crimes include: sexual offences against children; possessing/ publishing/ creating/ distributing/ selling child pornography; criminal negligence; manslaughter; murder; discharging of firearms; administering a noxious thing; dangerous driving; dangerous operation of a motor vehicle; impaired driving causing bodily harm or death; criminal harassment; threats; assault; sexual assault; kidnapping; human trafficking; robbery with violence/assault/weapon; intimidation; and, arson.

The ministry uses data from Justice Business Intelligence Datamart, which pulls its data from Justice Online Information Network (JOIN). Provincial Court lead-time data is calculated through a query to the Justice Information Management System (JIMS) Datamart. The time between the date a case is set down for trial and the date that the trial or hearing is scheduled to occur is obtained for each case that involves a serious and violent crime. The average lead-time is then calculated for all cases with serious and violent offences in that year.

3.d Effectiveness of alternative dispute resolution pathways:

- Provincial Court Civil Mediation Program Resolution Rate
- Family Mediation Program Resolution Rate

Source: Justice and Solicitor General Administrative Data, Resolution and Court Administration Services

This measure represents the percentage of files resolved through mediation (civil and family) after being diverted to the resolution programs. Resolution occurs once a mediated agreement describing the terms of settlement is created and signed by the parties. The formula for calculating the resolution rate is: total "mediations resolved" divided by (total "resolved" plus total "not resolved"), multiplied by 100%. The resolution rate does not include matters that resolve after a mediation session and before a court date.

3.e Percentage of *Gladue* reports produced within six weeks of request from Courts

Source: Justice and Solicitor General Administrative Data, Justice Services Division

When the Courts order the preparation of a *Gladue* report, the judicial clerk or the defence counsel submits a standardized request to the Provincial *Gladue* Report Coordinator. The report is assigned to a writer via a contract letter that establishes a completion date. Based on the "bring forward date" the coordinator monitors the writer's progress and ensures the report is received and then distributed to the appropriate court jurisdiction. *Gladue* report writers contact the coordinator if they are unable to locate or establish contact with the subject of their report. Prior to the report completion date the Coordinator submits a letter to the Court indicating that the *Gladue* report is being returned incomplete and the reasons preventing its completion. The Coordinator has control over all aspects of the report writing process from assignment to dissemination.

The *Gladue* Coordinator is responsible for assigning and distributing all *Gladue* reports and reports monthly and annually on the number of reports completed, the number of extension requests, and the number of reports not completed due to external circumstances (e.g., missing clients, refusal to participate).

4.a Percentage of offenders successfully completing their sentence while on temporary absence without incurring new criminal charges

Source: Justice and Solicitor General Administrative Data, Correctional Services Division

Data on temporary absences ended and revoked due to new charges is stored in the correctional service administrative system (Offender Records and Correctional Administration, or ORCA). This system is a database of operational statistical information about individuals under the care, custody, and control of the Alberta Correctional Services Division. A query of the correctional service administrative data at the end of the fiscal year produces the information required for this performance measure.

The number of Temporary Absence (TA) Programs that have ended and the number of temporary absences that have been revoked due to new charges is obtained via analysis of the data extracts produced from the system. The percentage of TA Programs completed successfully is calculated by subtracting the number of temporary absences that were revoked due to new charges from the number of temporary absences that ended in the fiscal year. The result is then divided by the total number of temporary absences that ended.

The offender management system, ORCA, was introduced in February 2013 and replaced the legacy system, Correctional Management Information System (CoMIS). Data on temporary absences (conditional releases) granted and suspended due to re-offence was stored in the CoMIS until January 2013.

This is the last year that this measure will be included in the ministry business plan and annual report, as a 100 percent result has been achieved for two consecutive years.

4.b Percentage of probation officers trained in the use of effective intervention techniques derived from evidence-based principles

Source: Justice and Solicitor General Administrative Data, Correctional Services Division

This measure reflects the percentage of probation officers and senior probation officers trained in Effective Practices in Community Supervision (EPICS). The number of Government of Alberta probation officers and senior probation officers in Community Corrections and Release Program Branch, and the Young Offender Branch is extracted from IMAGIS each fiscal year. The number of staff trained each fiscal year is added to the number of staff trained in previous fiscal years to calculate a cumulative total. This result is then divided by the total number of probation officers and senior probation officers.

Performance Indicators

1.a Crime Rate

Source: *Uniform Crime Reporting Survey*, Canadian Centre for Justice Statistics (CCJS). Data is available annually. CCJS CANSIM Table data was available on July 23, 2018.

Crime rate is calculated using Incident-based Uniform Crime Reporting (UCR2) data, which measures police-reported crime in each Canadian jurisdiction. Crime rate measures the volume of police-reported crime, expressed as the number of crimes per 100,000 people. Historical results are revised annually to reflect updated data provided by police services for incidents that occurred in previous years. Property crime includes theft, break-and-enter, fraud, and possession of stolen goods. It does not include the use of threat of violence against an individual. Violent crime includes homicide, attempted murder, robbery, abduction and various forms of sexual assault. It also does not include traffic incidents that result in death or bodily harm.

1.b Crime Severity Index

Source: *Uniform Crime Reporting Survey*, Canadian Centre for Justice Statistics (CCJS). Data is available annually. CCJS CANSIM Table data was available on July 23, 2018.

The Crime Severity Index (CSI) is a measure of the seriousness of police reported crime. Each criminal offence is weighted based on the sentence imposed upon the offender. More serious offences, such as homicide or serious assault, are weighted more heavily than minor thefts and minor assaults. The crime severity index is calculated using Incident-based Uniform Crime Reporting Survey (UCR2) data. It should be noted that Incident-based UCR2 data was not available for all respondents for the period from 1998 to 2015. Instead, these police services continued to report to the Aggregate Uniform Crime Reporting Survey (UCR), which meant that a process of imputation was necessary to translate UCR data into its UCR2 equivalents. Approximately 80 per cent of the offence codes in the aggregate survey mapped 1:1 onto the incident-based violation codes in the UCR2. For the remaining categories of violation (such as the “aggregate other Criminal Code” category), it was necessary to estimate their seriousness by looking at the distribution of other Criminal Code offences in the reports of existing UCR2 respondents.

3.a Sustainable Justice System:

Diversion rate from Provincial Court Civil to the Civil Mediation program

Source: Justice and Solicitor General Administrative Data, Resolution and Court Administration Services

This measure reports on the percentage of files diverted from the Provincial Court Civil to the Civil Mediation program. The diversion rate is calculated according to the following formula: total "screened in" files divided by (total "screened in" plus total "screened out"), multiplied by 100 percent.

Percentage of criminal cases concluded before a trial date is set

Source: Justice and Solicitor General Administrative Data, Alberta Crown Prosecution Service and Resolution and Court Administration Services

A number of factors influence case processing time in the courts. Prioritizing serious and violent cases and diverting appropriate matters from court as early in the process as possible helps to reduce delay. Resolving cases prior to setting a trial date helps to free-up Crown and court resources for more serious cases. The percentage is calculated according to the following formula: number of cases that collapsed with no trial being set divided by the total number of the cases concluded during the fiscal year, multiplied by x 100 percent.

4.a Sustainable Justice System:

Daily Average Remand Population Counts at Edmonton Remand Centre

Number of Releases from Edmonton Remand Centre

Source: Justice and Solicitor General Administrative Data, Correctional Services Division

Data on the average daily remand population and number of releases (accused remanded for five days or less) is stored in the Offender Records and Correctional Administration (ORCA) system. This system provides the ministry with a database of operational statistical information about individuals under the care, custody and control of the Alberta Correctional Services Division. A query of the correctional service administrative data at the end of the fiscal year produces the information required for this performance indicator.

Financial Information

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Introduction

The annual report of a ministry contains the financial information, including the audited financial statements of other reporting entities within the ministry (i.e. regulated funds), and a comparison of actual performance results to planned results set out in the ministry business plan.

The financial information includes the transactions and affairs of entities making up the ministry including the department, regulated funds for which the Minister is responsible.

The ministry annual report also includes other financial information as required by the *Financial Administration Act (FAA)* and *Fiscal Planning and Transparency Act*, as separate reports, to the extent that the ministry has anything to report, and financial information relating to trust funds.

Reporting Entity and Method of Consolidation

The financial information is to be prepared in accordance with government's stated accounting policies, which are based on Canadian Public Sector Accounting Standards.

The reporting entity is the ministry for which the Minister of Justice and Solicitor General is accountable. The accounts of the Department of Justice and Solicitor General, the Human Rights Education and Multiculturalism Fund, and the Victims of Crime Fund are fully consolidated on a line-by-line basis with the accounting policies described below.

The Office of the Public Guardian and Trustee administers client trust and estates as required under the *Public Trustee Act*. As a trust fund, the accounts are not consolidated.

The accounts of government sector entities, except those designated as government business enterprises, are consolidated using the line-by-line method. Under this method, accounting policies of the consolidated entities are adjusted to conform to government accounting policies and the results of each line item in their financial statements (revenue, expense, assets and liabilities) are included in government's results. Revenue and expense, capital, investing and financing transactions and related asset and liability balances between the consolidated entities have been eliminated.

Ministry Financial Highlights

As at March 31, 2019

Statement of Revenues and Expenses (unaudited)

	2019		2018	Change from	
	Budget	Actual	(Restated) Actual	Budget	2018 Actual
<i>(in thousands)</i>					
Revenues					
Federal government grants	\$ 37,382	\$ 38,686	\$ 36,726	\$ 1,304	\$ 1,960
Investment income	1,043	3,129	1,812	2,086	1,317
Premiums, fees and licences	55,555	55,647	52,894	92	2,753
Other	267,527	244,492	249,869	(23,035)	(5,377)
Ministry total	361,507	341,954	341,301	(19,553)	653
Inter-ministry consolidation adjustments	(525)	(14)	(319)	511	305
Adjusted ministry total	360,982	341,940	340,982	(19,042)	958
Expenses - directly incurred					
Programs					
Ministry Support Services	25,700	24,949	22,533	(751)	2,416
Resolution and Court Administration Services	207,579	200,585	207,769	(6,994)	(7,184)
Legal Services	57,490	55,866	52,580	(1,624)	3,286
Alberta Crown Prosecution Service	102,218	103,605	93,722	1,387	9,883
Justice Services	163,296	176,072	159,716	12,776	16,356
Public Security	518,228	523,163	509,265	4,935	13,898
Correctional Services	286,790	289,756	285,922	2,966	3,834
Alberta Human Rights	8,953	8,079	7,690	(874)	389
Motor Vehicle Accident Claims	26,809	31,253	29,734	4,444	1,519
Victims of Crime Fund	40,045	42,972	40,936	2,927	2,036
Ministry total	1,437,108	1,456,300	1,409,867	19,192	46,433
Inter-ministry consolidation adjustments	(525)	(1,720)	(2,038)	(1,195)	318
Adjusted ministry total	1,436,583	1,454,580	1,407,829	17,997	46,751
Annual Deficit	\$ (1,075,601)	\$ (1,112,640)	\$ (1,066,847)	\$ (37,039)	\$ (45,793)

Revenues and Expenses Highlights

Revenue

Budget to Actual

Ministry revenues in 2018-19 are \$19.6 million or 5.7 percent lower than budgeted. The decreased revenues are mainly the result of:

- \$23.0 million decrease in other revenue due to lower than anticipated volumes of Traffic Safety Act tickets (a 5% reduction of ticket volumes from 2.1 million tickets in 2017-18 to 2.0 million tickets in 2018-19) and associated Victim of Crime surcharges, as well as lower federal fines.

Offset by:

- \$2.1 million increase in investment income revenue mainly due to higher than expected interest rate over the year; and
- \$1.3 million increase in federal grants and transfers for the immigration and criminal legal aid, corrections immigration and exchange of services, as well as Indigenous Courtworker program and Child-centered Family Justice.

Actual to Actual

Actual revenues in 2018-19 reflect a slight increase of \$0.7 million mainly due to:

- \$2.8 million increase in premiums, fees and licenses, primarily for higher court fees resulting from the rising demand for court services;
- \$2.0 million increase in federal funding to immigration and criminal legal aid, guns and gangs initiative, corrections immigration and exchange of services agreements, Indigenous Courtworker program and Child-centered Family Justice; and
- \$1.3 million increase in investment income mainly due to an increase of interest rate from 1.1% in 2017-18 to 1.8% in 2018-19.

Offset by:

- \$5.4 million decrease in other revenue mainly due to lower volumes of Traffic Safety Act tickets and associated Victim of Crime surcharges, as well as decreases in federal fine surcharges.

Expenses

Budget to Actual

The total operating expense in 2018-19 was \$1,456.3 million, which was \$19.2 million or 1.3 per cent higher than budget. The Ministry received approval of \$24.2 million in Supplementary Estimates to address key priorities, contractual commitments and overall workload pressures across the ministry.

- \$30.9 million higher expenditure in grants is due to additional grants to Legal Aid Alberta (LAA), Alberta Law Enforcement Response Team (ALERT), Association of Alberta Sexual Assault Service (AASAS) and population based Municipal Policing Assistance Grant (MPAG) to address service demands. In addition, Financial Benefit funding to victims and to assistance to victims organizations was higher than anticipated; and
- \$11.2 million higher expenditure on supplies and services for Provincial Policing Service Agreement (PPSA), First Nations Community Police Service Agreement with the RCMP, risk management insurance and IT shared service costs.

Offset by:

- \$16.8 million under-expenditure on salaries and wages primarily due to the divisional delays in recruiting to vacation positions; and
- \$6.1 million in amortization and other expenses resulting from assets becoming fully amortized and lower than anticipated provision expenses for financial benefits.

Actual to Actual

Actual expenses present a \$46.4 million or 3.3 per cent higher than 2017-18 with the following highlights:

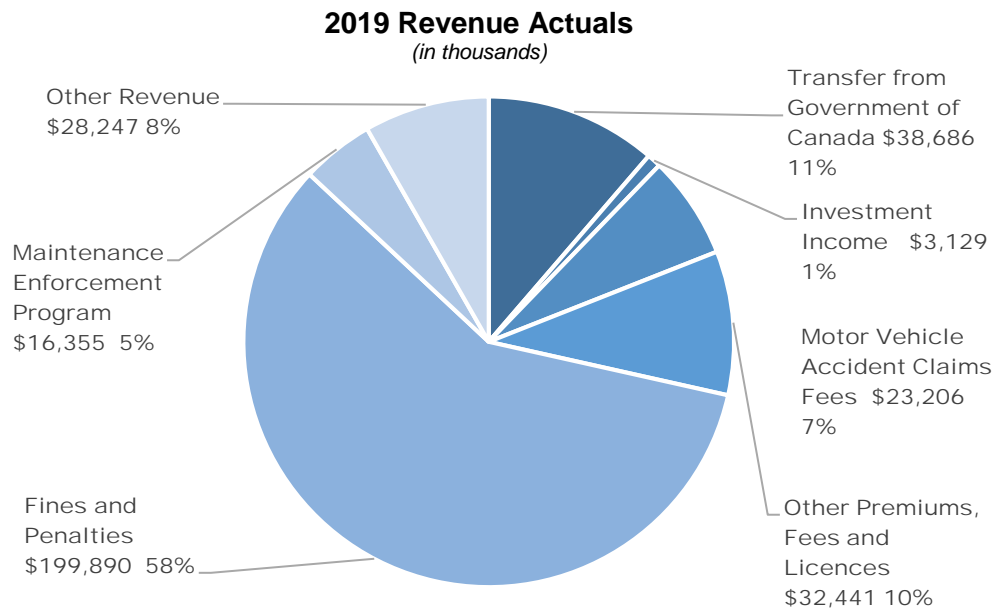
- \$17.2 million in manpower due to overtime costs in the remand and correctional centers resulting from managing increasingly complex inmate interactions;
- \$13.2 million increased payments for PPSA as higher FTE utilization, equipment and accommodation costs, higher overtime and detachment operating costs, as well as increases to support the Alberta Bail Hearing Office and projected need from law enforcement operations, and the food and chaplaincy services in remand centers; and
- \$26.5 million increase in grants including \$14.8 million additional funding provided to LAA to improve access and service delivery while meeting future demand, \$7.2 million increase in grant funding to victims and victims organizations, \$3.0 million for ALERT, \$1.5 million for AASAS and population based MPAG.

Offset by:

- \$10.5 million decrease in other expenses mainly due to decrease of traffic tickets write-off and declining vacation and financial benefits liabilities.

Breakdown of Revenues (unaudited)

The following information presents detailed revenues of the ministry. The objective of detailed revenues disclosure is to provide information that is useful in understanding and assessing the financial impact of government's revenue raising and for enhancing legislative control.

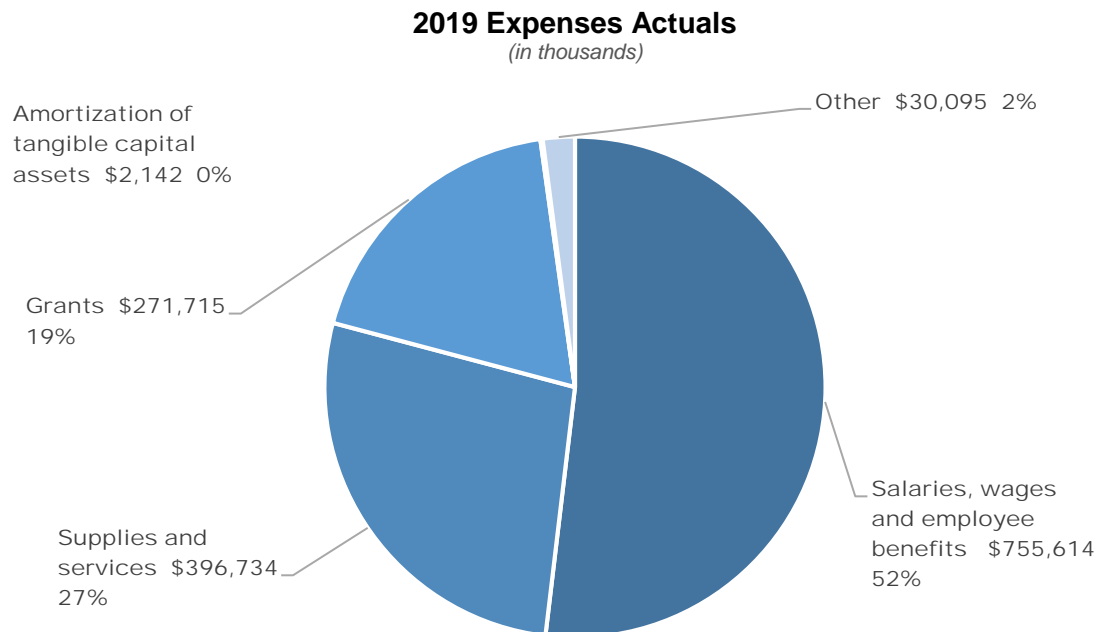


- **Fines and Penalties** - \$199.9 million. Overall, Traffic Safety Act fines make-up the majority of this category, and includes the following:
 - Ticket Processing Retention fee - 26.67% of all Traffic Safety Act fines across the province as well as the full amount of fines levied by Highway Traffic Sheriffs on Alberta highways;
 - Victims of Crime Fund (VoCF) also levies a 15% Fine Surcharge on all traffic ticket fine amounts that is deposited in the fund with statutory authority to spend on victims;
 - Federal Victims Surcharge from federal Criminal Code offences may also be imposed by the judiciary and submitted to the VoCF; and
 - Late Payment Penalty collected when tickets not paid on time.
- **Transfers from Government of Canada** - \$38.7 million. Revenue from federal agreements, primarily in support of Young Offenders Programs, Legal Aid services, Child Centered Family Justice, Indigenous Court Worker Program, and the new Guns and Gangs and Drug Impaired Driving Training programs.
- **Other Premiums, Fees and Licences** - \$32.4 million. Resolution and Court Administration Services is responsible for collecting fees for some of the services provided to the public including: bankruptcy, civil commencement, trial, search and surrogate, transcript fees. Security Services and Investigator fees, official documents and appointments application and license fees, Medical Examiner autopsy and toxicology fees.

- **Motor Vehicle Accident Claims (MVAC)** - \$23.2 million. Revenue is derived from a \$6 fee included with vehicle registrations collected at provincial registry offices and MyAlberta eServices remitted to offset MVAC costs (statutory program).
- **Maintenance Enforcement** - \$16.4 million. Comprised mainly of amounts subrogated by the Crown's Family Support Order Services for Maintenance Enforcement Program.
- **Investment Income** - \$3.1 million. Comprised mainly of interest earned on the Human Rights Education and Multiculturalism Fund and Victims of Crime Fund, and department funds invested in the Consolidated Cash Investment Trust Fund.
- **Other Revenue** - \$28.2 million, mainly from recoveries for Enhanced Policing Services and Edmonton International Airport policing service. In also includes MVAC judgment recoveries and proceeds from abandoned or seized vehicles.

Expenses – Directly Incurred Detailed by Object (unaudited)

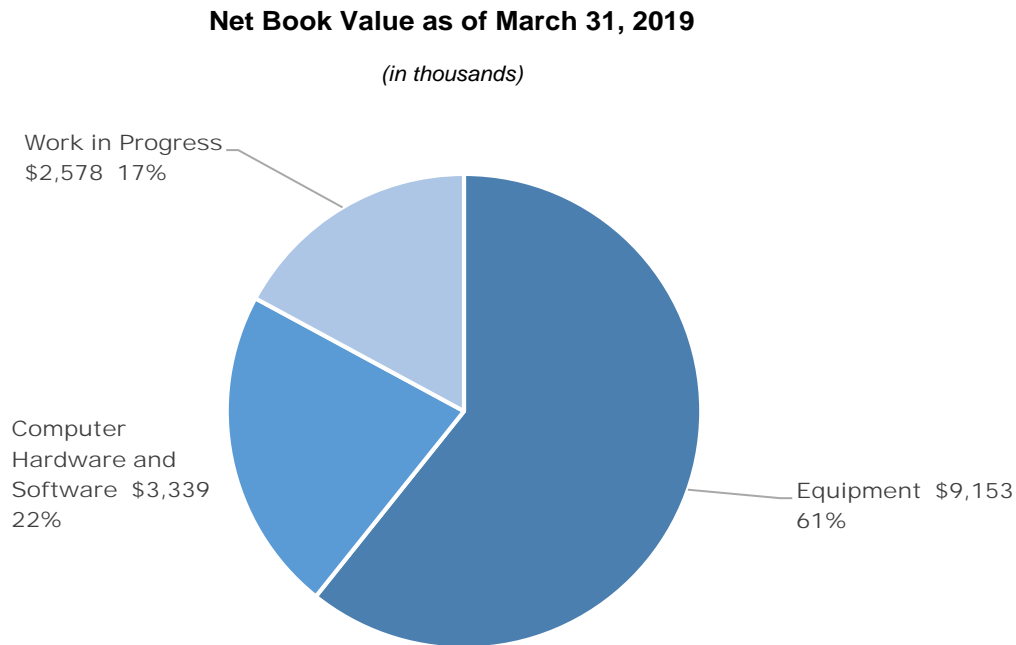
The following information presents expenses of the ministry that were directly incurred by object. The objective of disclosure of expenses by object is to provide information that is useful in evaluating the economic impact of government acquiring or consuming various types of resources.



- **Salaries, wages and employee benefits** expenses of \$755.6 million are the ministry's largest operating expense, or 52 per cent of total operating expense. The ministry provides frontline programs and services that ensure Albertans have safe and protected communities and fair access to justice system. Funding primarily covers positions in correctional facilities, crown prosecutors, judicial and court staff, sheriffs and enforcement workers, legal counsel and other justice services staff.
- **Supplies and services** spending of \$396.7 million or 27 per cent of total spending is primarily for Provincial Police Services Agreement and inmate food services contract in Correctional Services. In addition to contract services, the ministry purchases all materials and supplies for courthouses and correctional facilities across the province.
- **Grants spending** of \$271.7 million or 19 per cent of total spending provides operational funding for delivery of services by key stakeholders and partners via support to individuals, organizations and communities through JSG grant programs. This includes the operating grant to LAA to ensure low-income Albertans have access to legal services; the grant to the ALERT to combat gangs and serious crime; the grants for Policing Assistance to Municipalities in support of effective and adequate policing for Alberta communities; and grants to Victims organizations from the Victims of Crime Fund.
- **Amortization of tangible capital assets** (\$2.1 million) and other expenses (\$30.1 million) or 2 per cent of total expenses primarily relates to Motor Vehicle Accidental Claims program, Victim of Crime Fund and write-offs of traffic tickets.

Supplemental Financial Information

Tangible Capital Assets (unaudited)



- Tangible capital assets include equipment (61 per cent), computer hardware (22 per cent) and working in progress (17 per cent).
- **Equipment** primarily comprised of \$3.2 million in Correctional Services, \$2.8 million for Office of the Chief Medical Examiner (ex. Body Scanners & X-Ray equipment), \$2.6 million in Public Security Division (ex. Vehicles & in-car video equipment, including \$1.4 million for Fish & Wildlife, \$0.8 million in Sheriffs Branch, and \$0.4 for Commercial Vehicle Enforcement), and 0.6 million in courts and other divisions.
- **Computer Hardware and Software** primarily comprised of \$1.9 million in Resolution and Court Administration Services (technology for courtrooms), \$0.6 million in Business Intelligence Analytics software, and \$0.8 million in Public Security Division (dispatch consoles and AVATAR victim grants tracking system).
- **Work in Progress** primarily comprised of \$2.4 million in Alberta Crown Prosecution Services for Criminal e File (\$2.1 million) and JSG Telephony system (\$0.3 million).

Financial Statements of Other Reporting Entities

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Human Rights Education and Multiculturalism Fund

Audited Financial Statements Year Ended March 31, 2019

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To the Minister of Justice and Solicitor General

Report on the Financial Statements

Opinion

I have audited the financial statements of Human Rights Education and Multiculturalism Fund, which comprise the statement of financial position as at March 31, 2019, and the statements of operations, change in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Human Rights Education and Multiculturalism Fund as at March 31, 2019, and the results of its operations, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of Human Rights Education and Multiculturalism Fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the *Annual Report*, but does not include the financial statements and my auditor's report thereon. The *Annual Report* is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I will perform on this other information, I conclude that there is a material misstatement of this other information, I am required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the 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 the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Human Rights Education and Multiculturalism Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Human Rights Education and Multiculturalism Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Human Rights Education and Multiculturalism Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Human Rights Education and Multiculturalism Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Human Rights Education and Multiculturalism Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

[Original Signed By W. Doug Wylie FCPA, FCMA, ICD.D]
Auditor General

June 3, 2019
Edmonton, Alberta

HUMAN RIGHTS EDUCATION AND MULTICULTURALISM FUND
Statement of Operations
Year Ended March 31, 2019

	2019		2018	
	Budget	Actual	Actual	
	<i>(in thousands)</i>			
Revenues				
Internal Government Transfer				
Department of Justice and Solicitor General	\$ 1,735	\$ 1,735	\$ 1,735	
Investment income	100	81	50	
Premiums, fees and licences	75	48	64	
Other	10	-	16	
	<u>1,920</u>	<u>1,864</u>	<u>1,865</u>	
Expenses - Directly incurred (Note 2(a) and Schedule 1 and 4)				
Programs				
Support to community groups	1,296	1,411	1,239	
Education programs	597	432	466	
	<u>1,893</u>	<u>1,843</u>	<u>1,705</u>	
Annual surplus	<u>\$ 27</u>	<u>\$ 21</u>	<u>\$ 160</u>	

The accompanying notes and schedules are part of these financial statements.

HUMAN RIGHTS EDUCATION AND MULTICULTURALISM FUND
Statement of Financial Positions
As at March 31, 2019

	<u>2019</u>	<u>2018</u>
	<i>(in thousands)</i>	
Financial assets		
Cash and cash equivalents (Note 3)	\$ 3,719	\$ 3,721
Accounts receivable	7	10
	<u>3,726</u>	<u>3,731</u>
Liabilities		
Accounts payable and accrued liabilities (Note 4)	23	51
	<u>3,703</u>	<u>3,680</u>
Net financial assets		
	<u>3,703</u>	<u>3,680</u>
Non-financial assets		
Tangible capital assets (Note 5)	6	8
	<u>6</u>	<u>8</u>
Net assets	<u>\$ 3,709</u>	<u>\$ 3,688</u>
Net assets at beginning of year	\$ 3,688	\$ 3,528
Annual surplus	21	160
Net assets at end of year	<u>\$ 3,709</u>	<u>\$ 3,688</u>

Contractual obligations (Note 6)

The accompanying notes and schedules are part of these financial statements.

HUMAN RIGHTS EDUCATION AND MULTICULTURALISM FUND
Statement of Change in Net Financial Assets
Year Ended March 31, 2019

	2019		2018	
	Budget	Actual	Actual	
	<i>(in thousands)</i>			
Annual surplus	\$ 27	\$ 21	\$ 160	
Amortization of tangible capital assets (Note 5)	-	2	2	
Increase in net financial assets	\$ 27	\$ 23	\$ 162	
Net financial assets at beginning of year	3,518	3,680	3,518	
Net financial assets at end of year	<u>\$ 3,545</u>	<u>\$ 3,703</u>	<u>\$ 3,680</u>	

The accompanying notes and schedules are part of these financial statements.

HUMAN RIGHTS EDUCATION AND MULTICULTURALISM FUND
Statement of Cash Flows
Year Ended March 31, 2019

	2019	2018
	<i>(in thousands)</i>	
Operating transactions		
Annual surplus	\$ 21	\$ 160
Non-cash items Included in annual surplus		
Amortization of tangible capital assets (Note 5)	2	2
	<u>23</u>	<u>162</u>
Decrease/(increase) in accounts receivable	3	(7)
(Decrease)/increase in accounts payable and accrued liabilities (Note 4)	(28)	36
	<u>(2)</u>	<u>191</u>
(Decrease)/increase in cash and cash equivalents	\$ (2)	\$ 191
Cash and cash equivalents at beginning of year	3,721	3,530
Cash and cash equivalents at end of year	<u>\$ 3,719</u>	<u>\$ 3,721</u>

The accompanying notes and schedules are part of these financial statements.

HUMAN RIGHTS EDUCATION AND MULTICULTURALISM FUND

Notes to the Financial Statements

March 31, 2019

NOTE 1 AUTHORITY AND PURPOSE

The Human Rights Education and Multiculturalism Fund (the fund) operates under the authority of the *Alberta Human Rights Act*, Chapter A-25.5, Revised Statutes of Alberta 2000.

The purpose of the fund is to promote equality, increase understanding and acceptance of Alberta's diverse racial and cultural composition, and inform Albertans about their rights and responsibilities under the *Alberta Human Rights Act*.

The fund is owned by the Crown in Right of Alberta and as such has a tax exempt status.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards.

(a) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting.

Government transfers

Transfers from all levels of governments are referred to as government transfers.

Government transfers are recognized as deferred revenue if the eligibility criteria of the transfer, or the stipulations together with the fund's actions and communications as to the use of transfers create a liability. These transfers are recognized as revenues, as the stipulations are met and, when applicable, the fund complies with its communicated uses of these transfers.

All other government transfers, without stipulations for the use of the transfer, are recognized as revenue when the transfer is authorized and the fund meets eligibility criteria (if any).

Expenses

Directly incurred

Directly incurred expenses are those costs the fund has primary responsibility and accountability for, as reflected in the government's budget documents.

In addition to program operating expenses such as supplies, etc., directly incurred expenses also include amortization of tangible capital assets.

HUMAN RIGHTS EDUCATION AND MULTICULTURALISM FUND
Notes to the Financial Statements (Cont'd)
March 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(a) Basis of Financial Reporting (Cont'd)

Expenses (Cont'd)

Incurring by others

Services contributed by other related entities in support of the fund's operations are not recognized but are disclosed in Schedule 4.

Grant expenses

Grants are recognized as expenses when authorized and eligibility criteria, if any, are met by the recipients and a reasonable estimate of the amounts can be made.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act.

The fair values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short-term nature of these instruments.

Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

Financial assets of the fund are limited to financial claims, such as advances to and receivables from other organizations, and other individuals.

Accounts receivable

Accounts receivable are recognized at the lower of cost or net recoverable value. A valuation allowance is recognized when recovery is uncertain.

Liabilities

Liabilities are present obligations of the fund to external organizations and individuals arising from past transactions or events occurring before the year end, the settlement of which is expected to result in the future sacrifice of economic benefits. They are recognized when there is an appropriate basis of measurement and management can reasonably estimate the amounts.

HUMAN RIGHTS EDUCATION AND MULTICULTURALISM FUND
Notes to the Financial Statements (Cont'd)
March 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(a) Basis of Financial Reporting (Cont'd)

Non-Financial Assets

Non-financial assets are acquired, constructed, or developed assets that do not normally provide resources to discharge existing liabilities, but instead:

- a) are normally employed to deliver government services;
- b) may be consumed in the normal course of operations; and
- c) are not for sale in the normal course of operations.

Non-financial assets of the fund are limited to tangible capital assets.

Tangible capital assets

Tangible capital assets of the fund are recognized at cost less accumulated amortization and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$250,000 and the threshold for major systems enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000.

Amortization is only charged when the tangible capital asset is put into service.

(b) Change in Accounting Policy

The fund has prospectively adopted the following standard from April 1, 2018: PS 3430 Restructuring Transactions. The adoption of this standard did not affect the financial statements.

(c) Future Accounting Changes

The Public Sector Accounting Board has issued the following accounting standards:

- **PS 3280 Asset Retirement Obligations (effective April 1, 2021)**
This standard provides guidance on how to account for and report liabilities for retirement of tangible capital assets.
- **PS 3400 Revenue (effective April 1, 2022)**
This standard provides guidance on how to account for and report on revenue, and specifically, addresses revenue arising from exchange transactions and unilateral transactions.

HUMAN RIGHTS EDUCATION AND MULTICULTURALISM FUND
Notes to the Financial Statements (Cont'd)
March 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(c) Future Accounting Changes (cont'd)

- **PS 3450 Financial Instruments (effective April 1, 2021)**

Adoption of this standard requires corresponding adoption of PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation, and PS 3041 Portfolio Investments in the same fiscal period. These standards provide guidance on: recognition, measurement and disclosure of financial instruments; standards on how to account for and report transactions that are denominated in a foreign currency; general reporting principles and standards for the disclosure of information in financial statements; and how to account for and report portfolio investments.

Management is currently assessing the impact of these standards on the financial statements.

NOTE 3 CASH AND CASH EQUIVALENTS

(in thousands)

Cash and cash equivalents include deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. The CCITF is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high-quality, short-term securities with a maximum term to maturity of three years. As at March 31, 2019, securities held by the fund have a time weighted return of 1.8% (2018 – 1.1%) per annum. Due to the short-term nature of CCITF investments, the carrying value approximates fair value.

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

(in thousands)

	2019	2018
Other Program Expenses	\$ 23	\$ 51

HUMAN RIGHTS EDUCATION AND MULTICULTURALISM FUND
Notes to the Financial Statements (Cont'd)
March 31, 2019

NOTE 5 TANGIBLE CAPITAL ASSETS

(in thousands)

	2019	2018
	Total	
	Equipment ⁽¹⁾	
Estimated useful life	3-40 years	
Historical cost		
Beginning of year	\$ 17	\$ 17
Additions	-	-
Disposals including write-downs	-	-
	<u>17</u>	<u>17</u>
Accumulated amortization		
Beginning of year	9	7
Amortization expense	2	2
Effect of disposals including write-downs	-	-
	<u>11</u>	<u>9</u>
Net book value at March 31, 2019	<u>\$ 6</u>	
Net book value at March 31, 2018		<u>\$ 8</u>

⁽¹⁾ Equipment includes video conference equipment.

NOTE 6 CONTRACTUAL OBLIGATIONS

(in thousands)

Contractual obligations are obligations of the fund to others that will become liabilities in the future when the terms of those contracts or agreements are met.

As at March 31, 2019, the fund has obligations under contracts and programs totalling \$138 (2018 - \$525).

Estimated payment requirements for each of the next year are as follows:

Obligations under contracts and programs	Total
2019-20	<u>\$ 138</u>

NOTE 7 APPROVAL OF FINANCIAL STATEMENTS

The deputy minister and the senior financial officer approved these financial statements.

HUMAN RIGHTS EDUCATION AND MULTICULTURALISM FUND **Schedule 1**
Schedule to Financial Statements
Expenses – Directly Incurred Detailed By Object
Year Ended March 31, 2019

	2019		2018
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Supplies and services	\$ 268	\$ 86	\$ 120
Supplies and services from support service			
Arrangements with related parties ⁽¹⁾	625	625	625
Grants	1,000	1,130	958
Amortization of tangible capital assets	-	2	2
	<u>\$ 1,893</u>	<u>\$ 1,843</u>	<u>\$ 1,705</u>

⁽¹⁾ The fund receives financial and administrative services from the Department of Justice and Solicitor General.

HUMAN RIGHTS EDUCATION AND MULTICULTURALISM FUND Schedule 2
Schedule to Financial Statements
Salary and Benefits Disclosure
Year Ended March 31, 2019

	2019			2018	
	Base Salary ⁽¹⁾	Other Cash Benefits ⁽²⁾	Other Non-Cash Benefits ⁽³⁾	Total ⁽⁵⁾	Total
	<i>(in thousands)</i>				
Chief of the Commission and Tribunals, Alberta Human Rights Commission ⁽⁴⁾	\$ 229	\$ 52	\$ 14	\$ 295	237

- (1) Base salary includes regular salary and earnings such as acting pay.
- (2) Other cash benefits include vacation payouts, lump sum payments and car allowance. There were no bonuses paid in 2019.
- (3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees including pension, supplementary retirement plans, health care, dental coverage, group life insurance, short and long term disability plans, parking, professional memberships, tuition fees and the Health Spending Account.
- (4) The position was occupied by two individuals during the year (April to July and August to March).
- (5) Full salary and benefits are disclosed but not paid by the Fund, which is paid by the Department of Justice and Solicitor General.

HUMAN RIGHTS EDUCATION AND MULTICULTURALISM FUND **Schedule 3**
Schedule to Financial Statements
Related Party Transactions
Year Ended March 31, 2019

(in thousands)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's Consolidated Financial Statements. Related parties also include key management personnel in the fund and their close family members.

The fund paid or collected certain taxes and fees set by regulation for premiums, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The fund had the following transactions with related parties reported on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between related parties:

	Entities in the Ministry	
	2019	2018
Revenues		
Transfer from the Department of Justice and Solicitor General	\$ 1,735	\$ 1,735
Expenses - directly incurred		
Shared services agreement	\$ 625	\$ 625

The fund also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not reported in the financial statements but are disclosed in Schedule 4.

HUMAN RIGHTS EDUCATION AND MULTICULTURALISM FUND **Schedule 4**
Schedule to Financial Statements
Allocated Costs
Year Ended March 31, 2019
(in thousands)

Program	2019			2018
	Expenses ⁽¹⁾	Expenses - Incurred by Others		Total Expenses
		Accommodation Costs ⁽²⁾	Total Expenses	
Support to Community Groups	\$ 1,411	\$ 85	\$ 1,496	\$ 1,321
Education Programs	432	-	432	466
	<u>\$ 1,843</u>	<u>\$ 85</u>	<u>\$ 1,928</u>	<u>\$ 1,787</u>

(1) Expenses – Directly Incurred as per Statement of Operations.

(2) Accommodation Costs, including grants in lieu of taxes, allocated by square meters.

Victims of Crime Fund

Audited Financial Statements Year Ended March 31, 2019

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To the Minister of Justice and Solicitor General

Report on the Financial Statements

Opinion

I have audited the financial statements of Victims of Crime Fund, which comprise the statement of financial position as at March 31, 2019, and the statements of operations, change in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Victims of Crime Fund as at March 31, 2019, and the results of its operations, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of Victims of Crime Fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the *Annual Report*, but does not include the financial statements and my auditor's report thereon. The *Annual Report* is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I will perform on this other information, I conclude that there is a material misstatement of this other information, I am required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the 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 the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Victims of Crime Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Victims of Crime Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Victims of Crime Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Victims of Crime Fund’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor’s report. However, future events or conditions may cause Victims of Crime Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

[Original Signed By W. Doug Wylie FCPA, FCMA, ICD.D]
Auditor General

June 3, 2019
Edmonton, Alberta

VICTIMS OF CRIME FUND
Statement of Operations
Year Ended March 31, 2019

	2019		2018
	Budget	Actual	Actual
<i>(in thousands)</i>			
Revenues			
Government transfers			
Federal government grants	\$ 1,348	\$ 1,149	\$ 1,098
Investment income	500	1,335	803
Other			
Provincial fine surcharge	46,500	41,756	42,784
Federal surcharge	2,500	2,242	2,445
Refunds of expense	-	787	711
	<u>50,848</u>	<u>47,269</u>	<u>47,841</u>
Expenses - directly incurred (Note 2(a) and Schedule 1 and 4)			
Programs			
Financial Benefits	17,252	19,363	21,178
Assistance to Victims' Organizations	21,885	22,499	18,780
Criminal Injuries Review Board	448	395	316
Program Support Services	460	715	662
	<u>40,045</u>	<u>42,972</u>	<u>40,936</u>
Annual Surplus	<u>\$ 10,803</u>	<u>\$ 4,297</u>	<u>\$ 6,905</u>

The accompanying notes and schedules are part of these financial statements.

VICTIMS OF CRIME FUND

Statement of Financial Position

As at March 31, 2019

	2019	2018
	<i>(in thousands)</i>	
Financial assets		
Cash and cash equivalents (Note 3)	\$ 74,614	\$ 76,382
Accounts receivable (Note 4)	32,535	31,337
	<u>107,149</u>	<u>107,719</u>
Liabilities		
Accounts payable and accrued liabilities (Note 6)	<u>31,157</u>	<u>36,115</u>
Net financial assets	<u>75,992</u>	<u>71,604</u>
Non-financial assets		
Tangible capital assets (Note 7)	333	424
Net assets	<u>\$ 76,325</u>	<u>\$ 72,028</u>
Net assets at beginning of year	\$ 72,028	\$ 65,123
Annual surplus	<u>4,297</u>	<u>6,905</u>
Net assets at end of year	<u>\$ 76,325</u>	<u>\$ 72,028</u>

Contingent assets (Note 5)

Contractual Obligations (Note 8)

The accompanying notes and schedules are part of these financial statements.

VICTIMS OF CRIME FUND
Statement of Change in Net Financial Assets
Year Ended March 31, 2019

	2019		2018
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Annual surplus	\$ 10,803	\$ 4,297	\$ 6,905
Amortization of tangible capital assets (Note 7)	69	91	30
Increase in net financial assets	\$ 10,872	\$ 4,388	\$ 6,935
Net financial assets at beginning of year	64,669	71,604	64,669
Net financial assets at end of year	\$ 75,541	\$ 75,992	\$ 71,604

The accompanying notes and schedules are part of these financial statements.

VICTIMS OF CRIME
Statement of Cash Flows
Year Ended March 31, 2019

	<u>2019</u>	<u>2018</u>
	<i>(in thousands)</i>	
Operating transactions		
Annual Surplus	\$ 4,297	\$ 6,905
Non-cash items included in annual surplus		
Amortization of tangible capital assets (Note 7)	91	30
	<u>4,388</u>	<u>6,935</u>
Increase in accounts receivable	(1,198)	(941)
Decrease in accounts payable and accrued liabilities (Note 6)	(4,958)	(83)
Cash (applied to) provided by operating transactions	<u>(1,768)</u>	<u>5,911</u>
(Decrease)/increase in cash and cash equivalents	\$ (1,768)	\$ 5,911
Cash and cash equivalents at beginning of year	<u>76,382</u>	<u>70,471</u>
Cash and cash equivalents at end of year	<u>\$ 74,614</u>	<u>\$ 76,382</u>

The accompanying notes and schedules are part of these financial statements.

VICTIMS OF CRIME FUND
Notes to the Financial Statements
March 31, 2019

NOTE 1 AUTHORITY AND PURPOSE

The Victims of Crime Fund (the fund) operates under the authority of the *Victims of Crime Act*, Chapter V-3, Revised Statutes of Alberta 2000.

The purpose of the fund is to provide grants to victims' programs and to pay benefits to victims, or their dependents, who suffer injury or death as the result of a criminal offence specified in the regulations of the *Victims of Crime Act*, using provincial and federal surcharge revenues.

The fund is owned by the Crown in Right of Alberta and as such has a tax exempt status.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canada Public Sector Accounting Standards.

(a) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Surcharge of fine revenues are recognized at the point of conviction, which excludes certain outstanding federal statute and provincial statute fines that are satisfied by means other than cash payment.

Government transfers

Transfers from all levels of governments are referred to as government transfers.

Government transfers are recognized as deferred revenue if the eligibility criteria of the transfer or the stipulations together with the fund's actions and communications as to the use of transfers create a liability. These transfers are recognized as revenues, as the stipulations are met and, when applicable, the fund complies with its communicated uses of these transfers.

All other government transfers, without stipulations for the use of the transfer, are recognized as revenue when the transfer is authorized and the fund meets eligibility criteria (if any).

VICTIMS OF CRIME FUND
Notes to the Financial Statements (Cont'd)
March 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(a) Basis of Financial Reporting (Cont'd)

Expenses

Directly incurred

Directly incurred expenses are those costs the fund has primary responsibility and accountability for, as reflected in the government's budget documents.

In addition to program operating expenses such as salaries, supplies, etc., directly incurred expenses also include:

- amortization of tangible capital assets;
- pension costs which comprise the cost of employer contributions for current service of employees during the year; and
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.

Incurred by others

Services contributed by other related entities in support of the fund's operations are not recognized but disclosed in Schedule 4.

Grant expenses

Grants are recognized as expenses when authorized and eligibility criteria, if any, are met by the recipients and a reasonable estimate of the amounts can be made.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act.

The fair values of cash and cash equivalents; accounts receivable; accounts payable and accrued liabilities are estimated to approximate their carrying values, because of the short-term nature of these instruments.

VICTIMS OF CRIME FUND
Notes to the Financial Statements (Cont'd)
March 31, 2019

(a) Basis of Financial Reporting (Cont'd)

Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

Financial assets of the fund are limited to financial claims, such as receivables from other organizations, employees and other individuals.

Accounts receivable

Accounts receivable are recognized at the lower of cost or net recoverable value. A valuation allowance is recognized when recovery is uncertain.

Liabilities

Liabilities are present obligations of the fund to external organizations and individuals arising from past transactions or events occurring before the year end, the settlement of which is expected to result in the future sacrifice of economic benefits. They are recognized when there is an appropriate basis of measurement and management can reasonably estimate the amounts.

Non-Financial Assets

Non-financial assets are acquired, constructed, or developed assets that do not normally provide resources to discharge existing liabilities, but instead:

- are normally employed to deliver government services;
- may be consumed in the normal course of operations; and
- are not for sale in the normal course of operations.

Non-financial assets are limited to tangible capital assets.

Tangible capital assets

Tangible capital assets of the fund are recognized at cost less accumulated amortization and amortized on a straight-line basis over the estimate useful lives of the assets. The threshold for capitalizing new systems development is \$250,000 and the threshold for major systems enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000.

Amortization is only charged if the tangible capital asset is put into service.

VICTIMS OF CRIME FUND
Notes to the Financial Statements (Cont'd)
March 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(a) Basis of Financial Reporting (Cont'd)

Measurement Uncertainty

(in thousands)

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount in the financial statements and another reasonably possible amount.

The areas subject to measurement uncertainty include:

- Accounts receivable recognized as \$32,535 (2018 - \$31,337) excludes certain outstanding federal statute surcharges and provincial statute fine surcharges that are expected to be satisfied by means other than cash payment. The other means include participation in the fine option program or time served in a correctional institution at the option of the person owing the surcharge. Outstanding surcharges expected to be satisfied by other means of \$6,075 (2018 - \$6,892) are based on the actual percentage satisfied in this manner from April 1, 2018 to March 31, 2019 and have been deducted from total outstanding surcharges. Changes in the proportion of surcharges satisfied by other means may have a material effect on future operating results.
- Provision for doubtful accounts reported as \$1,205 (2018 - \$1,261) is based on the actual percentage of surcharges written off from April 1, 2018 to March 31, 2019.
- Financial benefits program (Note 9) liabilities total \$24,517 (2018 - \$30,889) and include:
 - financial benefits reported in the amount of \$11,052 (2018 - \$14,743);
 - supplemental financial benefits in the amount of \$9,057 (2018 - \$10,667); and
 - compensation claims in the amount of \$4,408 (2018 - \$5,479).

(b) Change in Accounting Policy

The fund has prospectively adopted the following standard from April 1, 2018: PS 3430 Restructuring Transactions. The adoption of this standard did not affect the financial statements.

VICTIMS OF CRIME FUND
Notes to the Financial Statements (Cont'd)
March 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(c) Future Accounting Changes

The Public Sector Accounting Board has issued the following accounting standards:

- **PS 3280 Asset Retirement Obligations (effective April 1, 2021)**
This standard provides guidance on how to account for and report liabilities for retirement of tangible capital assets.
- **PS 3400 Revenue (effective April 1, 2022)**
This standard provides guidance on how to account for and report on revenue, and specifically, addresses revenue arising from exchange transactions and unilateral transactions.
- **PS 3450 Financial Instruments (effective April 1, 2021)**
Adoption of this standard requires corresponding adoption of PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation, and PS 3041 Portfolio Investments in the same fiscal period. These standards provide guidance on: recognition, measurement and disclosure of financial instruments; standards on how to account for and report transactions that are denominated in a foreign currency; general reporting principles and standards for the disclosure of information in financial statements; and how to account for and report portfolio investments.

Management is currently assessing the impact of these standards on the financial statements.

NOTE 3 CASH AND CASH EQUIVALENTS

(in thousands)

Cash and Cash Equivalents include deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. The CCITF is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high-quality, short-term securities with a maximum term to maturity of three years. As at March 31, 2019, securities held by the fund have a time weighted return of 1.8% (2018 - 1.1%) per annum. Due to the short-term nature of CCITF investments, the carrying value approximates fair value.

VICTIMS OF CRIME FUND
Notes to the Financial Statements (Cont'd)
March 31, 2019

NOTE 4 ACCOUNTS RECEIVABLE

(in thousands)

Accounts receivable are unsecured and non-interest bearing.

	2019			2018	
	Gross Amount	Fine Option and Time Served	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Government of Canada Surcharge	\$ 2,287	\$ -	\$ -	\$ 2,287	\$ 1,827
Provincial	26,019	794	919	24,306	23,618
Federal	7,495	5,281	286	1,928	1,926
Other	4,014	-	-	4,014	3,966
	<u>\$ 39,815</u>	<u>\$ 6,075</u>	<u>\$ 1,205</u>	<u>\$ 32,535</u>	<u>\$ 31,337</u>

NOTE 5 CONTINGENT ASSETS

(in thousands)

Fine revenues are recognized at the point of conviction, which excludes certain outstanding federal statute and provincial statute fines that are satisfied by means other than cash payment. At March 31, 2019, the estimate of contingent assets for fines surcharge revenue is \$7,333 (2018 - \$7,538).

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

(in thousands)

	2019	2018
Grants to non-profit organizations	\$ 3,929	\$ 4,203
Financial benefits program (Note 9)	24,517	30,889
Other program expenses	2,711	1,023
	<u>\$ 31,157</u>	<u>\$ 36,115</u>

VICTIMS OF CRIME FUND
Notes to the Financial Statements (Cont'd)
March 31, 2019

NOTE 7 TANGIBLE CAPITAL ASSETS

(in thousands)

	2019	2018
	<u>Total</u>	
	<u>Computer Hardware and Software</u>	
Estimated Useful Life	3 -10 years	
Historical Cost		
Beginning of Year	\$ 868	\$ 868
Additions	-	-
Disposals, Including Write-downs	-	-
	<u>868</u>	<u>868</u>
Accumulated Amortization		
Beginning of Year	444	414
Amortization Expense	91	30
Effect of Disposals	-	-
	<u>535</u>	<u>444</u>
Net Book Value at March 31, 2019	<u>\$ 333</u>	
Net Book Value at March 31, 2018		<u>\$ 424</u>

NOTE 8 CONTRACTUAL OBLIGATIONS

(in thousands)

Contractual obligations are obligations of the fund to others that will become liabilities in the future when the terms of those contracts or agreements are met.

As at March 31, 2019, the fund has obligations under contracts and programs totaling \$24,231 (2018 - \$21,623).

Estimated payment requirements for each of the next three years are as follows:

<u>Obligations Under Operating Leases, Contracts and Programs</u>	
	<u>Total</u>
2019-20	\$ 16,267
2020-21	6,849
2021-22	1,115
	<u>\$ 24,231</u>

VICTIMS OF CRIME FUND
Notes to the Financial Statements (Cont'd)
March 31, 2019

NOTE 9 FINANCIAL BENEFITS PROGRAM

(in thousands)

Financial Benefits

As at March 31, 2019, there were one thousand four hundred thirty nine (2018 - one thousand nine hundred twenty four) active applications for financial benefits and two hundred twenty nine (2018 - six hundred and twenty three) action cases for class action files.

Financial Benefits liability of \$11,052 (2018 - \$14,743) is estimated based on historical decision patterns, average award values, and case progress at year end. Additional information may be required to determine the amount for individual cases under regulations of the *Victims of Crime Act*.

Supplemental Benefits

As at March 31, 2019, twenty three (2018 – twenty three) eligible recipients received a monthly payment of \$1,000 for supplemental benefits.

Supplemental benefits liability of \$9,057 (2018 - \$10,667) is estimated using a projection of monthly payments and statistical life expectancy figures. In addition, a present-value methodology has also been applied in calculating this estimated liability. This methodology projects benefit cost streams into the future and discounts them to present-value using a discount rate which reflects the current return on assets used to fund the liability. The injuries of a recipient receiving a supplemental financial benefit must be reviewed every 12 months to determine whether the severity of injuries is still in accordance with regulations under the *Victims of Crime Act*.

Former Crimes Compensation Board

As at March 31, 2019, twenty seven (2018 - twenty eight) eligible recipients received a monthly payment for compensation claims, assumed from the former Crimes Compensation Board.

Compensation claims liability of \$4,408 (2018 - \$5,479) is estimated using a projection of monthly payments and statistical life expectancy figures. The same present-value methodology described above for supplemental benefits has been used to calculate this estimated liability. The payments are subject to periodic review to confirm continued eligibility for entitlements and/or adjustment to the monthly amount.

VICTIMS OF CRIME FUND
Notes to the Financial Statements (Cont'd)
March 31, 2019

NOTE 10 BENEFIT PLANS

(in thousands)

The fund participates in the multi-employer pension plans: Management Employees Pension Plan, Public Service Pension Plan and Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$537 for the year ended March 31, 2019 (2018 - \$551). The fund is not responsible for future funding of the plan deficit other than through contribution increases.

At December 31, 2018, the Management Employees Pension Plan reported a surplus of \$670,700 (2017 - surplus \$866,006), the Public Service Pension Plan reported a surplus of \$519,218 (2017 - surplus \$1,275,843) and the Supplementary Retirement Plan for Public Service Managers reported a deficiency of \$70,310 (2017 - deficiency \$54,984).

The fund also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2019, the Bargaining Unit Plan reported a surplus of \$110,320 (2018 - surplus \$111,983) and the Management, Opted Out and Excluded Plan a surplus of \$24,642 (2018 - surplus \$29,805). The expense for these two plans is limited to the employer's annual contributions for the year.

NOTE 11 APPROVAL OF FINANCIAL STATEMENTS

The deputy minister and the senior financial officer approved these financial statements.

VICTIMS OF CRIME FUND
Schedule to Financial Statements
Expenses – Directly Incurred Detailed By Object
Year Ended March 31, 2019

Schedule 1

	2019		2018
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Salaries, wages and employee benefits	\$ 4,460	\$ 4,864	\$ 4,593
Supplies and services	1,527	1,017	934
Grants	31,984	43,427	36,385
Amortization of tangible capital assets (Note 7)	69	91	30
Provision for financial benefits program	1,941	(6,371)	(1,283)
Others	64	(56)	277
	<u>\$ 40,045</u>	<u>\$ 42,972</u>	<u>\$ 40,936</u>

VICTIMS OF CRIME FUND
Schedule to Financial Statements
Salary and Benefits Disclosure
Year Ended March 31, 2019

Schedule 2

	2019			2018
	Base Salary ⁽¹⁾	Other Non- Cash Benefits ⁽²⁾	Total ⁽³⁾	Total
	<i>(in thousands)</i>			
Assistant Deputy Minister Public Security Division	220	54	274	274

(1) Base salary includes regular salary and earnings such as acting pay.

(2) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees including pension, supplementary retirement plans, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships, tuition fees, the health spending account and parking.

(3) Full salary and benefits are disclosed but not paid by the Fund, paid by the Department of Justice and Solicitor General.

VICTIMS OF CRIME FUND
Schedule to Financial Statements
Related Party Transactions
Year Ended March 31, 2019

Schedule 3

(in thousands)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's consolidated financial statements. Related parties also include key management personnel in the fund, and their close family members.

The fund and its employees paid or collected certain taxes and fees set by regulation for premiums, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The fund had the following transactions with related parties reported on the Statement of Operations and Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Other Entities	
	2019	2018
Expenses – directly incurred		
Service Alberta	\$ 11	\$ -
Alberta Risk Management Fund	7	7
Public Service Commission	2	-
	<u>\$ 20</u>	<u>\$ 7</u>

The fund also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not reported in the financial statements but are disclosed in Schedule 4.

VICTIMS OF CRIME FUND
Schedule to Financial Statements
Allocated Costs
Year Ended March 31, 2019
(in thousands)

Schedule 4

Program	2019				2018
	Expenses ⁽¹⁾	Expenses - Incurred by Others		Total Expenses	Total Expenses
Accommodation Costs ⁽²⁾		Legal Services ⁽³⁾			
Financial Benefits	\$ 19,363	\$ 135	\$ -	\$ 19,498	\$ 21,309
Assistance to Victim's Organization	22,499	130	-	22,629	18,906
Criminal Injuries Review Board	395	93	-	488	406
Program Support Services	715	10	4	729	673
	<u>\$ 42,972</u>	<u>\$ 368</u>	<u>\$ 4</u>	<u>\$ 43,344</u>	<u>\$ 41,294</u>

(1) Expenses – Directly Incurred as per Statement of Operations.

(2) Accommodation costs including grants in lieu of taxes, allocated by square meters.

(3) Legal Services, allocated by estimated costs incurred by each program.

Office of the Public Guardian and Trustee Estates and Trusts

Index to Financial Statements Year Ended March 31, 2019

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Management's Report

Management's Responsibility for the Financial Statements

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards for all areas except trust assets under administration. The integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Public Trustee is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Office of the Public Guardian and Trustee. The Public Trustee reviews external audited financial statements annually.

The external auditor, Auditor General of Alberta, conducts an independent examination, in accordance with Canadian auditing standards, and expresses their opinion on the financial statements. The external auditor has full and free access to financial management of the Office of the Public Guardian and Trustee and meets when required.

On behalf of the Office of the Public Guardian and Trustee,

[Original Signed By]

David Peace
Assistant Deputy Minister
Justice Services Division
Justice and Solicitor General

[Original Signed By]

Cheryl Fix
Public Trustee
Office of the Public Guardian &
Trustee

To the Minister of Justice and Solicitor General

Report on the Financial Statements

Opinion

I have audited the financial statements of the Office of the Public Guardian and Trustee, Estates and Trusts which comprise the statement of financial position as at March 31, 2019, and the statements of operations, remeasurement gains and losses, changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Office of the Public Guardian and Trustee, Estates and Trusts as at March 31, 2019, and the results of its operations, its remeasurement gains and losses, its changes in net assets, and its cash flows for the year then ended in accordance with the accounting policies as described in Note 2 of the financial statements.

Basis for opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Office of the Public Guardian and Trustee in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to account for assets held in trust under the *Public Trustee Act*. As a result, the financial statements may not be suitable for another purpose.

Other information

Management is responsible for the other information. The other information comprises the information included in the *2018-19 Annual Report*, but does not include the financial statements and my auditor's report thereon. The *2018-19 Annual Report* is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the *2018-19 Annual Report Office of the Public Guardian and Trustee*, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the policies described in Note 2 of the financial statements, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Office of the Public Guardian and Trustee's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Office of the Public Guardian and Trustee's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Office of the Public Guardian and Trustee's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Office of the Public Guardian and Trustee’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor’s report. However, future events or conditions may cause the Office of the Public Guardian and Trustee’s to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

[Original Signed By W. Doug Wylie, FCPA, FCMA, ICD.D]
Auditor General

June 3, 2019
Edmonton, Alberta

**OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
Statement of Operations
Year Ended March 31, 2019**

	2019	2018
	<i>(in thousands)</i>	
Revenues		
Pensions, Benefits and Settlements	\$ 129,208	\$ 113,150
Interest and Dividends <i>(Note 5)</i>	12,418	11,798
Common Fund Realized Gains	(37)	852
	<u>141,589</u>	<u>125,800</u>
Expenses		
Client Care and Maintenance	81,582	81,599
Administrative Fees <i>(Note 12)</i>	5,320	5,182
Management fees	1,885	1,083
Transfer from Common Fund to Ministry of Justice <i>(Note 12)</i>	2,082	2,454
	<u>90,869</u>	<u>90,318</u>
Net Income	<u>\$ 50,720</u>	<u>\$ 35,482</u>

The accompanying notes and schedules are an integral part of these financial statements.

**OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
Statement of Financial Position
As at March 31, 2019**

	2019	2018
	<i>(in thousands)</i>	
Financial Assets		
Cash and Equivalents <i>(Note 7)</i>	\$ 8,211	\$ 6,771
Interest and Dividends Receivable	3,400	3,286
Common Fund Investments <i>(Note 8)</i>	513,529	507,322
Other Trust Assets under Administration <i>(Note 9)</i>	139,882	140,560
	<u>665,022</u>	<u>657,939</u>
Liabilities		
Accounts Payable and Accrued Liabilities <i>(Note 10)</i>	2,250	2,618
Clients' Accounts, Mortgages and Loans Payable <i>(Note 11)</i>	51,569	47,039
	<u>53,819</u>	<u>49,657</u>
Accumulated Remeasurement Gains	4,820	3,617
	<u>4,820</u>	<u>3,617</u>
Net Financial Assets	\$ <u>606,383</u>	\$ <u>604,665</u>

The accompanying notes and schedules are an integral part of these financial statements.

**OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS**

**Statement of Changes in Net Assets
Year Ended March 31, 2019**

	Clients' Equity 2019	Accumulated Surplus 2019 <i>(in thousands)</i>	Total 2019	Clients' Equity 2018	Accumulated Surplus 2018 <i>(in thousands)</i>	Total 2018
Net Income	\$ -	\$ 50,720	\$ 50,720	\$ -	\$ 35,482	\$ 35,482
Allocated to Clients for Future Distribution Interest from Common Fund Earnings(<i>Note 1d</i>)	11,315	(11,315)	-	10,175	(10,175)	-
Excess of Revenues over Expenditures (<i>Note 6</i>)	42,660	(42,660)	-	26,861	(26,861)	-
Trust Assets Acquired(<i>Note 9b</i>) Assets released to Clients, Beneficiaries and Heirs	24,833	-	24,833	38,582	-	38,582
Cash distributions to Clients, Beneficiaries and Heirs	(24,933)	-	(24,933)	(34,784)	-	(34,784)
	(48,902)	-	(48,902)	(41,106)	-	(41,106)
	4,973	(53,975)	(49,002)	(272)	(37,036)	(37,308)
Increase (Decrease) in Net Financial Assets	4,973	(3,255)	1,718	(272)	(1,554)	(1,826)
Net Assets - Beginning of Year	526,830	77,835	604,665	527,102	79,389	606,491
Net Assets - End of Year	\$ 531,803	\$ 74,580	\$ 606,383	\$ 526,830	\$ 77,835	\$ 604,665

The accompanying notes and schedules are an integral part of these financial statements.

**OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
Statement of Cash Flows
Year Ended March 31, 2019**

	2019	2018
	<i>(in thousands)</i>	
Operating Transactions		
Net Income	\$ 50,720	\$ 35,482
Items not affecting cash:		
Interest and Dividends from Clients' Investments outside of Common Fund	(354)	(492)
Amortization of Premium and Discounts	2,874	3,888
	<u>53,240</u>	<u>38,878</u>
Decrease (Increase) in Interest and Dividends Receivable	(115)	286
(Decrease) Increase in Accounts Payable and Accrued Liabilities	(368)	792
	<u>(483)</u>	<u>1,078</u>
Cash Provided by Operating Transactions	<u>52,757</u>	<u>39,956</u>
Capital Transactions		
Acquisition of Trust Assets	(4,545)	(5,786)
Proceeds of Sale of Trust Assets	10,007	11,283
Cash Provided by Capital Transactions	<u>5,462</u>	<u>5,497</u>
Investing Transactions		
Purchase of Portfolio Investments	(164,383)	(270,310)
Disposal of Portfolio Investments	156,506	265,422
Cash Applied to Investing Transactions	<u>(7,877)</u>	<u>(4,888)</u>
Financing Transactions		
Distribution to Clients, Beneficiaries and Heirs	(48,902)	(41,106)
Increase (Decrease) in Cash and Cash Equivalents	1,440	(541)
Cash and Cash Equivalents at Beginning of Year	6,771	7,312
Cash and Cash Equivalents at End of Year	\$ 8,211	\$ 6,771

The accompanying notes and schedules are an integral part of these financial statements.

**OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
Statement of Remeasurement Gains and Losses
Year Ended March 31, 2019**

	2019	2018
	<i>(in thousands)</i>	
Unrealized Gains (Losses) Attributable to:		
Investments	\$ 354	\$ 1,530
Foreign Exchange	849	156
Amounts Reclassified to the Statement of Operations		
Investments	-	(159)
Foreign exchange	-	(184)
Increase in Net Financial Assets	<u>1,203</u>	<u>1,343</u>
Accumulated Remeasurement Gains, Beginning of Year	<u>3,617</u>	<u>2,274</u>
Accumulated Remeasurement Gains, End of Year	<u>\$ 4,820</u>	<u>\$ 3,617</u>

The accompanying notes and schedules are an integral part of these financial statements.

OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE ESTATES AND TRUSTS

Notes to Financial Statements Year Ended March 31, 2019

1. AUTHORITY AND PURPOSE

Office of The Public Trustee of Alberta (“Public Trustee”) was established in 1949 pursuant to the *Public Trustee Act* and now operates under the authority of the *Public Trustee Act*, SA 2004, C.P. 44.1, (“the *Act*”) and other provincial statutes to protect the financial interests of vulnerable Albertans by administering the estates of represented adults, decedents and minors. Effective April 1, 2014, the Office of the Public Trustee merged with the Office of the Public Guardian creating the Office of the Public Guardian and Trustee (OPGT).

The mandate of the Public Trustee is to:

- a) Administer the property and finances of adults who are incapable of managing their financial affairs;
- b) Administer the estate of deceased persons;
- c) Protect property rights of children under eighteen years of age;
- d) Management of Common Fund;

The *Public Trustee Act* Section 31(2) requires (with certain exceptions) that the money received by the Public Trustee for a client be paid into the Common Fund. Section 33(3) requires any amount paid into the Common Fund for a client under section 31(2) be credited to the client’s guaranteed account (Schedule 1) with the Public Trustee. Section 31(4) of the *Act* states that no client or other person has any claim to or against the Common Fund except as provided by section 33. Section 33(6) states that the amount outstanding on a client’s guaranteed account is a charge against the assets of the Common Fund and is unconditionally guaranteed by the Crown. Section 32(1) of the *Act* states that assets may be transferred out of the Common Fund only as expressly required or permitted under the *Act*.

Section 32(2) allows funds to be transferred out of the Common Fund to pay the client, to pay an expense or a liability of the client. Amounts transferred from the Common Fund under section 32(2) are deducted from the client’s guaranteed account.

Section 34 of the *Act* states that the Public Trustee, in accordance with the Public Trustee Investment Regulation (Regulation), sets the interest rate to be credited to client guaranteed accounts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

a) **Basis of Financial Reporting**

The financial statements have been presented to report on Office of the Public Guardian and Trustee’s fiduciary responsibilities in respect of the administration of client trusts and estates and Common Fund as required under the *Public Trustee Act* and the Public Trustee Investment Regulation.

**OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
Notes to Financial Statements (Cont'd)
Year Ended March 31, 2019**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

a) **Basis of Financial Reporting (cont'd)**

These financial statements reflect the operations of the Common Fund and the assets held in trust and activity for the estates and trusts administered by Office of the Public Guardian and Trustee (OPGT).

The operating costs of Office of the Public Guardian and Trustee are paid by the Ministry of Justice and Solicitor General. As such, the operating costs are not included in these statements and can be found in the financial statements of the Ministry.

All balances except for other trust assets under administration have been prepared in accordance with Canadian Public Sector Accounting Standards. The accounting policies for other trust assets are described in Note 2(c).

b) **Common Fund Investments**

Common Fund investments consist of bonds, debentures, mortgages, asset backed securities, shares and Exchange Traded Funds (ETF). The carrying value of all financial instruments included in the Common Fund is measured at cost or fair value. The long term investments, except shares and ETF, are reported at amortized costs less any write-down associated with a loss in value that is other than a temporary decline. Discounts and premiums arising on the purchase of fixed income securities are amortized over the term of the investment. Shares and ETF are stated at market value determined with reference to quoted market value.

Short-term investments are stated at cost, which approximates market value.

Forward foreign currency contracts are held to protect the fund from foreign currency exchange risk. Forward foreign exchange contracts are valued based on fair value.

Unrealized gains and losses are recorded in the statement of remeasurement gains and losses.

When a financial instrument is derecognized, the cumulative amount of the remeasurement gain or loss previously reported is reversed and the gain or loss on the disposal of units held by the Common Fund is recognized in the statement of operations.

Disclosure of the hierarchy of inputs used in the determination of fair value for investments is reported according to the following levels:

- (a) Level one: fair value is based on quoted prices in an active market.
- (b) Level two: fair value is based on model-based valuations methods for which all significant assumptions are observable in the market or quoted prices for similar but not identical assets.

OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE ESTATES AND TRUSTS

Notes to Financial Statements (Cont'd) Year Ended March 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

b) Common Fund Investments (cont'd)

- (c) Level three: fair value is based on valuation methods where inputs that are based on non-observable market data have a significant impact on the valuation.

Reporting Entity

These financial statements reflect the assets and liabilities of the Common Fund and estates and trusts under the administration of the Public Guardian and Trustee of Alberta. In addition, these financial statements reflect the annual changes in those assets and liabilities including:

- i) Revenues earned on behalf of clients
- ii) Income received on behalf of clients;
- iii) New client account additions;
- iv) Released client withdrawals;
- v) Payment made on behalf of clients; and
- vi) Administration fees payable to the Ministry of Justice and Solicitor General

The clients' equity represents funds that are available for distribution to clients or their beneficiaries.

Revenues

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable. Amount not received prior to the year-end is reported as accounts receivable. Purchase price premiums or discounts are amortized on a straight-line basis over the remaining term of the investment. Realized gains and losses on the disposition of Common Fund investments are recorded on the date of trade of the disposal transaction.

A portion of revenues generated by Common Fund investments are credited to clients' equity. Section 34 of the *Act* states that the Public Trustee shall set the interest rate for each category of guaranteed accounts in accordance with the Regulation. The interest is calculated on the minimum daily balance of each client's account according to the Regulation and is credited to the client's account monthly. The interest rate as at March 31, 2019 is 2.75% (2018 – 2.50%).

Expenses

All expenses are reported on the accrual basis of accounting. The cost of all goods consumed and services received during the year are expensed. Transfers from the Common Fund to the General Revenue Fund, investment management expenses related to the Common Fund investments, and assurance payments are recorded using the accrual basis of accounting with amounts incurred in the fiscal year but not paid prior to year-end reflected as accounts payable and accrued liabilities.

**OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
Notes to Financial Statements (Cont'd)
Year Ended March 31, 2019**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

b) Common Fund Investments (cont'd)

Administrative Fees

Public Trustee fees on all official guardian accounts are calculated and collected in the month of the annual anniversary of the opening of the file. Fees are accrued for the period from the anniversary date to the date of financial statements.

Public Trustee fees for represented adult accounts are calculated and collected annually on the trust's anniversary date. Fees are accrued for the period from the anniversary date to the date of financial statements.

Public Trustee fees on decedent accounts are not collected until the trust or account is distributed. Fees are accrued from the period of the date the trust account was opened until the date of financial statements.

In addition to the above stated administration fees the Public Trustee may, in accordance with section 40(1)(a) of the *Act*, charge the client any fee that the Public Trustee deems is reasonable for any service. Under section 40(1)(b), the Public Trustee is entitled to collect from the client any expense reasonably incurred on the client's behalf.

Administration fees paid by the clients to OPGT, with the exception of cost recoveries, are remitted to the Minister of Finance and are included in the revenues of the Ministry of Justice and Solicitor General.

Cash and Cash Equivalents

Cash is comprised of cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term commitments rather than for investment purposes.

c) Other Trust Assets Under Administration

Trust assets under administration consist of accounts receivable, investments, real property and other assets that are held outside of the Common Fund. Assets acquired through new clients are recorded as direct increases to net assets and not as revenues. When assets are disposed of back to the beneficiary they are removed from net assets and not recorded as an expense.

Accounts Receivable

Accounts receivable consist of mortgages, loans, external bank account balances prior to the transfer to the Public Trustee, pension plan and other benefit and miscellaneous receivables. The accounts receivable are recorded at their estimated fair value.

**OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
Notes to Financial Statements (Cont'd)
Year Ended March 31, 2019**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

c) Other Trust Assets Under Administration (cont'd)

Clients' Investments Outside of Common Fund

Clients' investments outside of Common Fund consists of retirement plans, registered disability savings plans (RDSPs), guaranteed investment certificates and deposits, Government bonds, shares and other securities. These assets are valued at fair value based on the information available at the time OPGT assumes responsibility.

On a go forward basis, the cost based approach for investments is considered most appropriate as it is not practical to determine the investment market value. Due to the numerous unique client investments the change in value is not easily measurable and not actively managed by OPGT.

Structured Settlements and Annuities

Structured Settlements and Annuities are recorded at the present value of their guaranteed term. If there is not a guaranteed term, the settlement or annuity is recorded at a nominal value of \$1.

Real Property

Real property consisting of land and buildings are tangible capital assets and are recorded at cost. The cost is considered to be the initially recorded fair value based on the property tax assessments and other information at the time OPGT assumes responsibility for the property.

Amortization is not appropriate considering the properties are held as inventory.

Other Assets

Other assets are stated at amounts determined from information available to OPGT at the date the Trustee assumes responsibility of the assets. Subsequent adjustments are made if additional valuation information is received. If no valuation is available, these assets are recorded at a nominal value of \$1.

Clients' Accounts, Mortgages and Loans Payable

Client accounts, mortgages and loans payable represent the administration fees payable to OPGT and the encumbrances of client assets that are payable to independent third parties. These client obligations are settled as client resources become available. In some cases, a client's liabilities exceed the stated value of their assets. These items are included as accounts payable when they have been verified by the creditor and are paid as the resources of the client become available.

**OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
Notes to Financial Statements (Cont'd)
Year Ended March 31, 2019**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

c) Other Trust Assets Under Administration (cont'd)

Liabilities

All liabilities are recorded at their estimated fair value at the date of assumption of the liability.

The carrying value of all liabilities approximates their fair value.

Net Assets

Net assets represent the difference between the carrying value of assets held by OPGT and its liabilities.

Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash and cash equivalents, interest and dividends receivable, accounts payable, accrued liabilities and clients' accounts are estimated to approximate their carrying values because of the short-term nature of these instruments. Fair values of mortgages and loans payable are not reported due to there being no organized financial market for the instruments and it is not practicable within constraints of timeliness or cost to estimate the fair value with sufficient reliability.

3. MEASUREMENT UNCERTAINTY

Measurement uncertainty exists when there is a variance between the recognized or described amount and another reasonably possible amount. In particular, the fair value of many assets is estimated at the time that OPGT assumes the responsibility for the assets. Actual results could differ from those estimates.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts revenues and expenses for the reported period. Actual results could differ from management's best estimates as additional information becomes available in the future.

**OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
Notes to Financial Statements (Cont'd)
Year Ended March 31, 2019**

4. BUDGET

Budget amounts have not been disclosed as Public Guardian and Trustee's nature of operations does not provide for relevant budget amounts to be reasonably determined.

5. INTEREST AND DIVIDENDS

	2019	2018
	<i>(in thousands)</i>	
Interest and Dividends - Common Fund Investments	\$ 12,064	\$ 11,306
Interest and Dividends from Clients' Investments outside of Common Fund	<u>354</u>	<u>492</u>
Interest and Dividends	\$ 12,418	\$ 11,798

**6. EXCESS OF REVENUES OVER EXPENSES - ALLOCATED TO CLIENTS FOR
FUTURE DISTRIBUTIONS**

	2019	2018
	<i>(in thousands)</i>	
Interest and Dividends from Clients' Investments outside of Common Fund	\$ 354	\$ 492
Pensions, Benefits and Settlements	<u>129,208</u>	<u>113,150</u>
Total Revenues	<u>129,562</u>	<u>113,642</u>
Client Care and Maintenance	81,582	81,599
Administrative Fees	<u>5,320</u>	<u>5,182</u>
Total Expenses	<u>86,902</u>	<u>86,781</u>
Excess of Revenues over Expenses - Allocated to Clients for Future Distribution	\$ 42,660	\$ 26,861

**OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
Notes to Financial Statements (Cont'd)
Year Ended March 31, 2019**

7. CASH AND CASH EQUIVALENTS

	2019	2018
	<i>(in thousands)</i>	
Operating Bank Accounts	\$ 6,169	\$ 4,764
Consolidated Cash Investment Trust Fund (CCITF)	2,042	2,007
	<u>\$ 8,211</u>	<u>\$ 6,771</u>

Cash and Cash Equivalents in the Consolidated Cash Investment Trust Fund (CCITF) is administered by the Ministry of Treasury Board and Finance with the objective of providing competitive interest income to depositors while maintaining maximum security and liquidity of depositors' capital. The portfolio comprises high quality short-term and mid-term fixed-income securities with a maximum term-to-maturity of three years. As at March 31, 2019, securities held by the CCITF have a time-weighted rate of return of 1.81% per annum (2018 – 1.06% per annum).

8. COMMON FUND INVESTMENTS

	2019	2018
	<i>(in thousands)</i>	
<u>Items at Cost or Amortized Cost</u>		
Interest Bearing Securities	<u>\$ 466,854</u>	<u>\$ 446,988</u>
Quoted Market Value	<u>\$ 469,577</u>	<u>\$ 444,158</u>
<u>Items at Fair Value</u>		
Equities Listed in Active Market	40,557	37,344
Other Designated to Fair Value	6,118	22,990
	<u>46,675</u>	<u>60,334</u>
Total Common Fund Investments	<u>\$ 513,529</u>	<u>\$ 507,322</u>

Fair Value Hierarchy

The table below provides a summary of management's estimate of the relative reliability of data or inputs used by OPGT to measure the fair value of OPGT's investments. The measure of reliability is determined based on the following three levels:

Level One: Fair value is based on unadjusted quoted prices in active markets for identical assets or liabilities traded in active markets. Level one includes primarily traded listed equity investments.

**OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
Notes to Financial Statements (Cont'd)
Year Ended March 31, 2019**

8. COMMON FUND INVESTMENTS (Cont'd)

Level Two: Fair value is based on valuation methods that make use of inputs, other than quoted prices included within level one, that are observable by market participation either directly through quoted prices for similar but not identical assets or indirectly through observable market information used in valuation models. Level two primarily includes debt securities and derivative contracts not traded on a public exchange and public equities not traded in an active market. For these investments, fair values are either derived from a number of prices that are provided by independent pricing sources or from pricing models that use observable market data such as swap curves and credit spread.

Level Three: Fair value is based on valuation methods where inputs that are based on non-observable market data have a significant impact on the valuation. For these investments trading activity is infrequent and fair values are derived using valuation techniques.

	Level 1	Level 2	Level 3	Total
	(in thousands)			
Equities Listed in Active Market	\$ 40,557	\$ -	\$ -	\$ 40,557
Others designated to fair value	6,118	-	-	6,118
March 31, 2019 - Total	<u>\$ 46,675</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,675</u>

Financial Risk Management

OPGT is exposed to financial risks associated with the underlying securities held in the investment funds. These financial risks include credit risk, market risk and liquidity risk. Credit risk relates to the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Market risk is comprised of currency risk, interest rate risk and price risk. Liquidity risk is the risk the Fund will not be able to meet its obligations as they fall due.

OPGT investments are managed in accordance with the Statement of Investment Policies and Goals (SIP&G). The policy and goals are designed to mitigate risks by placing restrictions on the overall content, quality and quantity of permitted investments. Pursuant to the policy and goals, the investments are high quality, highly rated fixed income securities, equity investments in Canadian and foreign currency and mortgages. Exposure to foreign currencies has provided diversification benefits.

OPGT works with an investment advisor and an investment manager that actively manages the asset class allocations based on the policies and goals in the SIP&G. On a quarterly basis, the investment manager provides performance and compliance reports and meets with the Public Guardian and Trustee, the investment advisor and the Investment Advisory Committee.

**OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
Notes to Financial Statements (Cont'd)
Year Ended March 31, 2019**

8. COMMON FUND INVESTMENTS (Cont'd)

Financial Risk Management (Cont'd)

a) Credit Risk

Counterparty credit risk is the risk of loss arising from the failure of a counterparty to fully honour its financial obligations with OPGT. The credit quality of financial assets is generally assessed by reference to external credit ratings. Credit risk can also lead to losses when issuers and debtors are downgraded by credit rating agencies usually leading to a fall in the fair value of the counterparty's obligations. Credit risk exposure for financial instruments is measured by the positive fair value of the contractual obligations with counterparties. The fair value of all investments is directly or indirectly impacted by credit risk to some degree. OPGT's investments in debt securities are with counterparties considered to be investment grade.

b) Foreign Currency Risk

OPGT is exposed to foreign currency risk associated with 5.16% (March 31, 2018 - 4.83%) of the underlying securities held in the Common Fund investments. 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 fair value of investments denominated in foreign currencies is translated into Canadian dollars using the reporting date exchange rate.

c) Interest Rate Risk

OPGT is exposed to interest rate risk associated with the underlying interest-bearing securities held in the investment funds. Interest rate risk relates to the possibility that the fair value of investments will change due to future fluctuations in market interest rates. In general, investment returns from bonds and mortgages are sensitive to changes in the level of interest rates, with longer term interest bearing securities being more sensitive to interest rate changes than shorter-term bonds. If interest rates increased by 1%, and all other variables are held constant, the potential loss in fair value to OPGT would be approximately 2.50% (March 31, 2018 - 2.60%) of total investments.

Approximately nil (March 31, 2018 - nil) of interest-bearing securities are invested with variable interest rate with minimum interest rate risk exposure.

d) Price Risk

Price risk relates to the possibility that equity investments will change in fair value due to future fluctuations in market prices caused by factors specific to an individual equity investment or other factors affecting all equities traded in the market. OPGT is exposed to price risk associated with the underlying equity investments held in investment funds. If equity market indices (S&P/TSX, S&P500, S&P1500 and MSCI ACWI and their sectors) declined by 10%, and all other variables are held constant, the potential loss in fair value to OPGT would be approximately 0.80% (March 31, 2018 - 0.70%) of total investments.

**OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
Notes to Financial Statements (Cont'd)
Year Ended March 31, 2019**

8. COMMON FUND INVESTMENTS (Cont'd)

Financial Risk Management (Cont'd)

e) Liquidity Risk

Liquidity risk arises if OPGT should encounter difficulty in meeting obligations associated with its financial liabilities. Liquidity requirements of OPGT are met through income generated from investments, clients' revenues and by investing in publicly traded liquid assets traded in active market that are easily sold and converted to cash. These sources of cash are used to pay clients' obligations, their operating expenses and settle clients' final payments associated with the termination of OPGT's responsibilities towards clients.

OPGT currently has minimal liquidity risk.

9. OTHER TRUST ASSETS UNDER ADMINISTRATION

	2019	2018
	<i>(in thousands)</i>	
a) Trust assets under administration		
Accounts Receivable	\$ 9,344	\$ 9,915
Real Property	22,092	23,779
Other Assets	3,220	5,390
Clients' Investments Outside the Common Fund	61,640	60,523
Annuities	43,58	40,953
	<hr/>	<hr/>
Total Other Trust Assets Under Administration	139,882	140,560
Clients' Accounts, Mortgages, and Loans Payable	(51,569)	(47,039)
Other Trust Assets Under Administration	<hr/>	<hr/>
	88,313	93,521
	<hr/>	<hr/>
(Decrease) in Other Trust Assets Under Administration, net	\$ (5,208)	(1,207)
	<hr/>	<hr/>
b) Trust Assets Acquired		
Increase in Other Trust Assets Under Administration	\$ (5,208)	\$ (1,207)
Assets Released to Clients, Beneficiaries and Heirs	24,933	34,784
Proceeds on Sale of Trust Assets	10,007	11,283
Acquisition of Trust Assets	(4,545)	(5,786)
Interest and Dividends from Clients' Investments outside of Common Fund	(354)	(492)
	<hr/>	<hr/>
Trust Assets Acquired	\$ 24,833	\$ 38,582
	<hr/>	<hr/>

**OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
Notes to Financial Statements (Cont'd)
Year Ended March 31, 2019**

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2019	2018
	<i>(in thousands)</i>	
Transfer from Common Fund to Minister of Finance	\$ 2,082	\$ 2,454
Accrued Investment Fees and Other Payable	168	164
Accounts Payable and Accrued Liabilities	\$ 2,250	\$ 2,618

11. CLIENTS' ACCOUNTS, MORTGAGES AND LOANS PAYABLE

	2019	2018
	<i>(in thousands)</i>	
Accounts Payable	\$ 40,102	\$ 36,626
Administrative Fees Payable	6,681	6,847
Mortgage and Loans Payable	4,786	3,566
	\$ 51,569	\$ 47,039

The five year repayment schedule for mortgage and loans payable is not presented due to the uncertainty in timing for the clients' account settlements.

12. RELATED PARTY TRANSACTIONS

	2019	2018
	<i>(in thousands)</i>	
Statement of Financial Position		
Transfer from Common Fund to Ministry of Justice	\$ 2,082	\$ 2,454
Administration Fees Payable	6,681	6,847
Statement of Operations		
Administrative Fees	\$ 5,320	\$ 5,182
Transfer from Common Fund to Ministry of Justice	2,082	2,454

Transfers to the Ministry of Justice consist of system development costs to replace the legacy system and management fees that are remitted to the Minister of Finance and are included in the revenues of the Ministry of Justice and Solicitor General.

OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE ESTATES AND TRUSTS

Notes to Financial Statements (Cont'd) Year Ended March 31, 2019

12. RELATED PARTY TRANSACTIONS (Cont'd)

Estate administration fees charged to clients' accounts, with the exception of cost recoveries, are remitted to the Minister of Justice and are included in the revenues of the Ministry of Justice and Solicitor General.

The *Public Trustee Act* states that unclaimed property must be held for at least ten years from the date of an order declaring the person to be missing or after the date that the Public Trustee publishes a notice in *The Alberta Gazette*. After ten years of inactivity, trust balances held by the OPGT may be transferred to the Ministry of Justice. For the year ended March 31, 2019 the amount transferred was \$240 (2018 - \$143). The amount appears on the financial statements as part of the Cash Distributions to Clients, Beneficiaries and Heirs.

The operating costs of the Public Trustee portion of OPGT are included in the financial statements of the Ministry of Justice and Solicitor General. For the year ended March 31, 2019, the operating costs were \$15,104 (2018 - \$18,013).

13. CONTINGENT LIABILITIES

(in thousands)

The OPGT has been named in one (2018: two) claim of which the outcome is not determinable. The claim has a specified amount of \$6,500 (2018: two claims with a specified amount of \$6,650). Included in the total claim, \$3,250 (2018: two claims totaling to \$3,400) is covered in whole or in part by the Alberta Risk Management Fund. The resolution of indeterminable claims may result in a liability, if any, that may be significantly lower than the claimed amount.

14. CONTINGENT ASSETS

The OPGT has 50 (2018 - 38) claims on behalf of clients for which the outcome is not determinable.

15. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

16. APPROVAL OF FINANCIAL STATEMENTS

The Public Trustee and the Assistant Deputy Minister of Justice and Solicitor General - Justice Services Division approved these financial statements.

**OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
Clients' Guaranteed Accounts
As at March 31, 2019**

Schedule 1

	2019	2018
		<i>(in thousands)</i>
Clients' Equity	\$ 531,803	\$ 526,830
Clients' Accounts, Mortgages, and Loans Payable	51,569	47,039
	<hr/>	<hr/>
Total Clients' Liabilities and Equity	583,372	573,869
Less: Other Trust Assets Under Administration	139,882	140,560
	<hr/>	<hr/>
Clients' Guaranteed Accounts	\$ 443,490	\$ 433,309

Other Financial Information

Certain disclosures (unaudited) required by legislation and regulations, and financial information relating to trust funds include the following where applicable:

- Statement of Compromises and Write-offs [FAA S.23]
- Civil Law Legal Services Delivery
- Fine Activity Information

In addition to the above, other schedules (unaudited) that form part of this section include the following and the presentation:

- Statement of Credit or Recovery [FAA S.24(3)]
- Lapse / Encumbrance [FAA S.28(5) and 28.1(4)]
- Payments Based on Agreements [FAA Sec. 25(3)]

Statement of Compromises and Write-Offs (unaudited)

Department of Justice and Solicitor General For the year ended March 31, 2019 (in thousands)

The following Statement of Compromises and Write-offs has been prepared pursuant to Section 23 of the *Financial Administration Act*. The statement includes all compromises and write-offs that the Ministry of Justice and Solicitor General made or approved during the fiscal year.

	2019	2018
Compromises:		
Motor Vehicle Accident Recoveries	\$ -	\$ -
Write-offs:		
Motor Vehicle Accident Recoveries	\$ 3,149	\$ 6,673
Fines	5,140	7,481
Fines – Late Payment Penalty	2,204	2,181
Abandoned and Seized Vehicles	48	938
Maintenance Enforcement	448	739
Others	1	-
	<u>\$ 10,990</u>	<u>\$ 18,012</u>
Total Compromises and Write-offs	<u>\$ 10,990</u>	<u>\$ 18,012</u>

Civil Law Legal Services Delivery (unaudited)

Current and Prior Year Comparison

Staff Providing Services

Civil Law provides legal and related strategic services to all government ministries. Civil Law maintains a time keeping system to enable its lawyers, paralegals and articling students to record and report the hours of legal services provided in total to each ministry and their respective programs. In 2018-19, 336 lawyers, paralegals and articling students recorded in excess of 316,000 hours of provided legal services and in 2017-18, 318 such staff recorded more than 297,000 hours. The total hours of service to each Ministry is used as the basis to allocate legal services costs.

Cost of Legal Services

The costing methodology to estimate the costs for providing legal services for allocation to all client ministries includes the total cost of Civil Law less expenditures on contracted services and grants to third parties. A proportionate amount for support services provided by Corporate Support Services, Human Resource Services, and Information Management and Technology Services are included in the estimate. The estimate includes accommodation costs for office space in government owned or leased buildings as paid by and reported by the Ministry of Infrastructure and also includes all or part of salary and benefit costs for lawyers paid directly by client ministries. The estimated costs are allocated to each ministry based on the hours of service received. The Ministry of Justice and Solicitor General, as a service provider, sends the legal services cost information to each ministry for disclosure in the Related Party Transactions Schedule and the Allocated Costs Schedule to the Financial Statements of each ministry's annual report.

Current and Prior Year Comparison

The table below summarizes the estimated cost of allocated legal services, the number of hours allocated and the average hourly cost.

Cost Estimates	<u>2018-19</u>	<u>2017-18</u> <u>(Restated)</u>
Total Civil Law Costs	\$ 51,234,609	\$ 49,541,168
Deduct: Contract Services, Grants, and Amortization	862,525	768,768
	<u>\$ 50,372,084</u>	<u>\$ 48,772,400</u>
Add: Support Services	706,505	767,568
Accommodation	2,609,799	2,553,385
Client Cost for Lawyers	3,498,640	2,866,420
Total Legal Services Costs for Allocation	<u>\$ 57,187,028</u>	<u>\$ 54,959,773</u>
Number of Hours of Service Provided	316,100	296,810
Average Hourly Cost	\$ 180.91	\$ 185.17

Fine Activity Information (unaudited)

Federal and Provincial Statute Offences and Municipal Bylaw Offences

A management information report summarizes fine activity by the recipients entitled to the fine or penalty revenue. The municipalities receive specific provincial statute offence fines and all municipal bylaw fines for offences occurring within municipal boundaries. The majority of municipal fine activity occurs in cities, towns, counties and municipal districts. The Alberta government receives fine revenue for provincial statute offences occurring on primary highways and other specific provincial statute offences. The Alberta government receives any late payment penalties on overdue fines and some fines under the *Criminal Code of Canada* and retains 26 2/3 percent of *Traffic Safety Act* fines. The Victims of Crime Fund receives a 15 percent surcharge on all provincial statute fines and a 30 per cent surcharge on selected federal statute offences. These surcharge revenues are used to fund victims programs in Alberta. The federal government receives fine revenue for federal statute offences and selected fines under the *Criminal Code*.

The tables below summarize fines payments for the twelve months from April 2018 to March 2019 and for the twelve months from April 2017 to March 2018 by the recipient level of government.

Fine Payments – April 2018 to March 2019

Recipient	Number of Fine Payments	Dollar Value of Fine Payments	Percent of Total Dollar Value
Municipalities	2,063,399	\$ 203,009,594	51.8%
Alberta Government	235,526	37,782,326	9.6%
Victims of Crime Fund	Note	43,366,284	11.1%
Federal Government	992	3,341,744	0.9%
Late Payment Penalty	1,019,902	31,211,445	8.0%
Fine Retention	Note	73,325,681	18.7%
Total	3,319,819	\$ 392,037,073	100.0%

Fine Payments – April 2017 to March 2018

Recipient	Number of Fine Payments	Dollar Value of Fine Payments	Percent of Total Dollar Value
Municipalities	2,014,724	\$ 200,765,042	51.2%
Alberta Government	241,911	39,381,146	10.1%
Victims of Crime Fund	Note	44,643,426	11.4%
Federal Government	1,196	774,687	0.2%
Late Payment Penalty	1,032,008	31,251,183	8.0%
Fine Retention	Note	75,026,960	19.1%
Total	3,289,839	\$ 391,842,444	100.0%

Note: The Number of Fine Payments for Victims of Crime Fund and Fine Retention have been accounted for in the other recipient categories.

Statement of Credit or Recovery (unaudited)

Department of Justice and Solicitor General For the year ended March 31, 2019 (in thousands)

The following has been prepared pursuant to Section 24(3) of the *Financial Administration Act*.

	2019			
	Authorized	Actual Revenue Recognized	Total Revenue Received/Receivable	(Shortfall)/Excess ⁽⁵⁾
Maintenance Enforcement ⁽²⁾	\$ 7,077	\$ 6,657	\$ 6,657	\$ (420)
Provincial Civil Claims ⁽³⁾	1,200	1,545	1,545	345
Edmonton Regional Airport Authority ⁽⁴⁾	3,620	3,219	3,219	(401)
	<u>\$ 11,897</u>	<u>\$ 11,421</u>	<u>\$ 11,421</u>	<u>\$ (476)</u> ⁽¹⁾

- (1) The revenue of each credit or recovery is included in the Statement of Operations.
- (2) Maintenance Enforcement revenues represent deterrent penalties and service fees to promote timely payment of maintenance to improve and expand services available for clients.
- (3) Provincial Civil Claims revenues represent funding from fees levied to commence action in excess of seven thousand five hundred dollars in Provincial Court. These revenues are dedicated towards the costs of processing these claims.
- (4) Edmonton Regional Airport Authority revenues are received on a full cost recovery basis from the Edmonton Regional Airport Authority for policing services provided to the Edmonton International Airport under the Provincial Police Service Agreement.
- (5) Shortfall is deducted from current year's authorized spending.

Lapse/Encumbrance (unaudited)

Department of Justice and Solicitor General For the year ended March 31, 2019 (in thousands)

The following has been prepared pursuant to Section 24(4) of the *Financial Administration Act*.

	Voted Estimate ⁽¹⁾	Supplementary Supply ⁽²⁾	Adjustments ⁽³⁾	Adjusted Voted Estimate	Voted Actuals ⁽⁴⁾	Unexpended (Over Expended)
<i>(in thousands)</i>						
Program - operating expense						
1 Ministry Support Services						
1.1	Minister's Office	\$ 809	\$ -	\$ -	\$ 809	\$ 811 (2)
1.2	Deputy Minister's Offices	1,328	-	-	1,328	1,367 (39)
1.3	Corporate Services	22,058	-	-	22,058	22,479 (421)
		<u>24,195</u>	<u>-</u>	<u>-</u>	<u>24,195</u>	<u>24,657 (462)</u>
2 Resolution and Court Administration Services						
2.1	Program Support Services	17,039	-	-	17,039	18,280 (1,241)
2.2	Resolution Services	16,448	-	-	16,448	16,480 (32)
2.3	Provincial Civil Claims	1,200	-	-	1,200	1,200 -
2.4	Provincial Court of Alberta	118,558	-	-	118,558	114,258 4,300
2.5	Alberta Court of Queen's Bench	37,119	-	-	37,119	36,387 732
2.6	Alberta Court of Appeal	7,556	-	-	7,556	7,050 506
		<u>197,920</u>	<u>-</u>	<u>-</u>	<u>197,920</u>	<u>193,655 4,265</u>
3 Legal Services						
3.1	Civil Law	54,114	-	-	54,114	52,242 1,872
3.2	Legislative Counsel	2,792	-	-	2,792	2,997 (205)
3.3	Law Reform	500	-	-	500	500 -
		<u>57,406</u>	<u>-</u>	<u>-</u>	<u>57,406</u>	<u>55,739 1,667</u>
4 Alberta Crown Prosecution Service						
4.1	Program Support	4,884	-	-	4,884	4,460 424
4.2	Appeals, Education and Prosecution Policy	7,727	-	-	7,727	7,737 (10)
4.3	Criminal and Youth Prosecutions	77,425	2,000	-	79,425	79,305 120
4.4	Specialized Criminal and Regulatory Prosecutions	12,038	-	-	12,038	11,796 242
		<u>102,074</u>	<u>2,000</u>	<u>-</u>	<u>104,074</u>	<u>103,298 776</u>
5 Justice Services						
5.1	Program Support	10,300	-	-	10,300	10,142 158
5.2	Family Support Order Services	20,196	-	-	20,196	18,002 2,194
5.3	Office of the Chief Medical Examiner	12,701	-	-	12,701	13,643 (942)
5.4	Property Rights Advocate Office	492	-	-	492	364 128
5.5	Public Guardian Services	13,252	-	-	13,252	12,367 885
5.6	Public Trustee	13,974	1,000	-	14,974	15,102 (128)
5.7	Fines Enforcement	2,128	-	-	2,128	2,208 (80)
5.8	Support for Legal Aid	89,300	14,800	-	104,100	104,100 -
		<u>162,343</u>	<u>15,800</u>	<u>-</u>	<u>178,143</u>	<u>175,928 2,215</u>
6 Public Security						
6.1	Program Support Services	10,105	2,556	-	12,661	12,863 (202)
6.2	Law Enforcement Review Board	788	-	-	788	682 106
6.3	Alberta Serious Incident Response Team	3,988	-	-	3,988	3,867 121
6.4	Law Enforcement Standards and Audits	3,415	1,811	-	5,226	3,026 2,200
6.5	Contract Policing and Policing Oversight	256,167	2,000	-	258,167	262,645 (4,478)
6.6	Indigenous Policing Services	11,025	-	-	11,025	11,727 (702)
6.7	Policing Assistance to Municipalities	87,687	-	-	87,687	87,458 229
6.8	Organized and Serious Crime	29,100	-	-	29,100	32,100 (3,000)
6.9	Sheriffs Branch	75,356	-	-	75,356	70,411 4,945
6.10	Fish and Wildlife Enforcement	23,750	-	-	23,750	22,534 1,216
6.11	Commercial Vehicle Enforcement	15,220	-	-	15,220	15,322 (102)
		<u>516,601</u>	<u>6,367</u>	<u>-</u>	<u>522,968</u>	<u>522,635 333</u>

Lapse/Encumbrance (unaudited-cont'd)

Department of Justice and Solicitor General For the year ended March 31, 2019 (in thousands)

	Voted Estimate ⁽¹⁾	Supplementary Supply ⁽²⁾	Adjustments ⁽³⁾	Adjusted Voted Estimate	Voted Actuals ⁽⁴⁾	Unexpended (Over Expended)
	<i>(in thousands)</i>					
7 Correctional Services						
7.1 Program Support Services	5,758	-	-	5,758	6,233	(475)
7.2 Adult Remand and Correctional Centres	204,556	-	-	204,556	208,261	(3,705)
7.3 Young Offender Centres	23,079	-	-	23,079	21,778	1,301
7.4 Adult Community Correctional Services	42,122	-	-	42,122	41,490	632
7.5 Young Offender Community Correctional Services	10,647	-	-	10,647	10,839	(192)
	<u>286,162</u>	<u>-</u>	<u>-</u>	<u>286,162</u>	<u>288,601</u>	<u>(2,439)</u>
8 Alberta Human Rights						
8.1 Alberta Human Rights Commission	7,680	-	-	7,680	6,847	833
8.2 Assistance to the Human Rights Education and Multiculturalism Fund	1,735	-	-	1,735	1,735	-
	<u>9,415</u>	<u>-</u>	<u>-</u>	<u>9,415</u>	<u>8,582</u>	<u>833</u>
Credit or Recovery (Shortfall)	\$	\$	- \$	(476) \$	(476) \$	- \$
Total	\$ 1,356,116	\$ 24,167	\$ (476)	\$ 1,379,807	\$ 1,373,095	\$ 6,712
Lapse/(Encumbrance)						\$ 6,712
Program - Capital						
1 Ministry Support Services	\$ 2,149	\$ -	\$ -	\$ 2,149	\$ 513	\$ 1,636
2 Resolution and Court Administration Services	1,000	-	-	1,000	1,012	(12)
3 Legal Services	-	-	-	-	92	(92)
4 Alberta Crown Prosecution Service	2,100	-	-	2,100	1,557	543
5 Justice Services	4,000	-	-	4,000	1,915	2,085
6 Public Security	533	-	-	533	1,668	(1,135)
7 Correctional Services	150	-	163	313	1,627	(1,314)
Total	\$ 9,932	\$ -	\$ 163	\$ 10,095	\$ 8,384	\$ 1,711
Lapse/(Encumbrance)						\$ 1,711

- As per "Expense Vote by Program", "Capital Investment Vote by Program" and "Financial Transaction Vote by Program" page 192 of 2018-19 Government Estimates. The Voted Estimate is reduced by \$35,872 due to the program transfer of Human Resource Services, Freedom of Information and Protection of Privacy, Information Management Technology approved on October 3, 2018 (Order in Council No. 297/2018). The Voted Estimate is restated as though the transfer occurred at the beginning of the year.
- Per the Special Warrant (No. 001/2019) for Supplementary Supply approved on March 29, 2019 (Order in Council No. 084/2019). This disclosure is made pursuant to Section 30 of the Financial Administration Act.
- Adjustments include encumbrances, capital carry forward amounts, transfers between votes and credit or recovery increases approved by Treasury Board and credit or recovery shortfalls. An encumbrance is incurred when, on a vote-by-vote basis, the total of actual disbursements in the prior year exceed the total adjusted estimate. All calculated encumbrances from the prior year are reflected as an adjustment to reduce the corresponding voted estimate in the current year.
- Actuals exclude non-voted amounts such as amortization and valuation adjustments.

Payments Based on Agreements (unaudited)

Department of Justice and Solicitor General For the year ended March 31, 2019 (in thousands)

The following has been prepared pursuant to Section 25(3) of the *Financial Administration Act*.

The Department has entered into agreements to deliver programs and services that are fully funded by the Government of Northwest Territories (GNWT), the Government of Nunavut (GN), the Government of Saskatchewan (GS), the Government of Canada (GC), the Government of British Columbia (GBC), and the Government of Yukon Territory (Yukon). Costs based on these agreements are incurred by the Department under authority in Section 25 of the *Financial Administration Act*. Accounts Receivable includes \$25 (2018 - \$36) from the GNWT, \$19 (2018 - \$19) from the GN, \$4 (2018 - \$nil) from the GS, \$3 (2018- \$nil) from the GBC, \$92 (2018 - \$76) from the GC and \$38 (2018 - \$31) from Yukon relating to payments based on agreements.

The agreements with the GNWT, the GN, the GS and GBC are for services provided by the Medical Examiner's Office. Services include examination of remains, medico-legal autopsy, toxicology analysis, and expert testimony in court or at a coroner's inquest.

The agreement with the GC is for enhanced French language training in order to prepare Alberta Provincial Court judges to sit on the Itinerant Francophone Provincial Court Bench.

The agreement with the Yukon is for the purpose of conducting investigations of Serious Incidents respecting members of the Territorial Police Service.

Amounts paid and payable based on agreements with program sponsors are as follows:

	2019	2018
Medical Examiner Services – GNWT	\$ 151	\$ 91
Medical Examiner Services – GN	83	47
Medical Examiner Services- GS	14	10
Medical Examiner Services- Yukon	6	-
Medical Examiner Services- GBC	3	-
Enhanced French Language Training-GC	169	149
Territorial Police Services - Yukon	178	212
	<u>\$ 604</u>	<u>\$ 509</u>

The Department has also entered into an agreement to disburse the provincial share of net forfeitures from proceeds of crime on behalf of the Department of Justice Canada (Justice Canada). Proceeds received from Justice Canada under this agreement are in accordance with Section 10 of the *Federal Seized Property Management Act* resulting from the investigation efforts by law enforcement agencies in Alberta.

Disbursements to law enforcement agencies and crime and drug prevention organizations based on this agreement are made by the Department under authority in Section 25 of the *Financial Administration Act*. Only the amounts received from Justice Canada and not disbursed are reflected in these financial statements. For the year ended March 31, 2019, amounts payable to law enforcement agencies and crime and drug prevention organizations under this agreement are \$2,818 (2018 - \$2,565) and are reflected in the Statement of Financial Position.

Annual Report Extracts and Other Statutory Reports

The *Criminal Code* requires the Minister of Justice and Solicitor General to report annually on the following parts of the *Act*.

Criminal Code s.83.31 – Anti-Terrorism Act

Section 83.31 of the *Criminal Code* requires the Attorney General of Alberta to publish an annual report on the operation of those parts of the *Act* dealing with investigative hearings and recognizance with conditions.

This constitutes the annual report of the Attorney General of Alberta covering the period from December 24, 2017 to December 24, 2018.

I. Report on the Operation of sections 83.28 and 83.29

(Investigative Hearing)

The Attorney General of Alberta reports that there were no applications initiated under these sections of the *Criminal Code*. As such, there is no data to report in relation to the reporting requirements under paragraphs 83.31(1)(a) to (c) of the *Criminal Code*.

II. Report on the Operation of Section 83.3

(Recognizance with Conditions)

The Attorney General of Alberta reports that there were no cases initiated under this section of the *Criminal Code*. As such, there is no data to report in relation to the reporting requirements in paragraphs 83.31(2)(a) to (f) of the *Criminal Code*.

Criminal Code s.83.3 (3) – Anti-Terrorism Act

In accordance with subsection 83.3(4) of the *Criminal Code*, a peace officer who suspects, on reasonable grounds, that the detention of a person is necessary to prevent a terrorist activity, may arrest the person without a warrant.

Pursuant to subsection 83.31(3) of the *Criminal Code*, the minister responsible for policing in every province shall publish or otherwise make available to the public an annual report for the previous year on the operation of subsection 83.3 of the *Criminal Code* that includes:

- The number of arrests without warrant that were made under subsection 83.3(4) and the period of the arrested person's detention in custody in each case; and
- The number of cases in which a person was arrested without warrant under subsection 83.3(4) and was released.

Information has been received from all police services in Alberta indicating that no arrests were made under this subsection in the previous year; therefore, the report for 2018 is zero.

Criminal Code s.25.3 – Organized Crime and Law Enforcement – Designations

Section 25.3 of the *Criminal Code* provides a limited justification for otherwise illegal acts and omissions by law enforcement officers, and others acting at their discretion. An essential condition is that it can apply only to officers designated by a competent authority. In the case of municipal police services, the Minister of Justice and Solicitor General is the competent authority.

The competent authority is responsible for publishing an annual report on the designations and authorizations provided under subsections 24.1 to 25.4 of the *Criminal Code*. This report shall include information on the amount and nature of the acts or omissions committed by those officers designated under this legislation.

Alberta began designating officers under this legislation in March 2003. The designations for January 1 to December 31, 2018 include:

- Number of times that acts and omissions were committed: zero
- Nature of conduct being investigated: N/A
- Nature of act or omission: N/A

Public Interest Disclosure (Whistleblower Protection) Act

Section 32 of the *Public Disclosure (Whistleblower Protection) Act* requires the chief officer of a department to report annually on all disclosures made to the designated officer of the department, public entity or office of the Legislature for which the chief officer is responsible.

This constitutes the annual report of the chief officer of the department covering the period of April 1, 2018 to March 31, 2019.

Chief Officer Report as at March 31, 2019

In relation to the reporting requirements under section 32 of the *Public Interest Disclosure (Whistleblower Protection) Act*, designations for April 1, 2018 to March 31, 2019 include:

- Number of disclosures of wrongdoing: four
- Number of investigations and reports submitted: three
- Number of wrongdoings identified: one
 - The wrongdoing in this file related to Sections 3(1)(c) and 3(1)(d), “gross mismanagement of public funds and knowingly directing or counseling an individual to commit a wrongdoing”. The specific wrongdoings cited by the disclosure involved some meal claims being made in contravention of GoA and Departmental Travel, Meal and Hospitality Expense policy.
 - The recommendations included that the department work with Treasury Board and Finance to clarify the intent of both the GoA policy and the Justice and Solicitor General (JSG) policy. Another recommendation was for the department to either

amend their policy document to conform to the current practice, or, alternately keep the wording as is and enforce the policy.

- In response to the recommendation, the department has consulted internally and with Treasury Board and Finance concerning the intent of the JSG and GoA travel and related policy. The department's policy was found to align with the GoA policy intent and simply requires more rigorous enforcement. The department has developed a plan to address the inconsistent application of the JSG Travel and Related Expenses Policy, which they are finalizing and will be implement over the coming year.