

Solicitor General and Public Security

Annual Report
2011-2012

Alberta 

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Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability 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 contains ministers' accountability statements, 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.

On October 12, 2011, the government announced new Ministry structures. The 2011-12 Ministry annual reports and financial statements have been prepared based on the October 12, 2011 Ministry structure.

The October 12, 2011 Ministry of Solicitor General and Public Security is comprised of Solicitor General and Public Security and is responsible for consolidated enforcement services, formerly in the Ministries of Sustainable Resource Development, Tourism, Parks and Recreation and Transportation.

This annual report of the Ministry of Solicitor General and Public Security contains the minister's accountability statement, the audited consolidated financial statements 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 Department of Solicitor General and Public Security and the Victims of Crime Fund; and other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as a part of the financial statements, to the extent that the Ministry has anything to report.

On May 8, 2012, the government announced Cabinet restructuring which included the Ministry of Solicitor General and Public Security. As a result, the Ministry of Solicitor General and Public Security was restructured. The Ministry of Solicitor General and Public Security and the Ministry of Justice were consolidated and are renamed as the "Ministry of Justice and Solicitor General". The Ministry has also assumed responsibilities for Human Rights Commission. This most recent restructuring will be reflected in the 2012-13 Ministry Annual Report.

Minister's Accountability Statement

The Ministry's annual report for the year ended March 31, 2012, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at June 14, 2012 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

Original signed by

Jonathan Denis, Q.C.

Minister of Justice and Solicitor General

Message from the Minister

Solicitor General and Public Security made significant strides in ensuring safe and secure communities for Albertans, maintaining secure custody of offenders and facilitating their rehabilitation, and providing support to victims of crime during the 2011-2012 fiscal year.

In 2011, we established a steering committee for Alberta's Law Enforcement Framework. The committee has finalized a draft implementation plan to address the framework's nine strategic directions over the next five years. The framework is transforming law enforcement delivery in the province by giving communities the flexibility to address local policing needs more effectively and efficiently.

Amendments made this year to the *Police Act* and Police Service Regulation support the Law Enforcement Framework by improving the complaint and disciplinary process. The amendments better define who may file a complaint about a police service or the conduct of a police officer, modernizing the process making it more inclusive for Albertans.

Another notable moment came in August with the signing of a new Provincial Police Service Agreement. Under this agreement, the RCMP will continue as Alberta's provincial police service for the next 20 years. In addition, the federal government will fund 30 per cent of the RCMP agreement. The Government of Alberta also collaborated with the Alberta Urban Municipalities Association (AUMA) to renegotiate the Municipal Police Service Agreements with Canada, providing for the continuance of the RCMP as the municipal police service in 43 Alberta cities and towns. RCMP policing in Alberta is a professional, affordable, and sustainable method of addressing provincial policing priorities as we continue to promote safe and secure communities in Alberta.

In June 2011, the *Security Services and Investigators Act* established licensing and reporting requirements, uniform standards, a code of conduct, training programs and a public complaints process for the security, investigation and locksmith industries in Alberta. As a result, security services personnel in Alberta must now complete government-approved training prior to obtaining a full license. The training will assist security services personnel with ensuring their own safety, in addition to the safety of the public.

The Alberta Police Integrated Information Initiative (API3) will provide Alberta's law enforcement agencies with enhanced data collection and sharing abilities, and support collaboration between the law enforcement and justice systems. Testing of the new system began in December 2011, and implementation is expected to start in 2012.

In March, the Ministry began construction on the Alberta First Responders Radio Communication System (AFRRCS). The new system will allow for two-way voice communications between first responders across all of Alberta, and will be phased in by 2014.

Also this year, the Ministry met with stakeholders to improve the vision and governance framework for the Alberta Public Safety and Law Enforcement Training initiative (APSLET). The APSLET initiative will ensure consistent training and ongoing professional development for all police and peace officers in Alberta.

In terms of Correctional Services, construction of the new Edmonton Remand Centre continues. Since 2000-2001, the average daily adult custody population has increased 57 per cent, and the rising remand population currently comprises over 50 per cent of the custody population. The new Edmonton Remand Centre is one part of a long-term response to the growth in inmate population.

In preparation for the Centre's opening, training in motivational interviewing continues for staff members involved in custody and community case planning. New and existing staff are training in direct supervision, a correctional best practice that focuses on actively managing inmate behavior to promote a safer environment for both inmates and staff.

To provide enhanced case management for offenders, and to address the increased pre-trial supervision population, which has increased 126 per cent since 2005, 50 additional probation officers were hired.

The Ministry continues to develop a new offender management system. Upon completion, the new Offender Records and Correctional Administration system will enhance both staff security and public safety by improving staff access to offender information.

The Ministry is also committed to ensuring that victims of crime are treated with dignity and respect. Significant amendments to the *Victims of Crime Act* and Regulation were proclaimed on October 1, 2011. A new death benefit allows for \$12,500 to be paid for funeral expenses to eligible survivors. Eligibility for victims of crime benefits was also aligned with a Court of Queen's Bench of Alberta judgment in 2011. The court decision led to a change that allows a person who has a strong emotional attachment to a victim and witnesses an offence that caused death to a victim the opportunity to apply for a financial benefit. The amendments improve service delivery of the Victims of Crime Financial Benefits Program and make the process fairer to applicants.

This past year also saw a consolidation and co-location of sheriff units (SCAN, FASST and SISU) within the Alberta Law Enforcement Response Teams (ALERT). The sheriff surveillance teams now report operationally within ALERT to the Combined Forces Special Enforcement Units (CFSEU) where they work directly with police in targeting organized and serious crime.

Furthermore, integration of Alberta traffic sheriffs with RCMP Traffic Services continued. During 2011-12, there were 107 traffic sheriffs positions working with RCMP in Integrated Traffic Units (ITUs) throughout the province to enforce safety on Alberta's highways.

Also in 2011-12, enforcement functions from three departments were consolidated into the Public Security Division. The transfer of Fish and Wildlife officers, Commercial Vehicle Enforcement officers, Conservation officers, and associated administrative staff put similar roles under one ministry. The transfer makes for more effective management of the roles of peace officers and enhances the many aspects of enforcement that help ensure safe and secure communities.

The Commercial Vehicle Inspection program is one of our best and most productive partnerships with industry. It is growing and making a difference in traffic safety. Also, Fish and Wildlife officers continue to combat fishing and hunting infractions, even uncovering an extensive fish-trafficking ring in February. And our Conservation officers offer high quality service when safeguarding park visitors and protecting the parks' natural resources.

It is my privilege to serve as your Minister and I thank you for your interest in this report.

Original signed by

Jonathan Denis, Q.C.

Minister of Justice and Solicitor General

Management's Responsibility for Reporting

The Ministry of Solicitor General and Public Security includes the Department of Solicitor General and Public Security 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 plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the consolidated financial statements and performance results for the Ministry rests with the Solicitor General and Minister of Public Security. Under the direction of the Minister, I oversee the preparation of the Ministry's annual report, including consolidated financial statements and performance results. The consolidated financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The consolidated financial statements are prepared in accordance with Canadian public sector accounting standards.

The performance measures are prepared in accordance with the following criteria:

- Reliability – Information agrees with the underlying data and the sources used to prepare it.
- Understandability and comparability – Current results are presented clearly in accordance with the stated methodology and are comparable with previous results.
- Completeness – Performance measures and targets match those included in Budget 2011.

As Deputy Solicitor General 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 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 Solicitor General and Minister of Public Security any information needed to fulfill their responsibilities; and
- facilitate preparation of Ministry business plans and annual reports required under the *Government Accountability 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

Jay G. Ramotar, P. Eng.
Deputy Solicitor General
June 14, 2012

Results Analysis

Ministry Overview

The mission of Solicitor General and Public Security (SGPS) is to work with stakeholders and partners to promote safe and secure communities through effective law enforcement, crime prevention, corrections and victim services.

Ministry Divisions and Branches

The Ministry's mission and goals are achieved through the following divisions and branches.

Public Security Division

This division is responsible for law enforcement, crime prevention, restorative justice and victim services. It administers the *Police Act*, *Peace Officer Act*, *Security Services and Investigators Act*, *Safer Communities and Neighbourhoods Act*, *Gunshot and Stab Wound Mandatory Disclosure Act*, and *Victims of Crime Act*. The Public Security Division provides oversight and governance of police, participates in integrated policing initiatives, and delivers supplementary law enforcement, including court security, prisoner transport, traffic safety enforcement, protection of officials and infrastructure, commercial vehicle safety enforcement and the conservation and fish and wildlife enforcement programs.

Correctional Services Division

This division is responsible for effective and efficient custody and supervision of adults and youth under correctional authority, including the provision of rehabilitation opportunities. It administers the *Corrections Act*, *Correctional Institution Regulation*, *Designated Correctional Institutions Order*, *Fine Option Order*, *Youth Justice Act* and *Youth Justice Designation Regulation*, and the federal *Prisons and Reformatories Act* and *Youth Criminal Justice Act*. The Correctional Services Division provides pre-trial supervision, community and custody services, alternative sanctions and facilitates rehabilitation opportunities for offenders.

Corporate Services Division

This division provides strategic leadership, advice and support in financial services, business services, planning and reporting, policy and legislation, freedom of information and protection of privacy, and records management. The Corporate Services Division is also responsible for information and communication technologies and cross-agency solutions to support interoperability between law enforcement providers. The Staff College provides enforcement-based training, adult-learning curriculum design, operational research and leadership development. This division also oversees the administration of the Law Enforcement Review Board and the Criminal Injuries Review Board.

Human Resource Services Branch

This branch is responsible for employee/labour relations, staffing, compensation, organizational design, job evaluation, training and development, occupational health and safety, and health and wellness initiatives.

Communications Branch

This branch provides strategic communications, issues management and media relations services.

Agencies, Boards, and Commissions

The following agencies, boards and commissions are part of the Ministry of Solicitor General and Public Security:

Criminal Injuries Review Board

This 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.

Law Enforcement Review Board

This board is an independent, quasi-judicial body established under the *Police Act*. It hears appeals from citizens who have filed a complaint regarding the actions of a police officer, and who are not satisfied with the disposition of their complaint. The Law Enforcement Review Board also hears appeals from peace officers regarding the cancellation of their appointments.

Victims of Crime Programs Committee

This committee is appointed by the Minister to make recommendations on grant applications and to provide information with respect to programs and services to assist victims of crime.

Key Factors Influencing Results in 2011-12

While crime rates have decreased over the past decade, organized and gang crime is increasingly visible in Alberta. The Ministry plays a leadership and coordination role in working with public security partners to address complex and sophisticated criminal activity. Ensuring a high level of law enforcement service, with appropriate public accountability, requires collaboration and integrated service delivery. Law enforcement partnerships focus resources and expertise to address key criminal activity pressures, including organized crime, child exploitation, drug operations and domestic violence. The Ministry is also working with the Royal Canadian Mounted Police to improve safety on Alberta's highways.

Addressing the root causes of crime continues as a priority, and includes long-term and comprehensive approaches for government-wide crime prevention strategies, as well as support for community-based crime prevention projects.

The adult inmate population at provincial correctional centres has increased substantially over the past decade. The community corrections population has also experienced significant growth over the past several years. Increasing populations in custody and under community supervision include more gang-affiliated offenders as well as individuals with increasingly complex health and mental health issues. These populations require more intensive correctional supervision as well as extensive health, mental health and community transition supports.

The Ministry is continuing to implement correctional best practices to manage inmate/offender populations, including updated information technology and information management systems, enhanced staff training, targeted caseloads to facilitate more effective supervision, improved health and mental health services for inmates and offenders, and more transition supports for individuals leaving custody and returning to the community.

The new Edmonton Remand Centre will contribute to a long-term response to population pressures in Alberta's correctional facilities. It will provide an opportunity to incorporate correctional best practices.

The province has expanded the financial benefits available to eligible victims of crime as well as support for the delivery of specialized services to victims of crime with unique needs. Programs for culturally and linguistically diverse groups have been developed, as well as programs that address the needs of homeless victims, victims of domestic violence, hate crimes and members of Aboriginal communities. The Ministry is also addressing the need to increase public awareness of services available to victims of crime.

Review Engagement Report



To the Members of the Legislative Assembly

I have reviewed the performance measures identified as “Reviewed by Auditor General” in the *Ministry of Solicitor General and Public Security’s 2011-12 Annual Report*. The reviewed performance measures are the responsibility of the Ministry and are prepared based on the following criteria:

- Reliability – information used in applying performance measure methodologies agrees with 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 – goals, performance measures and related targets match those included in the Ministry’s Budget 2011.

My review was made in accordance with Canadian generally accepted standards for review engagements and accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to me by the Ministry.

A review does not constitute an audit and, consequently, I do not express an audit opinion on the performance measures. Further, my review was not designed to assess the relevance and sufficiency of the reviewed performance measures in demonstrating Ministry progress towards the related goals.

Based on my review, nothing has come to my attention that causes me to believe that the “Reviewed by Auditor General” performance measures in the Ministry’s 2011-12 Annual Report are not, in all material respects, presented in accordance with the criteria of reliability, understandability, comparability, and completeness as described above.

[Original signed by Merwan N. Saher, FCA]

Auditor General

May 18, 2012

Edmonton, Alberta

Performance measures reviewed by the Auditor General are noted with an asterisk (*) on the Performance Measures Summary Table

Performance Measures Summary Table

Goal/Performance Measure	Prior Years' Results				Target	Current Actual
	2007-08	2008-09	2009-10	2010-11		
Goal 1: Alberta has effective public security through the Ministry's leadership, oversight, collaboration, integration and innovation						
1.a* Public Satisfaction with Policing in Alberta (per cent) ¹	81	78	81	85	83	86
Goal 2: Effective custody and community supervision is provided through the application of best practices						
2.a Successful Completion of Conditional Release (per cent) ²	99.9	99.9	99.8	99.9	No lower than 99	100
2.b* Number of Escapes from Secure Custody or During Transport ³	0	1	0	1	0	1
Goal 3: Alberta has safer communities through partnerships in crime prevention, offender rehabilitation and community transition supports						
3.a Percentage of Incarcerated Offenders Involved in Work, Education, Treatment or Life Management Programs ²	90	89	89	90	No lower than 85	91
3.b Percentage of Albertans Who Feel Reasonably Safe to Very Safe Walking Alone in Their Area After Dark ⁴	75	73	78	82	82	82
Goal 4: Support is provided to victims of crime and organizations that support victims of crime						
4.a* Satisfaction with Services Provided by Employees and Volunteers within the Criminal Justice System (per cent) ⁵	81.2	81.8	82.4	81.4	No lower than 80	82.6

* Indicates performance measures that have been reviewed by the Office of the Auditor General.

The performance measures indicated with an asterisk were selected for review by Ministry management based on the following criteria established by government:

1. Enduring measures that best represent the goal and mandated initiatives,
2. Measures for which new data is available, and
3. Measures that have well established methodology.

Sources:

- (1) Alberta Solicitor General and Public Security 2011-12 Public Opinion Survey – Resinnova Research Inc.
- (2) Administrative data, Correctional Services Division
- (3) Administrative data, Correctional Services and Public Security Divisions
- (4) Alberta Solicitor General and Public Security 2011-12 Public Opinion Survey and Alberta Justice 2011-12 Public Opinion Survey – Resinnova Research Inc.
- (5) Client Satisfaction Survey, Public Security Division

For further details, see the section "Performance Measure Data Sources and Methodology" later in this report (page 46).

Discussion and Analysis of Results

2010-2011 Ministry Financial Highlights

Table 1
Revenues (in thousands)

	2011-12 Budget	2011-12 Actual	2010-11 Actual
	\$ 71,057	\$ 74,728	\$ 68,790

Budget to Actual

Ministry Revenues in 2011-12 are \$3.7 million or 5.2 per cent higher than budgeted. The increase is primarily due to prior year refunds of expenditures related to the transfer of health services to the Ministry of Health and Wellness and an increase in Victims of Crime Fund surcharges from federal fines under the *Corruption of Foreign Public Officials Act*.

Actual to Actual

Total revenue increased by \$5.9 million or 8.6 per cent in 2011-12 from the previous fiscal year. The increased revenues are mainly the result of:

- Prior year refunds of expenditures related to the transfer of health services to Ministry of Health and Wellness and an increase in fine surcharge under the *Corruption of Foreign Public Officials Act*; and
- Increased transfers from the Federal Police Officer Recruitment Fund due to hiring of additional police officers for fighting organized and serious crime.

Table 2
Expenses (in thousands)

	2011-12 Budget	2011-12 Actual	2010-11 Actual
	\$ 682,576	\$ 684,500	\$ 656,892

Budget to Actual

Ministry expenses are \$2.0 million or 0.3 per cent over the original budget of \$682.6 million. The over-expenditure is primarily the result of Government of Alberta wide salary and benefit settlements.

Actual to Actual

Ministry expenses are \$27.6 million or 4.2 percent higher than the previous year. This is mainly due to:

- Increases under the Provincial Policing Agreement resulting from higher member utilization and equipment costs, pay and benefit costs and accommodation costs, as well as general inflationary increases;
- Hiring of staff in preparation for the opening of the New Edmonton Remand Centre and additional probation officers under Safe Communities Initiative and the Pre-trial Supervision Program;
- Government of Alberta wide salary and benefit settlements.

GOAL 1

Alberta has effective public security through the Ministry's leadership, oversight, collaboration, integration and innovation

Goal One promotes safe and secure communities through effective and coordinated policing and law enforcement. The Ministry provides oversight for policing and law enforcement in Alberta, sets provincial policy directions for public security, participates in law enforcement partnerships, and coordinates province-wide policing and enforcement initiatives. The Ministry also provides security for elected officials and government property, and coordinates intelligence and crisis management planning.

The Ministry ensures effective policing, with civilian oversight, through provincial policing provided by the Royal Canadian Mounted Police (RCMP), and through policing assistance grants to municipalities responsible for providing their own municipal policing. There are approximately 5,600 sworn police officers, organized in 14 police agencies, across the province. The Ministry promotes accountability of police services to citizens by developing and monitoring policing standards, and advising and monitoring civilian policing oversight bodies.

The Ministry also oversees peace officers and private security personnel. Law enforcement partnerships address organized and serious crime, traffic safety and other critical law enforcement pressures. The Ministry is responsible for the direct operation of the sheriffs program. Additional enforcement responsibilities were added to the Ministry in 2011-12, including fish and wildlife enforcement, provincial park lands enforcement, and commercial vehicle inspection.

Law Enforcement Framework

The *Law Enforcement Framework* (LEF), which outlines a new vision for law enforcement, was announced in December, 2010. The LEF lays the foundation for decision-making to implement an integrated and innovative approach to law enforcement in Alberta. The framework's three main components are:

- Strengthening service delivery;
- Ensuring accountability to Albertans; and
- Equitable distribution of policing costs.

In 2011-12, the LEF steering committee finalized an implementation plan to address the framework's nine strategic directions over the next five years. The following ongoing priorities also support implementation of the LEF:

1. Provincial Policing Service Agreement (PPSA) (new RCMP contract)

The Provincial Policing Service Agreement is a contract with the federal government that establishes the RCMP as the Provincial Police Service. The previous agreement was signed in 1992 and expired on March 31, 2012. The Ministry worked with the federal government and other provinces and territories to develop a new 20-year agreement, which, in Alberta's case, was signed on August 19, 2011. RCMP contract policing is an effective Canadian policing model that provides cost-effective service to Albertans, offering professional and sustainable police services to address provincial policing priorities.

The new PPSA confirms that the RCMP will meet or exceed provincial policing standards. There will be more emphasis on community engagement, information sharing, reporting, planning and meaningful consultation in decision-making. The PPSA provides 1,419 provincial RCMP positions, plus 70 enhanced policing positions funded by municipalities.

In 2011-12, the Ministry also worked with the Alberta Urban Municipalities Association (AUMA) to renegotiate Municipal Police Service Agreements with Canada. Forty-three Alberta cities and towns with populations over 5,000 have municipal policing agreements.

2. Alberta Police Integrated Information Initiative (API3)

The Alberta Police Integrated Information Initiative is using information technology (IT) to enhance the safety and security of Albertans by improving the ability of law enforcement agencies to work together in gathering, sharing and communicating information. API3 is a long-term project to introduce common IT architecture to replace the individual computer information systems being used by the RCMP, sheriffs, and municipal and First Nation police agencies. Implementation of a common IT system will improve officer and public safety, enhance data collection and sharing, and support collaboration between the law enforcement and justice systems.

The API3 project has been underway for several years. In 2011-12, a privacy impact framework was developed, in consultation with the Privacy Commissioner's Office and police service partners. All police services in Alberta were evaluated for their readiness to implement the API3 solution. Testing of the new system started with the Calgary Police Service in December 2011.

3. Alberta First Responders Radio Communication System (AFRRCS)

The Alberta First Responders Radio Communication System is a long-term project to provide province-wide, two-way voice communications for Alberta's first responder community. The new system will replace outdated technology with a single, interoperable system. It will enable provincial government departments, law enforcement agencies (RCMP, sheriffs and police), fire departments and emergency first responders to better coordinate activities and support each other in the case of serious incidents or natural disasters.

Construction of AFRRCS began in March 2011. The Ministry is leading the development of a governance organization, with representation from the Alberta government and the first responder community. The AFRRCS Governance Council was formed in the summer of 2011, and it will be responsible for granting agency access to the system, establishing operational procedures and determining standards of practice. Implementation of the radio system will be phased in by 2014.

GOAL 1

4. Alberta Public Safety and Law Enforcement Training Initiative (APSLET)

The Alberta Public Safety and Law Enforcement Training initiative received approval to proceed in 2010-11. APSLET will support the Law Enforcement Framework by ensuring consistent training and ongoing professional development for all police and peace officers in Alberta. It will also support the Law Enforcement Framework recommendation that law enforcement be guided and assessed using clear, strong standards and performance indicators.

A new training facility, to be located in the Town of Fort Macleod, will provide a centralized location for police and peace officer training. It is envisioned to be a recognized centre of excellence that will provide coordinated, standardized, competency-based training for police officers, provincial and municipal peace officers, sheriffs and correctional peace officers.

In 2011-12, the Ministry organized a symposium with stakeholders to refine the vision and governance framework for the training initiative. Development of a training model is underway.

Alberta Public Safety and Law Enforcement Training initiative

Vision

There is integrated, consistent, state of the art training that ensures all police and peace officers in Alberta are equipped with the competencies they need to provide effective and efficient law enforcement throughout the span of their careers.

Mission

To deliver training in a cost effective manner by leveraging the capacity of multiple training methods and partnerships, with a provincial training centre of excellence in Fort Macleod as an integral component for the training of police and peace officers.

Staff College

The Ministry's Staff College provides enforcement-based education and training, adult-learning curriculum design, operational research and leadership development. Examples of courses include: probation officer training, peace officer recruit training, community peace officer induction training, fire training, tactical team training, effective facilitation, leadership and supervisory development, Aboriginal cultural understanding, and perimeter security.

A total of 1,850 individuals received training in 2011-12 (see Table 3). These numbers have increased from last year due to the recruitment of correctional officers for the New Edmonton Remand Centre, the hiring of new provincial sheriffs, and the realization of a strategic plan to provide more leadership training and opportunities to all enforcement and peace officers in the province.

Table 3
Candidates Completing Staff College Courses in 2011-12

Highlights of Courses (April 2011 to March 2012)	Number of Staff Trained
SGPS Recruit Program	230
Young Offender Recruit Program	21
Community Peace Officer Induction Program	93
Probation Officer Training (levels 1, 2, 3, 4)	275
Tactical Team Training	39
Service Planning Instrument (SPIN)	75
Youth Assessment Screening Instrument (YASI)	96
Effective Casework 2 (ECW2)	71
Correctional Service Worker Program (Assessments)	71
Offender Release Document Workshop, (levels 1 and 2)	100
Motivational Interviewing	126
Advancing Your Use of Motivational Interviewing	310
Leadership Programming	290
Effective Facilitation	53

5. A New Costing Model for Policing

New Funding Model for Policing – One of the guiding principles of the Law Enforcement Framework is ‘equitable cost distribution for policing services’. The Ministry has been involved in ongoing consultations regarding the structure of funding mechanisms for policing, to ensure that such mechanisms are equitable, transparent, flexible, predictable and sustainable.

Consensus has yet to be achieved regarding a new costing model for policing in Alberta, especially for municipalities that do not directly contribute to funding the policing in their areas. The Ministry is working with the Alberta Urban Municipalities Association and the Alberta Association of Municipal Districts and Counties to build a model that satisfies the principles of the Law Enforcement Framework.

Alberta Police and Peace Officers’ Memorial Day

Alberta Police and Peace Officers’ Memorial Day takes place on the last Sunday of September. It commemorates all Alberta police and peace officers killed in the line of duty.

The 13th annual Alberta Police and Peace Officers’ Memorial Day Ceremony took place on September 25, 2011 at the Alberta Legislature grounds.

This day coincides with the National Police and Peace Officers’ Memorial Day Ceremony on Parliament Hill in Ottawa.

Since 1876, 96 police and peace officers have died in the line of duty in Alberta (as of April 2012).

GOAL 1

Law Enforcement Partnerships

The Ministry supports and participates in a number of law enforcement partnerships with policing and law enforcement agencies, as well as other governments and jurisdictions. Key partnerships include the Alberta Law Enforcement Response Teams (ALERT), Family Violence Prevention and Traffic Safety Enforcement.

ALERT

The Alberta Law Enforcement Response Teams, established in 2006, represent an integrated model of specialized service delivery, as envisioned in the Law Enforcement Framework. ALERT oversees province-wide initiatives directed at critical criminal activity pressures, including organized crime, child exploitation, drug operations and domestic violence. ALERT also provides surveillance teams to support the Priority Prolific Offender Program (PPOP), a safe communities initiative to address challenges associated with chronic repeat offenders (see Goal 3).

ALERT brings together intelligence units, enforcement teams, specialized sheriff units, provincial support and other specialized services to combat, investigate and prevent organized and serious crime. The Ministry directly funds 318 ALERT positions, including 62 sheriffs.

During 2011-12, ALERT operational investigations resulted in 1,796 charges against 610 individuals. Over \$3.5 million in proceeds from crime was seized or recovered as a result of ALERT activities, and approximately \$108.5 million worth of drugs was seized, including more than 72 kg of cocaine, 184 kg of processed marijuana and 57,341 marijuana plants.

ALERT has enhanced interagency cooperation and provides capacity and skills to assist Alberta communities in addressing crime issues. For in-depth ALERT results, see their website at www.alert.ab.ca.

Alberta's Crime Rates

Alberta's violent crime rate has decreased by 3.7 per cent from 1,532 in 2009 to 1,476 in 2010, remaining above the national average with the fourth lowest rate among the provinces. Violent crime has shown an overall decreasing trend since 2001.

Alberta's property crime rate has decreased by 8.3 per cent from 5,354 in 2009 to 4,908 in 2010. It has been decreasing over the past ten years, at times faster than the national rate.

*Data by Statistics Canada

Family Violence Initiatives

Addressing family and domestic violence continued as a priority in 2011-12. The Integrated Threat and Risk Assessment Centre (I-TRAC), funded through ALERT, assists in family violence cases and completes formal threat assessments. Amendments to the *Protection Against Family Violence Act* were proclaimed in 2011. A Police Advisory Committee, chaired by the Ministry, designed a training tool for police services to share information about the amendments with their membership. A series of two-day family violence training sessions were provided to police members throughout the province in 2011-12.

Traffic Safety Enforcement

Traffic sheriffs were introduced in 2006 as part of the provincial Traffic Safety Plan. After a successful pilot project in 2009, Traffic sheriffs and RCMP Traffic Services were integrated in strategic locations throughout the province during 2010-11 and 2011-12.

The Ministry's 2011-12 Public Opinion Survey asked respondents who travel on Alberta's highways (95 per cent of total sample) their opinion about the impact of Alberta's traffic sheriffs. Eighty (80) per cent of respondents indicated that they "strongly agreed" or "somewhat agreed" that traffic sheriffs are making a positive difference on Alberta's highways. This is a three percentage point increase compared to last year's result.

In addition to police services' regular Checkstops, Enhanced Alberta Checkstops are funded by the Office of Traffic Safety. Traffic sheriffs assisted police at 72 Enhanced Alberta Checkstops throughout Alberta in 2011-12.

Enhanced Alberta Checkstop Results

- 40,292 vehicles checked
- 148 impaired drivers
- 254 (24 hour) suspensions
- 1,893 other charges
- 86 warrants executed

The impaired driving rate for Alberta in 2010* was 477 per 100,000 population. This is the same as 2009, while the national rate increased by three per cent.

*The most current available rate.

Alberta introduced new penalties for impaired driving in 2011-12. The Ministry worked with Justice and Transportation to develop the new legislation and continues to be involved in its implementation.

New distracted driving legislation was also introduced in 2011-12. The *Traffic Safety (Distracted Driving) Amendment Act* came into force in September, 2011. With this legislation, Alberta joins eight other provinces that passed legislation regarding hand-held cellphone use. The Ministry will work to enforce this legislation.

GOAL 1

Other Enforcement Activities

In 2011-12 the Fish and Wildlife Officers from Sustainable Resource Development, the Conservation Officers from Tourism, Parks and Recreation, and the Commercial Vehicle Enforcement Officers from Transportation were transferred to the Ministry. In total, 410 full time officers were transferred to Solicitor General and Public Security.

Ministry enforcement staff performed a wide range of enforcement duties in 2011-12, including court security, protection services, fish and wildlife and park enforcement, and commercial vehicle inspection.

- **Court Security**

Court security and prisoner transport sheriffs provide perimeter screening and courtroom security services for Alberta's 74 court venues. In 2011-12, perimeter security screened 2,193,004 members of the public accessing Alberta courthouses. A total of 6,343 prohibited items were confiscated, including knives and illegal drugs.

- Sheriffs in the Protective Services Section continue to work with law enforcement and strategic stakeholders through their Alberta Security and Strategic Intelligence Support Team (ASSIST). The focus of ASSIST is to gather information on possible threats to government and critical infrastructure. Members in Protection Services also oversee the security of the Legislative Building and McDougall Centre. There are 61 Sheriffs working in this capacity.

- **Fish & Wildlife Enforcement**

Alberta Fish & Wildlife officers enforce the Wildlife Act and Fisheries (Alberta) Act as well as federal legislation related to fisheries, wildlife, plants and boating. Fish & Wildlife officers also deliver a comprehensive problem wildlife program to respond to human-wildlife conflict situations that occur throughout the province. In 2011-12, Fish & Wildlife officers conducted over 54,000 checks while on patrol, responded to 3,816 complaints and dealt with 11,145 wildlife concerns. In addition, a Major Investigations and Intelligence Unit (MIIU) in the Special Investigations and Forensic Services Section, was established. This allows investigators to work jointly on priority investigations dealing with commercial fish and wildlife crime and provides more effective enforcement of Fish and Wildlife conservation in the province.

- **Park Enforcement**

Conservation officers are responsible for enforcement and public safety in Alberta's parks. In addition to ensuring the safety of provincial parks, conservation officers were involved in search and rescue operations and were among the many people who took leadership roles to maintain safety during the Slave Lake Fires. Also during 2011-12, the Equestrian Program, in partnership with policing services and search and rescue groups, developed a horse training program specifically for search and rescue operations. This pilot is intended to work towards getting recognized certification for the use of horses in search and rescue activities.

- **Commercial Vehicle Enforcement**

Commercial vehicle enforcement takes unsafe commercial vehicles off the road. In 2011-12 commercial vehicle enforcement transport officers inspected over 30,000 vehicles and gave out 13,328 Traffic Violation Tickets to provide safer roads for Albertans. Alberta is a leader in the use of advanced technology to detect potential problems. Commercial Vehicle Enforcement has been awarded the Intelligent Transportation System (ITS) Canada Award of Excellence for their design and implementation of the Smart Roadside Inspection System (SRIS). The system identifies high risk and problematic commercial vehicles from the roadside and is saving lives, time, energy and the environment through better use of efficient technology. In addition, one of the Ministry's commercial vehicle enforcement transport officers represented Canada on the Commercial Vehicle Safety Alliance (CVSA) International Safety Team for 2011-12.

Accountability for Policing and Law Enforcement

Working with law enforcement and public safety partners, the Ministry has played a leadership role in modernizing the provincial legislative framework for public security and enhancing the accountability of police agencies to the public.

Policing Standards

The Ministry is responsible for developing and enforcing policing standards, which reflect appropriate benchmarks for the delivery of adequate and effective policing. Updated policing oversight standards were developed in 2011-12 with stakeholder input. The Ministry also continued to provide training and development support to policing committees and other civilian policing oversight bodies.

Use of Force Data

In 2011-12, as part of the API3 project, the Ministry worked with police services towards consistency in the collection and reporting of 'use of force' data. Consistent data collection will enable individual police services to monitor how force is used by their officers and assist in identifying changes to training required as a result of use of force incidents. The Ministry also developed a database for consistent collection and monitoring of public policing complaints. These systems will help address concerns regarding the conduct of law enforcement personnel.

Police Complaint and Disciplinary Process

Amendments to the *Police Act* in 2010 resulted in a streamlined police complaint and disciplinary process, which had not seen significant change since 1973. In 2011-12, further amendments to the *Police Act* and the Police Service Regulation made further improvements the new complaint and disciplinary process. These amendments better define who may file a complaint, making this mechanism more modern and inclusive for Albertans.

GOAL 1

Other Law Enforcement Legislation

For several years, the Ministry has worked to modernize the legislative framework for law enforcement and public safety in Alberta. The *Peace Officer Act* (2007) clarified the roles and responsibilities of peace officers. The *Security Services and Investigators Act* (2010) integrated private security into Alberta's public security strategy.

Peace Officer Regulations were updated in 2011-12, and a revised policy manual was developed, reflecting program enhancements to better serve the needs of Albertans. The *Security Services and Investigators Act* imposed training requirements for security guards where training must be taken prior to obtaining a full license, helping to ensure safety of the public as well as individual licensees.

Alberta Serious Incident Response Team (ASIRT)

Serious or sensitive matters involving police are investigated by the Alberta Serious Incident Response Team (ASIRT), which completed its fourth full year of operations in 2011-12.

Since first beginning to receive complaints in January 2008, ASIRT has completed 87 investigations (see Table 4). Seven investigations have resulted in criminal charges. Twenty-five investigations remain active.

Table 4
Investigations by the Alberta Serious Incident Response Team

Year	Number of Investigations	Completed Investigations
2008-09	21	21
2009-10	32	31
2010-11	31	19
2011-12	28	16
Total	112	87

**Performance Measure 1.a –
Public Satisfaction with Policing in Alberta**

The Ministry has surpassed its target of 83 per cent satisfaction by three percentage points, achieving 86 per cent satisfaction with policing in Alberta over the last 12 months.

Albertans have indicated that they feel safer with more visible police on the streets. Between 2008-11, the Ministry promised 300 additional police officers in the province; 100 each year. 2011-12 saw the last of the 300 introduced to the province. This could be a contributing component of the increase in satisfaction with policing over the last year.

In addition, the Alberta Public Safety and Law Enforcement Training initiative has continued the training of over 1000 police and peace officers in 2011-12. This initiative ensures that all enforcement officers provide efficient and effective services to the province. Albertans indicated an increase from 80 per cent in 2010-11 to 97 per cent in 2011-12 in the professionalism of police officers, which may have contributed to the increase in satisfaction with policing over the past 12 months.

Performance Measure	Prior Years' Results				Target	Current Actual
	2007-08	2008-09	2009-10	2010-11		
1.a Public Satisfaction with Policing in Alberta (per cent)	81	78	81	85	83	86

GOAL 2

Effective custody and community supervision is provided through the application of best practices

Goal Two supports safe and secure Alberta communities by ensuring the community is protected, and individuals under correctional authority are held accountable through custody, supervision and work services programs. The Ministry provides custody and community facilities and services to ensure that inmates and offenders are securely held in custody, safely transported and appropriately supervised in the community.

Correctional services include incarceration of adults remanded into custody or sentenced to periods of custody of up to two years less one day, as well as incarceration of young offenders who have been remanded into custody or sentenced. The Ministry operates eight adult correctional facilities, providing custody services for 1,400 sentenced offenders and about 1,600 individuals awaiting trial or sentencing. The Ministry also operates two young offender centres that provide specialized programming for about 200 youth in custody.

Correctional services also supervises about 18,000 adults and 4,000 youth under community supervision or involved in community programs.

Blueprint for the Future of Corrections in Alberta

Over the past several years, the Ministry has continued to implement recommendations from the *Blueprint for the Future of Corrections*. The *Blueprint* is a long-term plan to identify and implement evidence-based correctional best practices to manage individuals in custody and under community supervision.

The goals of the *Blueprint* are to ensure that correctional services:

- are responsive to changes in the size and composition of the custody and community supervision populations,
- are operated efficiently, and
- address current and anticipated needs of the courts.

Best practices for managing custody and community supervision populations focus on the use of evidence-based approaches, enhancing staff training, and the implementation of integrated information technology and information management systems.

Best Practices for Managing Correctional Populations

The Ministry continues to use best practices for the management of correctional populations in custody and under community supervision. Some best practices for offender management include: evidence-based offender risk and needs assessment tools, direct supervision inmate management, motivational interviewing, FASD awareness, electronic monitoring, the drug dog detection program, and development of an Aboriginal Corrections Strategy. Results for 2011-12 are summarized below.

- **Evidence-based Offender Risk and Needs Assessment Tools**

These tools have been fully integrated into community corrections operations for both adults and youth. Evidence-based risk and needs assessment tools support the transition to a proactive, risk-reduction model in the management of offenders under community supervision. They assist correctional staff to develop more focused case plans for individual offenders, and to better target supervision and treatment resources.

- **Direct Supervision**

This model for managing inmate behaviour involves integrating correctional peace officers into centre units to actively manage behaviour. It results in more positive staff-inmate interaction and less hostile correctional environments. Direct supervision is currently in place in young offender centres and some adult correctional facilities. The Ministry is offering specialized training for staff to support them in applying the direct supervision model in the operations of the new Edmonton Remand Centre.

- **Motivational Interviewing**

This evidence-based method is intended to engage individuals in a manner that promotes behavioural change. Motivational interviewing complements other best practices and supports a proactive risk-reduction model of offender management. This allows probation officers to work more constructively with offenders and enhance their preparedness for treatment and/or other programming.

- **Fetal Alcohol Spectrum Disorder (FASD) Awareness**

This initiative supports staff working with populations experiencing the effects of prenatal exposure to alcohol. It is also intended to address the needs of individuals with FASD within the criminal justice system through programs such as the FASD Justice Support Project for Youth operating in Edmonton and Calgary, and the Life Skills Program at Peace River Correctional Centre for male offenders identified as possibly being affected by FASD.

- **Electronic Monitoring**

Alberta has used electronic monitoring (non-GPS tracking) to monitor the curfews of low-risk offenders since 2005. This has proven to be an effective and reliable method of monitoring offender curfews.

GOAL 2

- **Drug Detection Dog Program**

This program is an effective resource for the detection of illegal drugs in correctional and remand centres. Drug Detection Dog Program results for 2011-12 include 334 centre searches, 17,847 inmates searched, and detection of illegal drugs, weapons and other contraband. In March 2011, a second drug dog and handler were recruited for correctional services to provide services to the south region of the province. In February 2012, a third drug dog and handler were recruited to provide services exclusively to the new Edmonton Remand Centre.

- **Aboriginal Corrections Strategy**

Development of an evidence-based Aboriginal Corrections Strategy was initiated last year and continued in 2011-12. Over the last two years, the percentage of Aboriginal admissions to both adult and youth custody began to increase, after many years of little change. In 2011-12, Aboriginal people made up 40 per cent and 46 per cent of adult and youth admission to custody, respectively. The Ministry worked with stakeholders and staff to review programs and services for Aboriginal individuals under supervision or in custody. The review focused on employment and retention of Aboriginal staff, options for additional inmate treatment programs and enhancing relationships with Aboriginal community corrections contractors. Implementation of all 14 recommendations from the Aboriginal Corrections Strategy began in 2011-12.

Information Technology and Information Management Systems for Managing Offenders

A major systems renewal is underway to introduce significant enhancements to correctional services technology in Alberta. While information systems are integral to the delivery of correctional services, current systems are built on the business practices and technologies of another era.

The Offender Records and Correctional Administration (ORCA) system is a fully integrated corrections information system that will enhance staff and public safety. ORCA will replace labour-intensive, paper-based systems and enable business efficiencies.

New Integrated Corrections Information System

The new ORCA system will facilitate information-sharing across correctional centres, young offender centres, and community corrections, and ultimately between corrections and other law enforcement and public safety partners.

The ORCA system is expected to be implemented for all provincial correctional facilities beginning in 2012-13. A team has been put in place to prepare and train staff in use of the new offender information management system.

Supervising Offenders in the Community

The Ministry is responsible for managing adult and young offenders participating in various community corrections programs. Probation officers enforce court orders and provide supervision and rehabilitative intervention for individuals under community supervision. Types of community supervision include conditional sentence supervision, probation, pre-trial supervision, alternative measures for adults and extra judicial sanctions for youth (see Tables 5 and 6). In 2011-12, the average caseload for community supervision programs in Alberta was 17,843 adults and 3,670 youth.

The caseload for adult community supervision programs has decreased by 1.3 per cent since 2010-11 (see Table 5).

Although the adult supervised community corrections caseload decreased slightly this year, since 2005, it has increased by 30 per cent. Two supervised programs have increased substantially during this period: Pre-trial by 130 per cent and Peace Bond by 81 per cent. The adult probation caseload has increased by seven per cent since 2005.

Table 5
Provincial Caseloads for Selected Community Supervision Programs (Adults)

Type of Supervision	2009-10	2010-11	2011-12
Probation	9,163	9,091	8,579
Pre-trial Supervision	3,700	4,254	4,295
Alternative Measures	1,062	939	828
Conditional Sentence	1,360	1,359	1,440
Peace Bond	1,080	1,193	1,430
Other Programs*	1,233	1,246	1,271
Total Caseload All Programs	17,598	18,082	17,843

*Other programs include: Temporary Absence, Fine Option, and Administered Programs.

Additional Probation Officers

The recruitment of additional probation officers addresses recommendations 12 and 19 of the Crime Reduction and Safe Communities Task Force (see Goal 3). Probation officers are also key partners working with the Priority Prolific Offenders Program (see Goal 3) to provide an intensive level of supervision and intervention services for chronic repeat offenders. In 2011-12, the Ministry hired 50 additional probation officers to allow for more proactive involvement with offenders under community supervision. Over the past four years, a total of 130 new probation officers have been recruited.

GOAL 2

Additional probation officers will allow for more comprehensive assessment and response to offender supervision and rehabilitative needs. More probation officers also enable targeting of high-risk offenders for more intensive supervision and rehabilitative intervention. Probation officers use the 'RNR' model, a best practice for management of community corrections populations. This model includes the following elements:

- **Risk:** matching the level of service to the offender's risk to re-offend;
- **Need:** assessing risk factors that are subject to change and targeting them in treatment;
- **Responsivity:** maximizing the offender's ability to learn from a rehabilitative intervention and tailoring the intervention to the learning style, motivation, abilities and strengths of the offender.

The caseload for youth community supervision programs has decreased by 8.6 per cent since 2010-11 (see Table 6).

Table 6
Approximate Provincial Caseloads for Selected Community Supervision Programs (Youth)

Type of Supervision	2009-10	2010-11	2011-12
Probation	1,767	1,622	1,501
Pre-trial Supervision	488	489	467
Extrajudicial Sanctions	962	766	685
Other Programs*	1,253	1,138	1,017
Total Caseload All Programs	4,411	4,015	3,670

*Other programs include: Conditional Discharge, Conditional/Community Supervision, Deferred Custody, Non Residential Order, Peace Bond, Fine Option, Restitution, Community Service Order, Compensation, Prohibition Order, Personal Service Order, Community Supervision, Intensive Support and Supervision, and Fine programs.

Performance Measure 2.a – Successful Completion of Conditional Release

The Ministry tracks the number of offenders successfully completing Conditional Release Supervision, a program available to select low-risk offenders in provincial correctional facilities. Offenders released under this program are involved in employment, rehabilitative or community service programs.

In 2010-11, 100 per cent of offenders released under the program successfully completed conditional release supervision without incurring new criminal charges. The result is comparable to last year's result (99.9 per cent) and meets the business plan target of no lower than 99 per cent.

Performance Measure	Prior Years' Results				Target	Current Actual
	2007-08	2008-09	2009-10	2010-11		
2.a Successful Completion of Conditional Release (per cent)	99.9	99.9	99.8	99.9	No lower than 99	100

Managing Offender Custody Populations

Provincial correctional facilities hold individuals who have been remanded into custody and adult offenders sentenced to periods of custody of less than two years. Young offenders may serve longer custody periods, depending upon their sentence. Individuals held under the *Immigration and Refugee Protection Act* and adult offenders awaiting transfer to a federal penitentiary are also housed at Alberta correctional facilities, pursuant to agreements with the federal government.

In 2011-12, the provincial adult in-house custody population increased by 2.7 per cent, averaging 3,065 (compared to an average of 2,985 in 2010-11). The in-custody population continues to require intensive supervision due to factors such as gang-affiliated inmates, individuals with addictions and mental health issues, and the need to ensure that incompatible inmates are kept separated.

Provincial Correctional Centres

The Ministry manages eight adult correctional and remand centres and two young offender centres. All provincial correctional centres except the Calgary Correctional Centre house both remanded and sentenced inmates. The remand population has comprised more than 50 per cent of the in-custody population since 2006-07.

Prisoner Transport

In 2011-12, court security and prisoner transport sheriffs completed 116,315 inmate transfers, including court appearances, transfers between correctional facilities and out-of-province prisoner escorts.

GOAL 2

**Performance Measure 2.b –
Number of Escapes**

The Ministry tracks the number of escapes from secure custody (from within a correctional facility) and the number of escapes during prisoner transport.

There was one escape during transport by Correctional Peace Officers. In November 2011, an inmate escaped custody during a medical escort. The individual was apprehended within minutes of the escape.

This result is the same as the result from the previous year and does not meet the Ministry's business plan target of zero escapes.

Performance Measure	Prior Years' Actuals				Target	Current Actual
	2007-08	2008-09	2009-10	2010-11		
2.b Number of Escapes from Secure Custody or During Transport	0	1	0	1	0	1

New Edmonton Remand Centre

Construction continued on the new Edmonton Remand Centre (ERC) throughout 2011-12. The new ERC is on schedule to open in 2013. It will contribute to a long-term solution to address the continuing population in the provincial correctional system.

The new ERC will provide opportunities to apply Direct Supervision and other best practices in the management of custody populations. The new ERC will also apply new integrated information systems and other technology such as video visitation. In 2011-12, the Ministry continued to prepare for the opening of the new Edmonton Remand Centre.

GOAL 3

Alberta has safer communities through partnerships in crime prevention, offender rehabilitation and community transition supports

Goal Three supports safe and secure communities by focusing on better alignment and integration of programs and services for crime prevention, restorative justice, offender rehabilitation and transition support. The Ministry works with partners to better assess inmate and offender risks and needs; enhance health and mental health supports and services for inmates and offenders; and provide rehabilitation and transition programs to promote public safety.

The Ministry also supports the Safe Communities Program and works with other ministries toward a holistic approach to crime prevention. The Long-Term Crime Prevention Framework and the Alberta Gang Reduction Strategy are strategic initiatives in support of this holistic approach. The Ministry also supports and engages communities to develop and implement local crime prevention programs.

Offender Health, Rehabilitation and Community Transition Supports

Strengthening the provision of mental health and addictions services for offenders was a key recommendation of the 2008 Crime Reduction and Safe Communities Task Force. The Ministry has been working with a variety of partners to enhance the delivery of health and mental health services for this high-needs population. Last year, the delivery of health services in provincial adult and young offender centres was transferred to Alberta Health Services (AHS). Alberta is the only jurisdiction in Canada where a provincial transfer of this nature has been done in order to provide a more comprehensive and integrated health care system for the inmate / offender population.

Strengthening the delivery of integrated mental health and addictions services within correctional/young offender centres and upon release to the community enhances overall public health, and will improve physical and mental health outcomes for individuals, reduce or avoid short- and long-term health care costs, and improve inmates' transition to the community upon their release.

With funding from the Safe Communities Program, 70 new AHS staff positions were created to enhance mental health and addictions services, including 40 positions in correctional centres and 30 community-based transition workers. Community transition workers provide ongoing support to inmates to promote a positive and productive return to the community. The Ministry continues to provide support to AHS to enhance addiction and mental health services for incarcerated adults and youth.

GOAL 3

In 2011-12, enhanced mental health and addictions services were introduced at the Fort Saskatchewan Correctional Centre (FSCC), including a mental health treatment program for female offenders and an addiction treatment program for male offenders. The Elder mentorship component of the former Corrections to Community program (sponsored by FASD initiatives) at FSCC, offers support in addressing the needs of female offenders affected by FASD. This component was expanded to the Lethbridge Correctional Centre in October, 2011. The new Edmonton Remand Centre will include beds for female offenders with mental health concerns.

Initiatives to enhance rehabilitation opportunities for offenders include the Priority Prolific Offenders Program (PPOP). Launched in 2008, the PPOP addresses a key recommendation from the Crime Reduction and Safe Communities Task Force. It is a focused and integrated strategy to reduce offences committed by those individuals who are responsible for the greatest volume of crime. Key partners in PPOP include members from Alberta law enforcement, Probation Officers (see Goal 2), and Crown Prosecutors.

Sixty offenders were initially identified for inclusion in PPOP; this number will be increased to over 80. PPOP is a focused and integrated strategy to improve coordination between courts, law enforcement and probation officers. The program receives referrals from law enforcement on offenders who primarily commit numerous property and nuisance crimes in the community and become part of the revolving door in the justice system. PPOP attempts to ensure that the courts have the most comprehensive information available on offenders through the Comprehensive Bail Package, so the most appropriate sentences are imposed and rehabilitation opportunities are realized. PPOP members jointly track these offenders through their involvement in the criminal justice system and make programming recommendations. These offender specific recommendations are to promote rehabilitation through the provision of appropriate support services for the offender.

Supporting Young Offenders and Youth at Risk

The Ministry continued to offer specialized rehabilitative programming for young offenders in custody, as well as programs for youth at risk of involvement with the criminal justice system. Key challenges in supporting young offenders include over-representation of Aboriginal youth, a high number of serious violent offenders, self-harm by female offenders, and complex mental health issues. The development of enhanced mental health services for female young offenders was identified as a priority in 2011-12.

Ongoing rehabilitative and transition programs for youth include four open-custody group homes, specialized mental health programs delivered by AHS, and a number of FASD initiatives. An FASD specialized mentoring project commenced with Catholic Social Services to provide transition support for young offenders released from the Edmonton Young Offender Centre.

Other partnerships and programs to support young offenders and youth at risk in 2011-12 included:

- **Ukraine Juvenile Justice Reform Project**

The manager assigned to the project designed and facilitated a study tour to Alberta for youth attendance centre management and staff at the pilot youth attendance centre in Ukraine. Training in program design and delivery, case management, and introduction to the Canadian system was provided to the group by the Young Offender Branch and division managers and staff. To date, Anger Management and Lifeskills Programs based on Alberta models have been implemented at the youth attendance centre in Ukraine.

- **Blueprint for Life**

This program was organized by the staff and teachers at the Calgary Young Offender Centre in November 2011 with funding support from the Government of Canada, the City of Calgary, and the Calgary Urban Aboriginal Initiative. It uses music, dance and poetry to help troubled youth to express themselves in a positive way in dealing with complex issues such as family violence, sexual abuse, anger management, drugs, alcohol and suicide. Blueprint for Life has worked with more than 3,600 at-risk youth in 40 communities in Canada.

- **Youth Justice Committees**

The Ministry provided \$350,000 in grant funding to support 130 youth justice committees (YJCs) involving 1,500 volunteers. YJCs are designated under section 18 of the *Youth Criminal Justice Act* and work in partnership with Alberta's justice system to deal with young persons who have committed offences in their communities. In 2011-12 about 1,700 youth participated in YJCs. The Ministry also provided an additional \$50,000 grant to the Calgary Youth Justice Society, on behalf of all YJCs, to support the 11th annual Youth Justice Committee conference, held in Calgary in October 2011.

**Performance Measure 3.a –
Offenders Involved in Programming**

The Ministry tracks the number of incarcerated offenders involved in work, education, treatment or life management programs. In 2011-12, a total of 91 per cent of sentenced adult offenders and sentenced and remanded young offenders participated in these programs. This result is comparable to last year's result (90 per cent) and exceeds the Ministry's business plan target of no lower than 85 per cent.

Performance Measure	Prior Years' Actuals				Target	Current Actual
	2007-08	2008-09	2009-10	2010-11		
3.a Percentage of Incarcerated Offenders Involved in Work, Education, Treatment or Life Management Programs	90	89	89	90	No lower than 85	91

GOAL 3

Crime Prevention and Safe Communities

The Ministry supports community groups and organizations to develop and deliver local and province-wide crime prevention programs. The Ministry also works in partnership with the Safe Communities initiative to implement long-term, integrated solutions to address gang-related crime and other key criminal activity pressures.

Community-Based Crime Prevention

The Ministry supports community-based crime prevention and public safety initiatives, including public awareness, education and training for community organizations. The Ministry also works with other government and non-government agencies to address the causes and effects of crime. Some highlights of community-based crime prevention initiatives in 2011-12 included:

- **Alberta Crime Prevention Week**

This annual event increases public awareness of crime prevention and recognizes the crime prevention efforts of individuals and organizations. Alberta's 20th annual crime prevention week took place from May 8 to 14, 2011.

Alberta Crime Prevention Week

An annual campaign to increase awareness of crime prevention and encourage Albertans to help make our communities safe.

The 20th annual Alberta Crime Prevention Week was held May 8-14, 2011.

The ceremony for the 20th annual Alberta Solicitor General and Public Security Crime Prevention Awards was co-hosted by the Ministry and the Lacombe Police Service. Nine Crime Prevention Awards were presented to recognize outstanding efforts in making neighbourhoods safer, helping at-risk youth, and raising awareness about crime prevention.

- **Aboriginal Community Crime Prevention**

This initiative supports First Nations to create and deliver crime prevention programs appropriate to their cultural and community needs. The Ministry continued to support four Aboriginal Crime Prevention Coordinator positions serving 16 First Nations Communities.

- **Restorative Justice**

Restorative justice looks at crime as harm done to people and communities, not just violation of the law. The needs of the victims are addressed first, while offenders are given the opportunity to take responsibility for their actions. Restorative justice seeks to put things right by addressing the harm to victims, the community and by addressing the causes of crime. In 2011-12, the Ministry supported nine applications for restorative justice grant funding, totalling \$351,000.

- **Alberta Fraud Prevention Month**

Fraud Prevention Month is held each year in March in 24 countries around the world. The Ministry works in partnership with other provincial ministries and organizations to coordinate fraud awareness public events and information sessions across Alberta.

Integrated Crime Reduction: Safe Communities Initiative

The Safe Communities initiative was established in 2008 to coordinate a province-wide, long-term, integrated approach to crime prevention. In 2011-12, the Ministry continued working with Safe Communities partners to address the recommendations of the Crime Reduction and Safe Communities Task Force. Many of the recommendations, which cover enforcement, prevention and treatment/intervention, have been fully implemented.

Key results related to integrated crime reduction in 2011-12 included:

- **Alberta Crime Prevention Framework**

The Crime Prevention Framework articulates a broad vision for reducing and preventing all crime in Alberta. It is intended to provide a strategic roadmap for crime prevention and identify a collective approach across ministries and within communities to address crime prevention. Its overall goals are to reduce risk factors for criminality and strengthen protective factors to reduce/prevent criminality.

The Alberta Crime Prevention Framework articulates specific, measurable outcomes to give Albertans a clear picture of how the framework is affecting safety in their neighbourhoods. Long-term outcomes of the Crime Prevention Framework are:

- Crime is reduced;
- Severity of crime is reduced;
- Victimization is reduced;
- Harm to victims in society is reduced; and
- Albertans have an increased sense of personal and community safety.

The Alberta Crime Prevention Framework was developed through extensive consultation with stakeholders, communities, Alberta police services and nine Alberta partnering ministries. It was released on May 10, 2011, with implementation planning continuing throughout 2011-12.

Alberta Crime Prevention Framework Strategic Directions

1. Compile and expand upon the existing research and knowledge base regarding major risk and protective factors of criminality.
2. Establish provincial crime prevention priorities based on research to create the greatest potential return on investment for Albertans.
3. Explore ways to align programs and services to target provincial crime prevention priorities.
4. Develop strategies to address gaps in crime prevention programs and services.
5. Continue to engage communities in building capacity to address provincial crime prevention priorities.
6. Work with communities to prepare local crime prevention plans to achieve provincial priorities.
7. Examine ways to align future funding streams for crime prevention to promote more balance between enforcement and prevention.
8. Measure outcomes and assess progress on a regular basis.

GOAL 3

- **Alberta Gang Reduction Strategy (AGRS)**

Development of a long-term strategy to reduce gang-related violence and the impact and influence of gang activity began in 2008. This initiative involved significant consultation with communities across Alberta, culminating in the 2009 Alberta Gang Crime Summit. The Ministry co-lead development of the strategy with Alberta Justice and Attorney General.

The Alberta Gang Reduction Strategy was released in December 2010. It outlines the Government of Alberta's comprehensive, long-term blueprint for action to address the challenges of gangs in the province through awareness, prevention, intervention and enforcement efforts. Much of the work done in 2011-12 focused on improving coordination between initiatives and improving existing processes. An Alberta Gang Reduction Training Symposium was held January 30 – February 1, 2012 in Edmonton.

Gang-Related Violence in Alberta

In 2009, homicides in Alberta declined to 95, from 110 in 2008. This decline (the largest among the provinces) is largely attributed to a reduction in gang-related homicides (13 in 2009 compared to 35 in 2008).

In Canada, gang-related homicides declined to 124 in 2009, from 138 in 2008, with the largest decrease in Alberta. The largest decline in gang-related homicides was seen in Calgary. Calgary had the highest rate in 2008 (16) but the number decreased to 5 in 2009.

In 2011-12, the Ministry continued to work in partnership with Alberta Justice on legislation to reduce gangs, including the *Body Armour Control Act*, the *Witness Security Act* and the *Victims Restitution and Compensation Payment Act*.

Alberta also continued to work with other western provinces, through the western Attorneys General and Solicitors General, to encourage federal legislative change to address organized crime and gang violence. Areas identified for priority action included credit for time served, use of wiretap evidence, disclosure rules, and bail reform.

Alberta and the other western provinces are also working together to improve integration and cooperation between agencies and jurisdictions. Provincial programs being considered include armoured vehicles and fortified buildings, body armour, targeting properties used for illegal activities, and provincial witness protection programs.

- **Integrated Justice Services Project (IJSP)**

The IJSP addresses the rehabilitative needs of offenders residing in the community under court-ordered supervision who continue to pose a high risk for involvement in the criminal justice system. This project combines close offender supervision with comprehensive rehabilitative programming intended to reduce the risk to the community posed by this small group of offenders.

By facilitating closer collaboration with a range of service providers, including Alberta Health Services, whose treatment staff are co-located with Probation Officers, the IJSP initiative ensures that offenders receive more timely assessment and access to addictions programs, mental health treatment and other rehabilitative services specifically focused on their individual rehabilitative needs. The IJSP initiative will integrate case-planning and service delivery with other departments and agencies wherever possible, reducing barriers to program participation and ensuring maximum focus on delivering effective and timely rehabilitative services and programs.

The IJSP pilot commenced in Calgary in February, 2012.

- **Neighbourhood Empowerment Teams**

Neighbourhood Empowerment Teams are partnerships between the City of Edmonton Community Services, the Edmonton Police Service, The Family Centre, and the United Way of Alberta Capital Region. The teams are typically made up of a City of Edmonton Community Capacity Builder, an Edmonton Police Service Constable, and a Youth Capacity Builder. The teams are deployed in eight neighbourhoods: Calder, 118th Avenue, Inglewood, Callingwood South, Bonnie Doon, Southwood, McCauley, and Central McDougal. The work the teams focus on in the communities includes auto safety campaigns, graffiti removal and cleanup events, and home and apartment safety, among others.

**Performance Measure 3.b –
Safety in the Neighbourhood**

The Ministry measures public perception of safety in the neighbourhood by tracking the percentage of Albertans who report feeling safe walking alone in their area after dark.

In 2010-11, 82 per cent of Albertans felt “very safe” or “reasonably safe” walking alone in their neighbourhood or area after dark. This result is the same as last year’s result and meets the Ministry’s business plan target of 82 per cent. Results from the last two years represent a four percentage point increase compared to 2009-10 and a nine percentage point increase compared to 2008-09. The Government of Alberta’s Safe Communities strategies and the Law Enforcement Framework, including extra resources for policing and crime prevention, may be having an impact on Albertans’ increasing perceptions of safety in their neighbourhoods

Performance Measure	Prior Years’ Actuals				Target	Current Actual
	2007-08	2008-09	2009-10	2010-11		
3.b Percentage of Albertans Who Feel Reasonably Safe to Very Safe Walking Alone in Their Area After Dark	75	73	78	82	82	82

GOAL 4

Support is provided to victims of crime and organizations that support victims of crime

Goal Four promotes safe communities by providing programs and services to assist victims of crime and treat victims of crime with dignity and respect. The Ministry administers the Financial Benefits Program to ensure that eligible victims of crime receive prompt financial benefits.

The Ministry also provides direction and support to victim service organizations and collaborates with community groups to enhance services to meet the needs of victims of crime and promote awareness of available programs and services.

Amendments to the *Victims of Crime Act*

Following public consultations held in 2010-11, significant changes were made to the *Victims of Crime Act* and Regulations. The amendments were proclaimed on October 1, 2011 and provided new benefits to assist the families of victims of crime and will allow for new programs to be introduced.

Financial Assistance for Eligible Victims of Crime

The Financial Benefits Program under the *Victims of Crime Act* provides one-time payments of financial benefits to eligible individuals who have incurred physical or emotional injury resulting from violent crime in Alberta. Additional benefits are also available for victims with quadriplegia and severe brain injury.

When reviewing applications for eligibility, the Ministry considers the following criteria:

- if the crime is an offence eligible to receive benefit according to the *Victims of Crime Act*;
- confirmation from the police that a crime has taken place;
- whether they have a criminal lifestyle;
- whether the victim's behavior contributed to the crime;
- whether the victim cooperated with the police investigation; and
- injuries are assessed against the injury schedule as prescribed in the Regulation.

Approximately seventy per cent of applicants receive benefits. The majority of unsuccessful applications relate to incidents or applicants that are not eligible under the *Act*, such as those resulting from traffic collisions.

The Victims Financial Benefits Program has experienced continual growth in volume since its inception in 1997. During 2011-12, 2,656 new applications for financial benefits were received (compared to 2,427 in 2010-11). The Ministry provided \$13.1 million in financial benefit awards in 2011-12 (compared to \$13.5 million in 2010-11). The Ministry also continued to strive to improve the promptness of financial assistance to eligible victims of crime.

GOAL 4

Performance Measure 4.a – Client Satisfaction

The Ministry tracks the satisfaction rate of individuals who receive services provided by employees and volunteers within the Criminal Justice System. Applicants are asked to complete a survey rating their satisfaction with the overall service provided to them by employees and volunteers in the criminal justice system. In 2011-12, respondents reported an overall satisfaction rate of 82.6 per cent. This is 1.2 per cent higher than last year's result of 81.4 per cent and exceeds the Ministry's business plan target of no lower than 80 per cent.

Performance Measure	Prior Years' Actuals				Target	Current Actual
	2007-08	2008-09	2009-10	2010-11		
4.a Satisfaction with Services Provided by Employees and Volunteers within the Criminal Justice System (per cent)	81.2	81.8	82.4	81.4	No lower than 80	82.6

Supporting Organizations that Serve Victims of Crime

The Ministry provides direction, leadership and funding support to victim service organizations across the province. These organizations provide programs and services to assist victims of crime during their involvement in the criminal justice process. In 2011-12, there were 75 police-based programs serving 138 service areas and 32 community-based organizations providing services to victims of crime in Alberta. Two community-based conferences were also held in 2011-12.

In 2011-12, the Ministry provided \$10.3 million in grants from the Victims of Crime Fund to support applications from police-based and community-based victim service organizations.

Organizations Providing Services to Victims of Crime

Police-based organizations offer a wide range of services such as court support throughout criminal trials, information about resources, restitution and applying for financial benefits, and victim impact statements.

Community-based organizations provide value-added, specialized programs that are often tailored to meet the needs of specific communities, such as seniors, sexual assault victims, domestic assault victims, and children.

Alberta Victim Service Programs*

Victim Service Program volunteers across Alberta contributed 163,399 hours of service and provided assistance, support and information to more than 67,000 people in 2011-12. Sixteen per cent of the people assisted were under the age of 18.

*These numbers are based on 2010-11 statistics.

The Ministry works with providers of victims' programs and services to enhance access to services, improve organizational accountability and build capacity for effective service delivery. In 2011-12, the Ministry expanded communications with the Boards of Victim Service Units (VSUs) to assist them in carrying out their roles. Training sessions for Board members were held in Edmonton, Banff and High Level and mentoring support was provided for VSUs that required extra support.

In 2010-11 the Ministry introduced on-line victim advocate training in collaboration with the Justice Institute of British Columbia. This training is the first initiative of its kind in Canada and establishes a provincial standard for victim advocate training. It also provides an opportunity for volunteer victim advocates to receive certification. The training is available to victim services staff and volunteers, police liaison officers, and other criminal justice system stakeholders (e.g., shelter and Sexual Assault Centre staff, and probation officers). More than 1,300 learners registered for on-line victim advocate training in 2011-12.

The Ministry also continued to work with victim service organizations, communities and other partners to share knowledge of current trends in victimization and enhance awareness of programs and services available to victims of crime.

Enhanced Services for Victims

In May 2011, the Town of Slave Lake was evacuated due to wildfire, which consumed many homes, businesses and community buildings. While the Slave Lake VSU staff and volunteers were themselves victims of this disaster, they continued to provide assistance to the community. The Ministry worked with the RCMP "K" Division and the Edmonton Police Service to provide additional staff to support the Slave Lake Victims' Services Society in responding to this disaster. The Ministry also provided emergency funding to the Slave Lake Victims Services Society and Lesser Slave Lake Indian Regional Council Victim Services to provide assistance to victims of the wildfires.

The Ministry is seeking to further explore the issue of missing and murdered Aboriginal women, establish firm baseline data, and improve support for families of missing and murdered Aboriginal women in Alberta. A two-year federal grant was obtained from the Policy Centre for Victims Issues to support the development of specific strategies. The families of missing and murdered Aboriginal women will directly benefit from this initiative to ensure a culturally safe and victim-directed response.

In 2011-12, the Ministry continued to work with victim service organizations, communities and other partners to enhance service delivery to marginalized groups.

Ministry Expense by Function

Table 7 summarizes the Ministry's expenses by function.

Table 7
Ministry of Solicitor General and Public Security 2011-12 Expense by Function
 (in thousands)

Function	2011-12 Budget	2011-12 Actual	2010-11 Actual
Protection of Persons and Property	\$ 632,479	\$ 634,059	\$ 605,137
Social Services	27,698	28,056	27,579
Agriculture Resource Management and Economic Development (ARMED)	15,511	19,761	18,516
Environment ⁽¹⁾	4,264	–	3,045
Recreation and Culture	2,624	2,624	2,615
Ministry Expense	\$ 682,576	\$ 684,500	\$ 656,892

⁽¹⁾Sustainable Resource Development (SRD) was originally allocated between the ARMED and Environment functions. Subsequently, it was determined that all expenses transferred from SRD should be allocated under the ARMED function. However, the Budget allocation could not be restated for comparability.

Criminal Code Reporting – Required Reports

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

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 Solicitor General and Minister of Public Security 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 in 2011-12 include:

- Number of times that acts and omissions were committed: 3
- Nature of conduct being investigated: Homicide, Conspiracy to Murder, Kidnapping, Aggravated Assault, Criminal Interest Loans
- Nature of act or omission: Property damage, Extortion, Directed Agent to commit crimes subject to criminal code offences

Criminal Code s. 83.3(3) – Anti-Terrorism – Arrests without Warrant

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:

- a) 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
- b) 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 2011 is nil.

Performance Measures Data Sources and Methodology

GOAL 1

Alberta has effective public security through the Ministry's leadership, oversight, collaboration, integration and innovation

**Performance Measure 1.a –
Public Satisfaction with Policing in Alberta**

The Ministry commissions a professional survey firm to conduct an annual public opinion survey of 1,200 Albertans. The Ministry's 2011-12 public opinion survey was conducted by telephone in January, 2012. A random and representative sample of adult Albertans was established based on Statistics Canada 2006 Census data. For each of six geographic regions of the province, the number of interviews in each age-gender segment was proportionate to the 2006 population estimates. The results are considered reliable to within +/- 2.8 per cent at the 95 per cent confidence interval.

This measure is based on responses to a question asking respondents how satisfied they are (very satisfied, somewhat satisfied, somewhat dissatisfied, very dissatisfied, don't know) with policing in Alberta over the past 12 months.

Responses in the "very satisfied" and "somewhat satisfied" categories are added together and divided by the total sample size to determine the results for this measure.

GOAL 2

Effective custody and community supervision is provided through the application of best practices

**Performance Measure 2.a –
Successful Completion of Conditional Release**

Data on conditional releases granted and suspended due to re-offence is stored in the Correctional Management Information System (COMIS), a mainframe system that provides information about offenders housed in provincial correctional centres. COMIS data includes offender demographics, admissions, movements, charges and releases. This system provides the Ministry with a database of operational statistical information, and a data extract is produced from COMIS each month.

The system produces a report that indicates the number of conditional releases granted during the month and year-to-date. The percentage of successful conditional release completions is calculated by subtracting the number of conditional releases suspended due to re-offence from the number of conditional releases granted. The result is then divided by the total number of conditional releases granted.

**Performance Measure 2.b –
Number of Escapes from Secure Custody or During Transport**

To be counted as an “escape from secure custody”, the escape must meet all of the requirements for a prison breach as described in the *Criminal Code of Canada*. Offenders who walk away from minimum-security settings, or who fail to return from a period of conditional release, are not counted as escapes from secure custody.

All adult correctional centres and young offender centres report the number of escapes from secure custody on a monthly basis. When a centre reports an escape from secure custody, a head office investigation verifies the reported escape.

If an escape occurs during transportation of an offender, staff involved in the transport prepare an incident report. If police become involved in apprehending the offender, a police report is prepared as well. Management conducts investigations into all escape incidents and takes further action as needed.

GOAL 3

Alberta has safer communities through partnerships in crime prevention, offender rehabilitation and community transition supports

**Performance Measure 3.a –
Percentage of Incarcerated Offenders Involved in Work, Education, Treatment
or Life Management Programs**

This measure is calculated by dividing the estimated average daily number of sentenced adult offenders and sentenced and remanded young offenders involved in work, education, treatment or life management programs by the average daily population of eligible offenders. Remanded adult inmates are not included because they have not been found guilty of an offence and are not required to participate in activities.

Staff in each correctional centre calculate a monthly average number of offenders involved in work, education, treatment, or life management programs and enter this information on a Monthly Offender Activity Report. Summary reports are compiled for all correctional centres in the province.

Average population statistics for correctional centres are produced using COMIS as described in performance measure 2.a. Data from the Monthly Offender Activity Reports and the average population statistics from the mainframe system are used to calculate the results for this measure.

**Performance Measure 3.b –
The Percentage of Albertans Who Feel Reasonably Safe to Very Safe Walking Alone
in Their Area After Dark**

This measure is based on the results from the Ministry's public opinion survey described under Performance Measure 1.a, combined with the results from a contemporary survey conducted for the Ministry of Justice and Attorney General.

The rationale for combining the results from both surveys is that this draws a larger sample size, which could provide a more accurate snapshot of the public perception of safety. The sample size for the survey conducted for the Ministry of Justice and Attorney General is 750, resulting in a sample size for this measure of 1,950. The results for a sample of this size are considered reliable to within +/- 2.2 per cent at the 95 per cent confidence interval.

Survey respondents were asked to rate how safe they feel (very safe, reasonably safe, somewhat unsafe, very unsafe) when walking alone in their neighbourhood or area after dark.

Responses in the "very safe" and reasonably safe" categories are added together and divided by the total sample size to determine the results for this measure.

GOAL 4

Support is provided to victims of crime and organizations that support victims of crime

**Performance Measure 4.a –
Satisfaction with Services Provided by Employees and Volunteers
within the Criminal Justice System**

The Ministry tracks the satisfaction of individuals who receive services from employees and volunteers within the criminal justice system. All individuals who apply for financial benefits receive an evaluation survey. Results are compiled from the responses completed by individuals who choose to respond to this question at the time they apply to the program. The response rate for this survey was 23 per cent in 2011-12. The response rate is calculated using the number of Financial Benefit applications received (2,679) and the total number of responses to question three of the survey (616), which pertains to satisfaction of services provided by employees and volunteers within the criminal justice system.

Respondents are asked to rate how satisfied they are with the overall service provided by employees and volunteers within the criminal justice system. The overall annual satisfaction rating (on a 5-point scale) is calculated by totalling the scores for the survey question and dividing this total by the number of valid completed responses to the question for that year. The rating on a 5.0 scale is converted to a percentage for consistency with other Ministry performance measures.

Financial Information

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Ministry of Solicitor General and Public Security Consolidated Financial Statements

Consolidated Financial Statements

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To the Members of the Legislative Assembly

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the Ministry of Solicitor General and Public Security, which comprise the consolidated statement of financial position as at March 31, 2012, and the consolidated statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Ministry of Solicitor General and Public Security as at March 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, FCA]

Auditor General

May 29, 2012

Edmonton, Alberta

Consolidated Statement of Operations

Year ended March 31, 2012

(in thousands)

	2012		2011
	Budget (Schedule 3)	Actual	Actual (Restated Note 4)
Revenues (Schedule 1)			
Transfer from the Government of Canada	\$ 31,882	\$ 31,456	\$ 29,485
Investment Income	1,000	478	430
Premiums, Fees and Licenses	1,775	1,036	658
Other Revenue	36,400	41,758	38,217
	71,057	74,728	68,790
Expenses - Directly Incurred (Note (2b) and Schedule 5) (Schedule 2)			
Ministry Support Services	29,582	27,485	26,801
Public Security	416,536	416,043	402,029
Correctional Services	208,760	212,916	200,483
	654,878	656,444	629,313
Regulated Fund Victims of Crime	27,698	28,056	27,579
	682,576	684,500	656,892
Net Operating Results	\$ (611,519)	\$ (609,772)	\$ (588,102)

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

Consolidated Statement of Financial Position

As at March 31, 2012

(in thousands)

	2012	2011 (Restated Note 4)
Assets		
Cash and Cash Equivalents (Note 3)	\$ 39,953	\$ 36,966
Accounts Receivable (Note 5)	44,096	39,881
Advances	24	22
Tangible Capital Assets (Note 6)	148,564	62,628
	\$ 232,637	\$ 139,497
Liabilities		
Accounts Payable and Accrued Liabilities	\$ 112,355	\$ 124,107
Unearned Revenue (Note 7)	21,832	30,575
	134,187	154,682
Net Assets		
Net Assets at Beginning of Year	(15,185)	(220,885)
Net Operating Results	(609,772)	(588,102)
Net Financing Provided from (for) General Revenues	723,407	793,802
Net Assets at End of Year	98,450	(15,185)
	\$ 232,637	\$ 139,497

Contractual obligations and contingent liabilities (Notes 8 and 9).

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

Consolidated Statement of Cash Flows

Year ended March 31, 2012

(in thousands)

	2012	2011 (Restated Note 4)
Operating Transactions		
Net Operating Results	\$ (609,772)	\$ (588,102)
Non-cash items included in Net Operating Results		
Amortization	4,146	3,364
(Gain) / Loss on Disposal of Tangible Capital Assets	-	214
	(605,626)	(584,524)
(Increase) Decrease in Accounts Receivable	(4,215)	(176,986)
(Increase) Decrease in Advances	(2)	-
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(11,752)	13,256
Increase (Decrease) in Unearned Revenue	(8,743)	(6,999)
Cash Provided by (Applied to) Operating Transactions	(630,338)	(755,253)
Capital Transactions		
Acquisition of Tangible Capital Assets	(90,072)	(39,397)
Transfer from Sustainable Resource Development	(10)	-
Cash Provided by (Applied to) Capital Transactions	(90,082)	(39,397)
Financing Transactions		
Net Financing Provided from (for) General Revenues	723,407	793,802
Cash Provided by (Applied to) Financing Transactions	723,407	793,802
Increase (Decrease) in Cash and Cash Equivalents	2,987	(848)
Cash and Cash Equivalents at Beginning of Year	36,966	37,814
Cash and Cash Equivalents at End of Year	\$ 39,953	\$ 36,966

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

Notes to the Consolidated Financial Statements

Note 1 Authority and Purpose

The Ministry of Solicitor General and Public Security has been designated as responsible for various Acts by the *Government Organization Act* and its regulations. To fulfill these responsibilities, the Minister of Justice and Solicitor General administers the organizations listed below. The authority under which each organization operates is also listed. Together, these organizations form the Ministry of the Solicitor General and Public Security.

Organization

Department of Solicitor General and Public Security
Victims of Crime Fund

Authority

Government Organization Act
Victims of Crime Act

The Ministry's purpose is to work in partnership with Albertans to promote safe, secure communities through effective law enforcement, security, correctional and victim services.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity

The reporting entity is the Ministry of Solicitor General and Public Security for which the Minister of Justice and Solicitor General is accountable. These consolidated financial statements include the activities of the Department of the Solicitor General and Public Security, and the Victims of Crime Fund (a regulated fund). The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister of Justice and Solicitor General is accountable.

All ministries of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Treasury Board and Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net Financing provided for General Revenues is the difference between all cash receipts and all cash disbursements made.

(b) Basis of Financial Reporting

Basis of Consolidation

The accounts of the Department, and the Victims of Crime Fund have been consolidated after adjusting them to a basis consistent with the accounting policies described below. Revenue and expense transactions, investing and financing transactions and related asset and liability accounts between these consolidated organizations are eliminated upon consolidation.

Revenues

All revenues are reported on the accrual method of accounting. Cash received for which goods or services have not been provided by year-end is recorded as unearned revenue.

Notes to the Consolidated Financial Statements

Note 2

Summary of Significant Accounting Policies and Reporting Practices (Cont'd)

Transfers from Government of Canada

Transfers from Government of Canada are recognized as revenue when authorized by federal legislation or federal/provincial agreements, eligibility criteria if any are met and a reasonable estimate of the amounts can be made.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Ministry 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 are the cost of employer contributions for current service of employees during the year.
- 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.

Grants are recognized as expenses when authorized, the eligibility criteria, if any, is met, and when a reasonable estimate of amounts can be made. Financial benefits are recorded as an expense when the obligation to pay is likely and the amount payable on applications submitted can be reasonably estimated.

Incurred by Others

Services contributed by other entities in support of the Ministry's operations are not recognized and are disclosed in Schedule 5.

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 Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Assets required by right are not included. Tangible capital assets of the Ministry are recorded at historical cost 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.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Notes to the Consolidated Financial Statements

Note 2

Summary of Significant Accounting Policies and Reporting Practices (Cont'd)

Net Assets

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

Canadian public sector accounting standards require a “net debt” presentation for the statement of financial position in the summary financial statements of governments. Net debt presentation reports the difference between financial assets and liabilities as “net debt” or “net financial assets” as an indicator of the future revenues required to pay for past transactions and events.

The Ministry operates within the government reporting entity, and does not finance all its expenditures by independently raising revenues. Accordingly, these financial statements do not report a net debt indicator.

Measurement Uncertainty

(in thousands)

Measurement uncertainty exists when there is a variance between the amount recognized or disclosed in the financial statements and another reasonably possible amount. Accounts receivable, recorded as \$19,972 (2011 - \$18,428) in these financial statements, are subject to measurement uncertainty. Victims of Crime Fund accounts receivable 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 \$1,078 (2011 - \$1,134) have been deducted from total outstanding surcharges of \$22,315 (2011 - \$20,499) to arrive at reported revenue and related accounts receivable. The estimate of \$1,078 is based on the actual percentage satisfied in this matter from April 1, 2011 to March 31, 2012. Changes in the proportion of surcharges satisfied by other means may have a material effect on future operating results.

Financial benefits under the Victims of Crime Fund recorded as a liability of \$6,091 (2011 - \$3,855) in these consolidated financial statements, is subject to measurement uncertainty. See Note 10.

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, accounts receivable, advances, accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

Notes to the Consolidated Financial Statements

Note 3

Cash and Cash Equivalents

(in thousands)

Cash and cash equivalents consists of deposits of \$39,953 (2011 - \$36,966) in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. CCITF is being managed with the objective of providing competitive interest income to depositors while maintaining maximum security and liquidity of depositors' capital. The portfolio is comprised of high-quality short-term and mid-term fixed income securities with a maximum term to maturity of three years. The Fund earns interest on its daily cash balance at the average rate of earnings of the CCITF, which may vary depending on prevailing market interest rates. As at March 31, 2012, securities held by the CCITF have a time-weighted rate of return of 1.3% per annum (March 31, 2011: 1.1% per annum).

Note 4

Government Reorganization and Lottery Fund Initiatives

(in thousands)

As a result of restructuring of government ministries announced on October 12, 2011, responsibilities of the *Gaming and Liquor Act* was transferred to the Ministry of Finance and enforcement of certain programs previously handled by the ministries of Transportation, Sustainable Resource Development and Tourism, Parks and Recreation were transferred to the Ministry. Comparatives for 2011 have been restated as if the Ministry had always been assigned with its current responsibilities. Net assets (liabilities) on March 31, 2010 are made up as follows:

Net Assets(Liabilities) as previously reported	\$	349,284
Transfer to the Department of Finance		(568,460)
Transfer from the Department of Transportation		(1,208)
Transfer from the Department of Sustainable Resource Development		(324)
Transfer from the Department of Tourism, Parks and Recreation		(177)
Net Assets(Liabilities) as at March 31, 2010	\$	<u>(220,885)</u>

As a result of this reorganization expenses for 2011 were increased by \$16,223.

Lottery Fund Initiatives

The method of funding the eligible initiatives from the lottery and gaming proceeds was changed during the year. Previously, they were funded directly from the Lottery Fund and were included in the ministry's revenues. However, such proceeds are now deposited into the General Revenue Fund to finance the eligible initiatives. Financial statements for prior years have been restated as if the current arrangement had always existed.

Notes to the Consolidated Financial Statements

Note 4

Government Reorganization and Lottery Fund Initiatives (Cont'd)

(in thousands)

Alberta Gaming and Liquor Commission and Alberta Lottery Fund

As a result of the reorganization, previously reported net income from Alberta Gaming and Liquor Commission are now reported in the Ministry of Finance. Lottery revenue of \$1,440,677 and Liquor and related revenue of \$683,521 previously reported are now included in the Ministry of Finance. Additionally prior year Lottery Fund payments to other Ministries of \$1,252,838 is reported in the Ministry of Finance. The prior year comparatives have been restated to reflect the changes as if the current arrangement had always existed.

Note 5

Accounts Receivable

(in thousands)

	2012					2011
	Gross Amount	Fine Options and Time Served Note 2	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value	
Government of Canada	\$ 8,848	\$ -	\$ -	\$ 8,848	\$ 14,113	
Accrued Current Year Expenditure Refunds	13,138	-	-	13,138	3,461	
Surcharges	22,315	1,078	1,265	19,972	18,428	
Other	2,138	-	-	2,138	3,879	
	\$ 46,439	\$ 1,078	\$ 1,265	\$ 44,096	\$ 39,881	

Accounts receivable are unsecured and non-interest bearing.

Notes to the Consolidated Financial Statements

Note 6 Tangible Capital Assets (in thousands)

	Equipment	Computer Hardware and Software	Other (1)	Work in Progress (2)	2012 Total (3)	2011 Total (Restated)
Estimated Useful Life	6-10 years	5 years	3-10 years			
Historical Costs						
Beginning of Year	\$ 19,217	\$ 6,683	\$ 4,685	\$ 47,671	\$ 78,256	\$ 39,369
Additions	918	3,181	1,357	84,616	90,072	39,397
Transfer-In	10	-	-	-	10	-
Disposals, including write-downs	(57)	-	(162)	-	(219)	(510)
	\$ 20,088	\$ 9,864	\$ 5,880	\$ 132,287	\$ 168,119	\$ 78,256
Accumulated Amortization						
Beginning of Year	\$ 9,717	\$ 4,045	\$ 1,866	\$ -	\$ 15,628	\$ 12,560
Amortization expense	1,402	2,310	434	-	4,146	3,364
Effect of disposal	(57)	-	(162)	-	(219)	(296)
	\$ 11,062	\$ 6,355	\$ 2,138	\$ 0	\$ 19,555	\$ 15,628
Net Book Value at March 31, 2012	\$ 9,026	\$ 3,509	\$ 3,742	\$ 132,287	\$ 148,564	
Net Book Value at March 31, 2011	\$ 9,500	\$ 2,638	\$ 2,819	\$ 47,671		\$ 62,628

(1) Other Capital Assets include vehicles and office furnishings.

(2) Work in Progress includes \$86,463 for the Alberta First Responders Radio System, \$38,546 for IT systems related to Alberta Police Integrated Information Initiative, \$4,437 for enhancements to existing systems, \$2,777 for Inter-Agency Information Sharing and \$64 for custom built Sheriffs Prisoner Transport Vehicles.

(3) Current year additions primarily includes Work in Progress (\$84,616) relating to the Alberta First Responders Radio System and the Alberta Police Integrated Information Initiative; Work in Progress now operational (\$2,903) and general capital purchases (\$2,553).

Note 7 Unearned Revenue (in thousands)

In 2008-09 the Ministry received \$42,400 from the Government of Canada pursuant to their \$400 million five-year initiative to recruit new police officers in provinces and territories under the Police Officers Recruitment Fund. In accordance with the Ministry's accounting policy, this payment was recorded as unearned revenue. In 2011-12, \$9,050 (2011 - \$7,425) was used for the purpose specified under the program.

Notes to the Consolidated Financial Statements

Note 7

Unearned Revenue (Cont'd)

(in thousands)

Additionally the balance includes unearned revenue of \$733 for fees and licenses collected pursuant to the Security Services and Investigators Act. The net balance of the unearned revenue is \$21,832 (2011 – \$30,575).

Note 8

Contractual Obligations

(in thousands)

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

As at March 31, 2012, the Ministry is committed under contracts, vehicle leases, and program funding arrangements totalling \$1,284,243 (2011 - \$1,251,656). This includes a commitment for the Provincial Police Service Agreement of \$692,197 (2011 - \$639,808). The Provincial Police Service Agreement (PPSA) with Canada is a contract for the Royal Canadian Mounted Police to provide policing services to small communities and rural areas in Alberta. Under the terms of the agreement, Alberta may terminate the agreement with a two year notice served on March 31 in any year.

Estimated payment requirements for each of the next five years and thereafter are as follows:

Obligations Under Operating Leases, Contracts, and Program

2012-13	\$	478,746
2013-14		421,245
2014-15		360,324
2015-16		1,821
2016-17		1,226
Thereafter		20,881
Total	\$	1,284,243

Note 9

Contingent Liabilities

(in thousands)

As at March 31 2012, the Ministry is a defendant in ninety seven legal claims (2011 – one hundred and six legal claims). Ninety four of these claims have specified amounts totalling \$58,099 and the remaining three have no specified amount (2011 – One hundred and two of these claims have specified amounts totalling of \$79,097 and the remaining four have no specified amount). Included in the total legal claims are four claims amounting to \$2,868 (2011 – five claims amounting to \$2,836) in which the Ministry has been jointly named with other entities. Seventy two claims amounting to \$41,095 (2011 – Seventy claims totalling \$44,807) are covered by the Alberta Risk Management Fund.

The resulting loss, if any, from these claims cannot be determined.

Notes to the Consolidated Financial Statements

Note 10 Financial Benefits

(in thousands)

As at March 31, 2012, there were 1,303 (2011 – 624) active applications for financial benefits with the Victims of Crime Financial Benefits Program.

An estimated liability of \$6,091 (2011 - \$3,855), subject to measurement uncertainty, was recorded based on historical decision patterns and average award values. Case progress at year end has been added as a factor in determining liability estimate for current year. Additional information may be required to determine eligibility and amount for individual cases under regulations of the *Victims of Crime Act*.

Note 11 Trust Funds Under Administration

(in thousands)

The Ministry administers trust funds that are regulated funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the Ministry's financial statements.

The Ministry receives and disburses inmate funds used for their personal needs, as well as inmate welfare funds derived from various sources, that are administered on their behalf. As at March 31, 2012, the amount of the trust funds held under administration was \$687 (2011 - \$497) which was comprised of inmate trust funds of \$370 (2011 - \$270) and inmate welfare fund equity of \$317 (2011 - \$227).

Note 12 Payments Under Agreement

(in thousands)

The Ministry has entered into an agreement to disburse the provincial share of net forfeitures from proceeds of crime on behalf of 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 under this agreement are made by the Ministry under authority of the Financial Administration Act, Section 25. Only the amounts received from Justice Canada and not disbursed, are reflected in these financial statements.

Amounts payable to law enforcement agencies and crime and drug prevention organizations under this agreement with Justice Canada, for the year ended March 31, 2012, are \$1,008 (2011 - \$11) and are reflected in the Consolidated Statement of Financial Position.

Notes to the Consolidated Financial Statements

Note 13 Benefit Plans

(in thousands)

The Ministry participates in the multi-employer pension plans: Management Employees Pension Plan and 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 \$24,359 for the year ended March 31, 2012 (2011 - \$23,690). Departments are not responsible for future funding of the plan deficit other than through contribution increases.

At December 31, 2011, the Management Employees Pension Plan reported a deficiency of \$517,726 (2010- deficiency of \$397,087) and the Public Service Pension Plan reported a deficiency of \$1,790,383 (2010 - deficiency of \$2,067,151) and the Supplementary Retirement Plan for Public Service Managers had a deficiency of \$53,489 (2009 - deficiency of \$39,559).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2012, the Bargaining Unit Plan reported an actuarial surplus of \$9,136 (2011 – deficiency \$4,141) and the Management, Opted Out and Excluded Plan an actuarial surplus of \$10,454 (2011 – surplus \$7,020). The expense for these two plans is limited to the employer's annual contributions for the year.

Note 14 Subsequent Event

On May 8, 2012, the government announced cabinet restructuring. As a result, the Ministry of Solicitor General and Public Security was restructured. The Ministry of Solicitor General & Public Security and the Ministry of Justice were consolidated and are renamed as the "Ministry of Justice & Solicitor General". The Ministry has also assumed responsibilities for Human Rights Commission.

Note 15 Comparative Figures

Certain 2011 figures have been reclassified to conform to the 2012 presentation.

Note 16 Approval of Consolidated Financial Statements

The consolidated financial statements were approved by the Senior Financial Officer and the Deputy Solicitor General.

Schedule to Consolidated Financial Statements

Revenues

Schedule 1

Year ended March 31, 2012

(in thousands)

	2012		2011
	Budget	Actual	Actual (Restated Note 4)
Transfer from the Government of Canada			
Youth Justice Program	\$ 18,957	\$ 18,497	\$ 18,347
Other	12,925	12,959	11,138
	31,882	31,456	29,485
Investment Income			
Bank Interest	1,000	478	430
	1,000	478	430
Premiums, Fees and Licenses			
Private Investigators Fees	1,735	985	611
Other	40	51	47
	1,775	1,036	658
Other Revenue			
Surcharges	27,900	28,741	26,402
Recoveries for Enhanced Policing Services	7,528	7,508	6,580
Sheriffs Community Deployment	54	32	57
Refunds of Expenditures	-	4,725	4,690
Miscellaneous	918	752	488
	36,400	41,758	38,217
	\$ 71,057	\$ 74,728	\$ 68,790

Schedule to Consolidated Financial Statements

Expenses - Directly Incurred Detailed by Object

Schedule 2

Year ended March 31, 2012

(in thousands)

	2012		2011
	Budget	Actual	Actual (Restated Note 4)
Department			
Salaries, Wages and Employee Benefits	270,350	269,578	\$ 259,969
Supplies and Services	273,507	273,565	262,851
Grants	105,220	106,791	101,373
Financial Transactions and Other	275	2,427	1,819
Amortization of Tangible Capital Assets	5,526	4,083	3,301
Total Expenses	\$ 654,878	\$ 656,444	\$ 629,313
Regulated Fund			
Salaries, Wages and Employee Benefits	\$ 3,085	\$ 2,817	\$ 2,967
Supplies and Services	1,226	1,185	1,248
Grants	23,282	23,663	23,389
Financial Transactions and Other	100	328	(88)
Amortization of Tangible Capital Assets	5	63	63
Total Regulated Fund Expenses	\$ 27,698	\$ 28,056	\$ 27,579

Schedule to Consolidated Financial Statements

Budget

Schedule 3

Year ended March 31, 2012

(in thousands)

	2011 - 12 Estimates ⁽¹⁾	Adjustment (a)	2011 - 12 Budget ⁽²⁾	Authorized Supplementary (b)	2011 - 12 Authorized Budget
Revenues					
Transfer from the Government of Canada \$	31,882 \$	- \$	31,882 \$	- \$	31,882
Investment Income					
Bank Interest	1,000	-	1,000	-	1,000
Premiums, Fees and Licenses					
Private Investigators Fees	1,775	-	1,775	-	1,775
Other Revenue	36,400	-	36,400	-	36,400
	71,057		71,057	-	71,057
Expenses - Directly Incurred					
Ministry Support Services	29,582	-	29,582		29,582
Public Security	416,536		416,536	(1,760)	414,776
Correctional Services	208,760	-	208,760	3,500	212,260
	654,878		654,878	1,740	656,618
Victims of Crime Fund	27,698	-	27,698	800	28,498
Total Expenses	682,576		682,576	2,540	685,116
Net Operating Results	\$ (611,519) \$	- \$	(611,519) \$	(2,540) \$	(614,059)
Capital Investment ⁽³⁾	\$ 184,214 \$	31,112 \$	215,326 \$	- \$	215,326

(1) The 2011-12 Government Estimates on the Consolidated Statement of Operations no longer differentiates between statutory and voted expenses. Valuation adjustments are allocated to each program. This allocation was previously disclosed in Schedule 5.

(2) Budget includes voted expense by program and amounts not required to be voted.

(3) Capital Investment consists of investments in capital projects, equipment purchases and inventory purchases.

(a) Adjustments include an approved increase of \$31,112 in capital investment as a carry over of unused 2010-11 capital investment: \$17,669 for the Strategic Information Technology Initiative and \$13,443 for Alberta First Responders Radio Communication System.

(b) Supplementary Estimates were approved on January 18, 2012 for grants to victim service organizations and the reinstatement of restorative justice grants and on March 5, 2012 to provide funding for costs related to Department employee compensation adjustments. This included an increase of \$3.5 M for Adult Remand and Correctional Centres, a \$1.5 M decrease for Contract Policing and Policing Oversight and a \$0.26 M decrease for Protection Services.

Schedule to Consolidated Financial Statements

Related Party Transactions

Schedule 4

Year ended March 31, 2012
(in thousands)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees 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 Ministry had the following transactions with related parties recorded on the Consolidated Statement of Operations and the Consolidated Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Other Entities	
	2012	2011
Revenues		
Ministry of Energy	\$ 252	\$ 226
Expenses - Directly incurred		
Service Alberta	3,765	3,335
Alberta Infrastructure	8	7
	\$ 3,773	\$ 3,342

The Ministry 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 revenues and costs incurred by the service provider to provide the service. These amounts are not recorded in the consolidated financial statements, and the amounts for costs incurred are disclosed in Schedule 5.

	Other Entities	
	2012	2011 (Restated Note 4)
Expenses - Incurred by Others		
Accommodation	\$ 52,756	\$ 52,310
Legal	523	792
Service Alberta	7,279	6,075
Treasury Board and Enterprise	318	345
	\$ 60,876	\$ 59,522

The Ministry receives services under contracts managed by the Ministry of Service Alberta and the Treasury Board and Enterprise. Any commitments under these contracts are reported by Service Alberta and Treasury Board and Enterprise.

Schedule to Consolidated Financial Statements

Allocated Costs

Schedule 5

Year ended March 31, 2012
(in thousands)

Program	2012						2011
	Expenses - Incurred by others						(Restated Note 4)
	Expenses (1)	Accommodation Costs (2)	Legal Services (3)	Service Alberta	Treasury Board and Enterprise	Total Expenses	Total Expenses
Ministry Support Services	\$ 27,485	\$ 2,364	\$ 112	\$ 7,279	\$ 318	\$ 37,558	\$ 35,346
Public Security	416,043	5,083	234	-	-	421,360	410,657
Correctional Services	212,916	45,005	164	-	-	258,085	242,553
	656,444	52,452	510	7,279	318	717,003	688,556
Regulated Fund: Victims of Crime	28,056	304	13	-	-	28,373	27,858
	\$ 684,500	\$ 52,756	\$ 523	\$ 7,279	\$ 318	\$ 745,376	\$ 716,414

(1) Expenses - Directly Incurred as per Consolidated Statement of Operations

(2) Costs shown for Accommodation (includes grants in lieu of taxes) on Schedule 6, allocated by square meters or square meters and manpower.

(3) Cost shown for Legal Services on Schedule 4, estimated costs incurred by each program.

Department of Solicitor General and Public Security Financial Statements

Financial Statements

Year Ended March 31, 2012

Independent Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 - Revenues

Schedule 2 - Expenses - Directly Incurred Detailed by Object

Schedule 3 - Budget

Schedule 4 - Comparison of Directly Incurred Expense, Capital Investment and Non-Budgetary Disbursements by Element to Authorized Spending

Schedule 5 - Salary and Benefits Disclosure

Schedule 6 - Related Party Transactions

Schedule 7 - Allocated Costs



Independent Auditor's Report

To the Minister of Justice and Solicitor General

Report on the Financial Statements

I have audited the accompanying financial statements of the Department of Solicitor General and Public Security, which comprise the statement of financial position as at March 31, 2012, and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Solicitor General and Public Security as at March 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, FCA]

Auditor General

May 29, 2012

Edmonton, Alberta

Statement of Operations

Year ended March 31, 2012

(in thousands)

	2012		2011
	Budget (Schedule 3)	Actual	Actual (Restated Note 3)
Revenues (Schedule 1)			
Transfer from the Government of Canada	\$ 31,882	31,349	\$ 29,212
Premiums, Fees and Licenses	1,775	1,036	658
Other Revenue	8,500	12,788	11,643
	42,157	45,173	41,513
Expenses - Directly Incurred (Note (2b) and Schedule 7) (Schedules 2 and 4)			
Ministry Support Services	29,582	27,485	26,801
Public Security	416,536	416,043	402,029
Correctional Services	208,760	212,916	200,483
	654,878	656,444	629,313
Net Operating Results	\$ (612,721)	\$ (611,271)	\$ (587,800)

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

Statement of Financial Position

As at March 31, 2012
(in thousands)

	2012	2011 (Restated Note 3)
Assets		
Cash	\$ 58	\$ 61
Accounts Receivable (Note 4)	24,003	21,284
Advances	24	22
Tangible Capital Assets (Note 5)	148,539	62,540
	\$ 172,624	\$ 83,907
Liabilities		
Accounts Payable and Accrued Liabilities	\$ 103,210	\$ 117,886
Unearned Revenue (Note 6)	21,832	30,575
	125,042	148,461
Net Assets		
Net Assets at Beginning of Year	(64,554)	(270,556)
Net Operating Results	(611,271)	(587,800)
Net Financing Provided from (for) General Revenues	723,407	793,802
Net Assets at End of Year	47,582	(64,554)
	\$ 172,624	\$ 83,907

Contractual obligations and contingent liabilities (Notes 7 and 8)

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

Statement of Cash Flows

Year ended March 31, 2012

(in thousands)

	2012	2011 (Restated Note 3)
Operating Transactions		
Net Operating Results	\$ (611,271)	\$ (587,800)
Non-cash items included in Net Operating Results		
Amortization	4,083	3,301
Loss on Disposal of Tangible Capital Assets	-	214
	(607,188)	(584,285)
(Increase) Decrease in Accounts Receivable	(2,719)	(178,430)
(Increase) Decrease in Advances	(2)	-
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(14,676)	15,268
Increase (Decrease) in Unearned Revenue	(8,743)	(6,999)
Cash Provided by (Applied to) Operating Transactions	(633,328)	(754,446)
Capital Transactions		
Acquisition of Tangible Capital Assets	(90,072)	(39,354)
Transfer from Sustainable Resource Development	(10)	-
Cash Provided by (Applied to) Capital Transactions	(90,082)	(39,354)
Financing Transactions		
Net Financing Provided from for General Revenues	723,407	793,802
Cash Provided by (Applied to) Financing Transactions	723,407	793,802
Increase (Decrease) in Cash	(3)	2
Cash at Beginning of Year	61	59
Cash at End of Year	\$ 58	\$ 61

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

Notes to the Financial Statements

Note 1

Authority and Purpose

The Department of Solicitor General and Public Security operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

The Department's purpose is to work in partnership with Albertans to promote safe, secure communities through effective law enforcement, and security and correctional services.

Note 2

Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity

The reporting entity is the Department of Solicitor General and Public Security, which is part of the Ministry of Solicitor General and Public Security for which the Minister of Justice and Solicitor General is accountable. Other entities reporting to the Minister include the Victims of Crime Fund (a regulated fund). The activities of the Victims of Crime Fund is not included in these financial statements. The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister of Justice and Solicitor General is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Treasury Board and Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net Financing provided for General Revenues is the difference between all cash receipts and all cash disbursements made.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual method of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

Transfers from Government of Canada

Transfers from Government of Canada are recognized as revenue when authorized by federal legislation or federal/provincial agreements, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made.

Expenses

Directly Incurred

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

Notes to the Financial Statements

Note 2

Summary of Significant Accounting Policies and Reporting Practices (Cont'd)

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

- amortization of tangible capital assets.
- pension costs, which are the cost of employer contributions for current service of employees during the year.
- 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.

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

Incurred by Others

Services contributed by other entities in support of the Department's operations are not recognized and are disclosed in Schedule 7.

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 Department are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. Tangible capital assets of the Department are recorded at historical cost 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.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Net Assets

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

Canadian public sector accounting standards require a "net debt" presentation for the statement of financial position in the summary financial statements of governments. Net debt presentation reports the difference between financial assets and liabilities as "net debt" or "net financial assets" as an indicator of the future revenues required to pay for past transactions and events. The department operates within the government reporting entity, and does not finance all its expenditures by independently raising revenues. Accordingly, these financial statements do not report a net debt indicator.

Notes to the Financial Statements

Note 2

Summary of Significant Accounting Policies and Reporting Practices (Cont'd)

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

Note 3

Government Reorganization and Lottery Fund Initiatives

(in thousands)

As a result of restructuring of government ministries announced on October 12, 2011, responsibilities of the *Gaming and Liquor Act* was transferred to the Ministry of Finance and enforcement of certain programs previously handled by the ministries of Transportation, Sustainable Resource Development and Tourism, Parks and Recreation were transferred to the Department. Comparatives for 2011 have been restated as if the Department had always been assigned with its current responsibilities. Net assets (liabilities) on March 31, 2010 are made up as follows:

Net Assets(Liabilities) as previously reported	\$	246,838
Transfer to the Department of Finance		(515,685)
Transfer from the Department of Transportation		(1,208)
Transfer from the Department of Sustainable Resource Development		(324)
Transfer from the Department of Tourism, Parks and Recreation		(177)
Net Assets(Liabilities) as at March 31, 2010	<u>\$</u>	<u>(270,556)</u>

As a result of this reorganization expenses for 2011 were increased by \$16,223.

Lottery Fund Initiatives

The method of funding the eligible initiatives from the lottery and gaming proceeds was changed during the year. Previously, they were funded directly from the Lottery Fund and were included in the ministry's revenues (\$191,450). However, such proceeds are now deposited into the General Revenue Fund to finance the eligible initiatives. Financial statements for prior years have been restated as if the current arrangement had always existed.

Alberta Gaming and Liquor Commission

As a result of the reorganization, previously reported revenues of \$683,521 from Alberta Gaming and Liquor Commission are now reported in the Ministry of Finance. The prior year comparatives have been restated to reflect the changes as if the current arrangement had always existed.

Notes to the Financial Statements

Note 4

Accounts Receivable

(in thousands)

	2012	2011 (Restated)
	Net Realizable Value	Net Realizable Value
Government of Canada	\$ 8,741	\$ 14,113
Accrued Current Year Expenditure Refunds	13,138	3,461
Other	2,124	3,710
	\$ 24,003	\$ 21,284

Accounts receivable are unsecured and non-interest bearing.

Note 5

Tangible Capital Assets

(in thousands)

	Equipment	Computer Hardware and Software	Other (1)	Work in Progress (2)	2012 Total (3)	2011 Total (Restated)
Estimated Useful Life	6-10 years	5 years	3-10 years			
Historical Costs						
Beginning of year	\$ 19,217	\$ 5,954	\$ 4,685	\$ 47,671	\$ 77,527	\$ 38,683
Additions	918	3,181	1,357	84,616	90,072	39,354
Transfer-In	10	-	-	-	10	-
Disposals, including write-downs	(57)	-	(162)	-	(219)	(510)
	\$ 20,088	\$ 9,135	\$ 5,880	\$ 132,287	\$ 167,390	\$ 77,527
Amortization						
Beginning of year	\$ 9,717	\$ 3,404	\$ 1,866	\$ -	\$ 14,987	\$ 11,982
Amortization Expense	1,402	2,247	434	-	4,083	3,301
Effect of disposal	(57)	-	(162)	-	(219)	(296)
	\$ 11,062	\$ 5,651	\$ 2,138	\$ -	\$ 18,851	\$ 14,987
Net Book Value at March 31, 2012	\$ 9,026	\$ 3,484	\$ 3,742	\$ 132,287	\$ 148,539	\$ -
Net Book Value at March 31, 2011	\$ 9,500	\$ 2,550	\$ 2,819	\$ 47,671	\$ -	\$ 62,540

(1) Other Capital Assets include vehicles and office furnishings.

(2) Total Work in Progress includes \$86,463 for the Alberta First Responders Radio System, \$38,546 for IT systems related to Alberta Police Integrated Information Initiative, \$4,437 for enhancements to existing systems, \$2,777 for Inter-Agency Information Sharing and \$64 for custom built Sheriffs Prisoner Transport Vehicles.

(3) Current year additions primarily includes Work in Progress (\$84,616) relating to the Alberta First Responders Radio System and the Alberta Police Integrated Information Initiative; Work in Progress now operational (\$2,903) and general capital purchases (\$2,553).

Notes to the Financial Statements

Note 6

Unearned Revenue

(in thousands)

In 2008-09 the Department received \$42,400 from the Government of Canada pursuant to their \$400 million five-year initiative to recruit new police officers in provinces and territories under the Police Officers Recruitment Fund. In accordance with the Department's accounting policy, this payment was recorded as unearned revenue. In 2011-12, \$9,050 (2011 - \$7,425) was used for the purpose specified under the program. Additionally the balance includes unearned revenue of \$733 for fees and licenses collected pursuant to the Security Services and Investigators Act. The net balance of the unearned revenue is \$21,832 (2011 - 30,575).

Note 7

Contractual Obligations

(in thousands)

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

As at March 31, 2012, the Department is committed under contracts, programs and operating leases totalling \$1,246,941 (2011 - \$1,220,530). This includes a commitment for the Provincial Police Service Agreement of \$692,197 (2011 - \$639,808). The Provincial Police Service Agreement (PPSA) with Canada is a contract for the Royal Canadian Mounted Police to provide policing services to small communities and rural areas in Alberta. Under the terms of the agreement, Alberta may terminate the agreement with a two year notice served on March 31 in any year.

Estimated payment requirements for each of the next five years and thereafter are as follows:

Obligations Under Operating Leases, Contracts, and Program

	(in thousands)
2012-13	\$ 470,248
2013-14	416,175
2014-15	359,019
2015-16	1,046
2016-17	453
Thereafter	-
Total	\$ 1,246,941

Notes to the Financial Statements

Note 8 Contingent Liabilities (in thousands)

As at March 31 2012, the Department is a defendant in ninety seven legal claims (2011 – one hundred and four legal claims). Ninety four of these claims have specified amounts totalling \$58,099 and the remaining three have no specified amount (2011 – One hundred of these claims have specified amounts totalling \$56,597 and the remaining four have no specified amount).

Included in the total legal claims are four claims amounting to \$2,868 (2011 – five claims amounting to \$2,836) in which the Department was jointly named with other entities. Seventy two claims amounting to \$41,095 (2011 – Sixty nine claims totalling \$33,407) are covered by the Alberta Risk Management Fund.

The resulting loss, if any, from these claims cannot be determined.

Note 9 Trust Funds Under Administration (in thousands)

The Department administers trust funds that are regulated funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the Department's financial statements.

Institutional Trust receives and disburses inmate funds used for their personal needs, as well as inmate welfare funds derived from various sources, that are administered on their behalf. As at March 31, 2012, the amount of the trust funds held under administration was \$687 (2011 - \$497) which was comprised of inmate trust funds of \$370 (2011 - \$270) and inmate welfare fund equity of \$317 (2011 - \$227).

Note 10 Payments Under Agreement (in thousands)

The Department has entered into an agreement to disburse the provincial share of net forfeitures from proceeds of crime on behalf of Justice Canada. Proceeds received from 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 under this agreement are made by the Department under authority of the Financial Administration Act, Section 25. Only the amounts received from Justice Canada and not disbursed, are reflected in these financial statements. Amounts payable to law enforcement agencies and crime and drug prevention organizations under this agreement with Justice Canada, for the year ended March 31, 2012, are \$1,008 (2011 - \$11) and are reflected in the Statement of Financial Position.

Notes to the Financial Statements

Note 11 Benefit Plans (in thousands)

The Department participates in the multi-employer pension plans: Management Employees Pension Plan and 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 \$24,075 for the year ended March 31, 2012 (2011 - \$23,410). Departments are not responsible for future funding of the plan deficit other than through contribution increases.

At December 31, 2011, the Management Employees Pension Plan reported a deficiency of \$517,726 (2010- deficiency of \$397,087) and the Public Service Pension Plan reported a deficiency of \$1,790,383 (2010 - deficiency of \$2,067,151) and the Supplementary Retirement Plan for Public Service Managers had a deficiency of \$53,489 (2009 - deficiency of \$39,559).

The Department also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2012, the Bargaining Unit Plan reported an actuarial surplus of \$9,136 (2011 – deficiency \$4,141) and the Management, Opted Out and Excluded Plan an actuarial surplus of \$10,454 (2011 – surplus \$7,020). The expense for these two plans is limited to the employer's annual contributions for the year.

Note 12 Subsequent Event

On May 8, 2012, the government announced cabinet restructuring. As a result, the Department of Solicitor General and Public Security was restructured. The Department of Solicitor General & Public Security and the Department of Justice were consolidated and are renamed as the "Department of Justice & Solicitor General". The Ministry has also assumed responsibilities for Human Rights Commission.

Note 13 Comparative Figures

Certain 2011 figures have been reclassified to conform to the 2012 presentation.

Note 14 Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Solicitor General.

Schedule to Financial Statements

Schedule 1

Revenues

Year ended March 31, 2012

(in thousands)

	2012		2011
	Budget	Actual	Actual (Restated Note 3)
Transfer from the Government of Canada			
Youth Justice Program	\$ 18,957	\$ 18,497	\$ 18,347
Other	12,925	12,852	10,865
	31,882	31,349	29,212
Premiums, Fees and Licenses			
Private Investigators Fees	1,735	985	611
Other	40	51	47
	1,775	1,036	658
Other Revenue			
Recoveries for Enhanced Policing Services	7,528	7,508	6,580
Sheriffs Community Deployment	54	32	57
Refunds of Expenditures	-	4,496	4,518
Miscellaneous	918	752	488
	8,500	12,788	11,643
Total Revenues	\$ 42,157	\$ 45,173	\$ 41,513

Schedule to Financial Statements

Expenses - Directly Incurred Detailed by Object

Schedule 2

Year ended March 31, 2012

(in thousands)

	2012		2011
	Budget	Actual	Actual (Restated Note 3)
Salaries, Wages and Employee Benefits	\$ 270,350	\$ 269,578	\$ 259,969
Supplies and Services	273,507	273,565	262,851
Grants	105,220	106,791	101,373
Financial Transactions and Other	275	2,427	1,819
Amortization of Tangible Capital Assets	5,526	4,083	3,301
Total Expenses	\$ 654,878	\$ 656,444	\$ 629,313

Schedule to Financial Statements

Budget

Schedule 3

Year ended March 31, 2012
(in thousands)

	2011 - 12 Estimates ⁽¹⁾	Adjustment (a)	2011-12 Budget ⁽²⁾	Authorized Supplementary (b)	2011-12 Authorized Budget
Revenues					
Transfers from the Government of Canada	\$ 31,882	\$ -	\$ 31,882	\$ -	\$ 31,882
Premiums, Fees and Licenses	1,775	-	1,775	-	1,775
Other Revenue	8,500	-	8,500	-	8,500
	42,157	-	42,157	-	42,157
Expenses - Directly Incurred					
Ministry Support Services	29,582	-	29,582	-	29,582
Public Security	416,536	-	416,536	(1,760)	414,776
Correctional Services	208,760	-	208,760	3,500	212,260
	654,878	-	654,878	1,740	656,618
Net Operating Results					
	\$ (612,721)		\$ (612,721)	\$ (1,740)	\$ (614,461)
Capital Investment ⁽³⁾	\$ 184,189	\$ 31,112	\$ 215,301	\$ -	\$ 215,301

(1) The 2011-12 Government Estimates on the Statement of Operations no longer differentiates between statutory and voted expenses. Valuation adjustments are allocated to each program. This allocation was previously disclosed in Schedule 7.

(2) Budget includes voted expense by program and amounts not required to be voted.

(3) Capital Investment consists of investments in capital projects, equipment purchases and inventory purchases.

(a) Adjustments include an approved increase of \$31,112 in capital investment as a carry over of unused 2010-11 capital investment: \$17,669 for the Strategic Information Technology Initiative and \$13,443 for Alberta First Responders Radio Communication System.

(b) Supplementary Estimates were approved on March 5, 2012 to provide funding for costs related to Department employee compensation adjustments. This included an increase of \$3.5 M for Adult Remand and Correctional Centres, a \$1.5 M decrease for Contract Policing and Policing Oversight and a \$0.26 M decrease for Protection Services.

Schedule to Financial Statements

Comparison of Directly Incurred Expense, Capital Investment and Non-Budgetary Disbursements by Element to Authorized Spending

Schedule 4

Year ended March 31, 2012
(in thousands)

Department Summary

	2011-12 Estimates	Adjustments (a)	2011-12 Budget	Authorized Supplementary (b)	2011-12 Authorized Budget	Amounts Not Required To be Voted (c)	2011-12 Authorized Spending	2011-12 Actual (d)	Unexpended (Over Expended)
Expenses and Capital Investments									
1 Ministry Support Services	\$ 36,271	\$ 4,369	\$ 40,640	\$ -	\$ 40,640	\$ (\$3,436)	\$ 37,204	\$ 30,879	\$ 6,325
2 Public Security	593,886	26,743	620,629	(\$1,760)	618,869	(\$1,585)	617,284	497,577	119,707
3 Correctional Services	208,910	-	208,910	3,500	212,410	(\$672)	211,738	211,652	86
Expense	839,067	31,112	870,179	1,740	871,919	(\$5,693)	866,226	740,108	126,118
Operating	654,878	-	654,878	1,740	656,618	(\$5,693)	650,925	650,036	889
Capital Investment	\$ 184,189	\$ 31,112	\$ 215,301	\$ -	\$ 215,301	\$ -	\$ 215,301	\$ 90,072	\$ 125,229

(a) Adjustments include an approved increase of \$31,112 in capital investment as a carry over of unused 2010-11 capital investment: \$17,669 for the Strategic Information Technology Initiative and \$13,443 for Alberta First Responders Radio Communication System.

(b) Supplementary Estimates were approved on March 5, 2012 to provide funding for costs related to Department employee compensation adjustments. This included an increase of \$3.5 M for Adult Remand and Correctional Centres, a \$1.5 M decrease for Contract Policing and Policing Oversight and a \$0.26 M decrease for Protection Services.

(c) Amortization and valuation adjustments are non cash and are not included

(d) Expenses incurred per Statement of Operations, excluding valuation adjustments

Schedule to Financial Statements

Comparison of Directly Incurred Expense, Capital Investment and Non-Budgetary Disbursements by Element to Authorized Spending

**Schedule 4
(Cont'd)**

Year ended March 31, 2012
(in thousands)

Program 1 - Ministry Support Services

	2011-12 Estimates	Adjustments (a)	2011-12 Budget	Authorized Supplementary (b)	2011-12 Authorized Budget	Amounts Not Required To be Voted (c)	2011-12 Authorized Spending	2011-12 Actual (d)	Unexpended (Over Expended)
Ministry Support Services									
1.1 Minister's Office	\$ 471	\$ -	\$ 471	\$ -	\$ 471	\$ -	\$ 471	\$ 446	\$ 25
1.2 Deputy Minister's Office	642	-	642	-	642	(3)	639	612	27
1.3 Communications	605	-	605	-	605	-	605	647	(42)
1.4 Corporate Services									
Operating Expense	9,439	-	9,439	-	9,439	(125)	9,314	8,826	488
Capital Investment								16	(16)
1.5 Information Technology									
Operating Expense	15,764	-	15,764	-	15,764	(3,308)	12,456	11,651	805
Capital Investment	6,689	4,369	11,058	-	11,058	-	11,058	6,051	5,007
1.6 Human Resources	2,661	-	2,661	-	2,661	-	2,661	2,630	31
Total Program	\$ 36,271	\$ 4,369	\$ 40,640	\$ -	\$ 40,640	\$ (3,436)	\$ 37,204	\$ 30,879	\$ 6,325

(a) Adjustments include an approved increase in capital investment as a carry over of unused 2010-11 capital investment for the Strategic Information Technology Initiative .

(b) Supplementary Estimates were approved on March 5, 2012 to provide funding for costs related to Department employee compensation adjustments.

(c) Amortization and valuation adjustments are non cash and are not included

(d) Expenses incurred per Statement of Operations, excluding valuation adjustments

Schedule to Financial Statements

Comparison of Directly Incurred Expense, Capital Investment and Non-Budgetary Disbursements by Element to Authorized Spending

Schedule 4
(Cont'd)

Year ended March 31, 2012
(in thousands)

Program 2 - Public Security

	2011-12 Estimates	Adjustments (a)	2011-12 Budget	Authorized Supplementary (b)	2011-12 Authorized Budget	Amounts Not Required To be Voted (c)	2011-12 Authorized Spending	2011-12 Actual (d)	Unexpended (Over Expended)	
Program Support										
2.1	Program Support Services	\$ 554	\$ -	\$ 554	\$ -	\$ 554	\$ (39)	\$ 515	\$ 536	\$ (21)
2.2	Law Enforcement Review Board	796	-	796	-	796	(15)	781	798	(17)
2.3	Alberta Serious Incident Response Team	2,432	-	2,432	-	2,432	(3)	2,429	2,778	(349)
2.4	Alberta First Responders Radio Communication System	-	-	-	-	-	(10)	(10)	-	(10)
	Operating Expense	-	-	-	-	-	(10)	(10)	-	(10)
	Capital Investment	164,294	13,443	177,737	-	177,737	-	177,737	70,794	106,943
	Total Sub-program	168,076	13,443	181,519	-	181,519	(67)	181,452	74,906	106,546
Policy and Program Development										
2.5	Crime Prevention	685	-	685	-	685	-	685	582	103
2.6	Research, Policy and Planning	-	-	-	-	-	-	-	-	-
	Operating Expense	3,154	-	3,154	-	3,154	(14)	3,140	2,586	554
	Capital Investment	-	-	-	-	-	-	-	-	-
	Total Sub-program	3,839	-	3,839	-	3,839	(14)	3,825	3,168	657
Law Enforcement and Oversight Branch										
2.7	Law Enforcement Standards and Audits	2,909	-	2,909	-	2,909	(1)	2,908	2,568	340
2.8	Contract Policing and Policing Oversight	194,365	-	194,365	(1,500)	192,865	(2)	192,863	192,540	323
2.9	First Nations Policing	10,205	-	10,205	-	10,205	(1)	10,204	10,066	138
2.10	Policing Assistance to Municipalities	79,731	-	79,731	-	79,731	-	79,731	79,779	(48)
2.11	Organized and Serious Crime	25,201	-	25,201	-	25,201	(16)	25,185	24,949	236
2.12	Alberta Police Integrated Information Initiative	4,833	-	4,833	-	4,833	-	4,833	8,761	(3,928)
	Capital Investment	12,411	13,300	25,711	-	25,711	-	25,711	11,904	13,807
	Total Sub-program	329,655	13,300	342,955	(1,500)	341,455	(20)	341,435	330,567	10,868
Sheriffs and Security Operations Branch										
2.13	Protection Services	-	-	-	-	-	-	-	-	-
	Operating Expense	8,864	-	8,864	(260)	8,604	(786)	7,818	7,778	40
	Capital Investment	30	-	30	-	30	-	30	118	(88)
2.14	Court Security and Prisoner Transport	-	-	-	-	-	-	-	-	-
	Operating Expense	34,183	-	34,183	-	34,183	(319)	33,864	33,446	418
	Capital Investment	540	-	540	-	540	-	540	471	69
2.15	Traffic Sheriff Operations	-	-	-	-	-	-	-	-	-
	Operating Expense	9,443	-	9,443	-	9,443	(134)	9,309	8,974	335
	Total Sub-program	53,060	-	53,060	(260)	52,800	(1,239)	51,561	50,787	774
2.16	Fish & Wildlife Enforcement	-	-	-	-	-	-	-	-	-
	Fish & Wildlife Enforcement	-	-	-	-	-	-	-	-	-
	Operating Expense	19,775	-	19,775	-	19,775	(245)	19,530	19,299	231
	Capital Investment	85	-	85	-	85	-	85	74	11
	Total Sub-program	19,860	-	19,860	-	19,860	(245)	19,615	19,373	242
2.17	Commercial Vehicle Enforcement	-	-	-	-	-	-	-	-	-
	Commercial Vehicle Enforcement	-	-	-	-	-	-	-	-	-
	Operating Expense	16,772	-	16,772	-	16,772	-	16,772	16,152	620
	Total Sub-program	16,772	-	16,772	-	16,772	-	16,772	16,152	620
2.18	Parks Conservation Enforcement	-	-	-	-	-	-	-	-	-
	Parks Conservation Enforcement	-	-	-	-	-	-	-	-	-
	Operating Expense	2,624	-	2,624	-	2,624	-	2,624	2,624	-
	Total Sub-program	2,624	-	2,624	-	2,624	-	2,624	2,624	-
	Total Program	\$ 593,886	\$ 26,743	\$ 620,629	\$ (1,760)	\$ 618,869	\$ (1,585)	\$ 617,284	\$ 497,577	\$ 119,707

- (a) Adjustments include an approved increase in capital investment of \$13,443 for Alberta First Responders Radio Communication System and \$13,300 for Alberta Police Integrated Information Initiative as carryover of unused 2010-11 capital investment.
- (b) Supplementary Estimates were approved on March 5, 2012. This included an increase of \$3.5 M for Adult Remand and Correctional Centres, a \$1.5 M decrease for Contract Policing and Policing Oversight and a \$0.26 M decrease for Protection Services.
- (c) Amortization and valuation adjustments are non cash and are not included
- (d) Expenses incurred per Statement of Operations, excluding valuation adjustments

Schedule to Financial Statements

Comparison of Directly Incurred Expense, Capital Investment and Non-Budgetary Disbursements by Element to Authorized Spending

Schedule 4
(Cont'd)

Year Ended March 31, 2012
(in thousands)

Program 3 - Correctional Services

	2011-12 Estimates	Adjustments (a)	2011-12 Budget	Authorized Supplementary (b)	2011-12 Authorized Budget	Amounts Not Required To be Voted (c)	2011-12 Authorized Spending	2011-12 Actual (d)	Unexpended (Over Expended)	
Program Support										
3.1	Program Support Services									
	Operating Expense	\$ 2,355	\$ -	\$ 2,355	\$ -	\$ 2,355	\$ (119)	\$ 2,236	\$ 2,280	\$ (44)
	Total Sub-program	2,355	-	2,355	-	2,355	(119)	2,236	2,280	(44)
Institutional Services										
3.2	Adult Remand and Correctional Centres									
	Operating Expense	133,895	-	133,895	3,500	137,395	(513)	136,882	137,672	(790)
	Capital Investment	150	-	150	-	150	-	150	456	(306)
3.3	Young Offender Centres									
	Operating Expense	20,268	-	20,268	-	20,268	(23)	20,245	20,597	(352)
	Capital Investment	-	-	-	-	-	-	-	31	(31)
	Total Sub-program	154,313	-	154,313	3,500	157,813	(536)	157,277	158,756	(1,479)
Community Correctional Services										
3.4	Adult Services									
	Operating Expense	40,808	-	40,808	-	40,808	(11)	40,797	39,147	1,650
	Capital Investment	-	-	-	-	-	-	-	157	(157)
3.5	Young Offender Services									
	Operating Expense	11,434	-	11,434	-	11,434	(6)	11,428	11,312	116
	Total Sub-program	52,242	-	52,242	-	52,242	(17)	52,225	50,616	1,609
	Total Program	\$ 208,910	\$ -	\$ 208,910	\$ 3,500	\$ 212,410	\$ (672)	\$ 211,738	\$ 211,652	\$ 86

Schedule to Financial Statements

Salary and Benefits Disclosure

Schedule 5

Year ended March 31, 2012

	2012				2011
	Base Salary ⁽¹⁾	Other Cash Benefits ⁽²⁾	Other Non Cash Benefits ⁽³⁾	Total	Total
Deputy Minister ^{(4) (5)}	\$ 264,576	\$ 1,250	\$ 52,475	\$ 318,301	\$ 331,758
Assistant Deputy Minister, Public Security	180,864	1,250	49,722	231,836	218,353
Assistant Deputy Minister, Correctional Services	185,472	1,250	51,224	237,946	232,361
Assistant Deputy Minister, Corporate Services/ Senior Financial Officer	180,864	1,250	50,547	232,661	219,123
Executive Director, Human Resources	151,836	18,702	8,562	179,100	161,925
Executive Director, Information Technology	137,258	1,250	35,490	173,998	166,502

Prepared in accordance with Treasury Board Directive 12/98 as amended.

Total salary and benefits relating to a position are disclosed.

- (1) Base salary includes pensionable base pay.
- (2) Other cash benefits include vacation payouts and lump sum payments. There were no bonuses paid in 2012.
- (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, professional memberships and tuition fees.
- (4) Automobile provided, no dollar amount included in other non-cash benefits.
- (5) This position was occupied by two incumbents for the year ended March 31, 2012.

Schedule to Financial Statements

Related Party Transactions

Schedule 6

Year ended March 31, 2012
(in thousands)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's financial statements. Related parties also include management in the Department.

The Department and its employees 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 Department had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2012	2011 (Restated - Note 4)	2012	2011
Revenues				
Ministry of Energy	-	-	252	226
	\$ -	\$ -	\$ 252	\$ 226
Expenses - Directly Incurred				
Service Alberta	\$ -	\$ -	\$ 3,765	\$ 3,335
Alberta Infrastructure	-	-	8	7
	\$ -	\$ -	\$ 3,773	\$ 3,342

The Department 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 cost incurred by the service provider to provide the service. These amounts are not recorded in the financial statements and are disclosed in Schedule 7.

	Other Entities	
	2012	2011 (Restated Note 4)
Expenses - Incurred by Others		
Accommodation	\$ 52,452	\$ 52,056
Legal	510	767
Service Alberta	7,279	6,075
Treasury Board	318	345
	\$ 60,559	\$ 59,243

Schedule to Financial Statements

Allocated Costs

Schedule 7

Year ended March 31, 2012
(in thousands)

Program	2012						2011
							(Restated Note 4)
	Expenses - Incurred by Others						Total Expenses
	Expenses (1)	Accommodation Costs (2)	Legal Services (3)	Service Alberta	Treasury Board & Enterprise	Total Expenses	Total Expenses
Ministry Support Services	\$ 27,485	\$ 2,364	\$ 112	\$ 7,279	\$ 318	\$ 37,558	\$ 35,346
Public Security	416,043	5,083	234	-	-	421,360	410,657
Correctional Services	212,916	45,005	164	-	-	258,085	242,553
	<u>\$ 656,444</u>	<u>\$ 52,452</u>	<u>\$ 510</u>	<u>\$ 7,279</u>	<u>\$ 318</u>	<u>\$ 717,003</u>	<u>\$ 688,556</u>

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

(2) Costs shown for Accommodation (includes grants in lieu of taxes) on Schedule 6, allocated by square meters or square meters and manpower.

(3) Costs shown for Legal Services on Schedule 6, allocated by estimated costs incurred by each program.

Victims of Crime Fund Financial Statements

Financial Statements

Year Ended March 31, 2012

Independent Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 - Comparison of Directly Incurred Expense, Capital Investment
and Non-Budgetary Disbursements by Element to Authorized Spending

Schedule 2 - Related Party Transactions

Schedule 3 - Allocated Costs



Independent Auditor's Report

To the Minister of Justice and Solicitor General

Report on the Financial Statements

I have audited the accompanying financial statements of the Victims of Crime Fund, which comprise the statement of financial position as at March 31, 2012, and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Victims of Crime Fund as at March 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, FCA]

Auditor General

May 29, 2012

Edmonton, Alberta

Statement of Operations

Year Ended March 31, 2012
(in thousands)

	2012		2011
	Budget (Schedule 1)	Actual	Actual
Revenues			
Transfers from the Government of Canada	\$ -	\$ 107	\$ 273
Investment Income			
Bank Interest	1,000	478	430
Other Revenue			
Federal Surcharge	1,400	2,723	1,439
Provincial Fine Surcharge	26,500	26,018	24,963
Expenditure Refunds	-	229	172
	28,900	29,555	27,277
Expenses - Directly Incurred (Note 2(b) and 9) (Schedule 1)			
Program Costs			
Financial Benefits	14,838	14,790	15,029
Victims Programs	11,750	12,232	11,426
Criminal Injuries Review Board	444	518	528
Administration	666	516	596
	27,698	28,056	27,579
Net Operating Results	\$ 1,202	\$ 1,499	\$ (302)

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

Statement of Financial Position

As at March 31, 2012
(in thousands)

	2012	2011
Assets		
Cash and Cash Equivalents (Note 3)	\$ 39,895	\$ 36,905
Accounts Receivable (Note 4)	20,093	18,597
Tangible Capital Assets (Note 5)	25	88
	\$ 60,013	\$ 55,590
Liabilities		
Accounts Payable and Accrued Liabilities	\$ 9,145	\$ 6,221
Net Assets (Note 2(b))		
Net Assets at Beginning of Year	49,369	49,671
Net Operating Results	1,499	(302)
Net Assets at End of Year	50,868	49,369
	\$ 60,013	\$ 55,590

Contractual obligations (Note 6)

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

Statement of Cash Flows

Year ended March 31, 2012

(in thousands)

	2012	2011
Operating Transactions		
Net Operating Results	\$ 1,499	\$ (302)
Non-cash items included in Net Operating Results		
Amortization	63	63
	1,562	(239)
(Increase) Decrease in Accounts Receivable	(1,496)	1,444
Increase (Decrease) in Accounts Payable and Accrued Liabilities	2,924	(2,012)
Cash Provided by (Applied to) Operating Transactions	2,990	(807)
Capital Transactions		
Acquisition of Tangible Capital Assets	-	(43)
Increase (Decrease) in Cash and Cash Equivalents	2,990	(850)
Cash and Cash Equivalents at Beginning of Year	36,905	37,755
Cash and Cash Equivalents at End of Year	\$ 39,895	\$ 36,905

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

Notes to the Financial Statements

Note 1 Authority and Purpose

The Victims of Crime Fund (the "Fund"), a regulated fund held and administered by the Ministry of Treasury Board and Finance, operates under the authority of the *Victims of Crime Act*, Chapter V-3, Revised Statutes of Alberta 2000. The Solicitor General and Minister of Public Security is responsible for the Fund under the authority of the *Government Organization Act*, Statutes of Alberta.

The purpose of the Fund is to provide grants to victims' programs and to pay benefits to victims, or their dependants, 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 fine surcharge revenues.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity

The reporting entity is the Victims of Crime Fund, which is part of the Ministry of Solicitor General and Public Security and for which the Minister of Justice and Solicitor General is accountable.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual method of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

Transfers from Government of Canada

Transfers from Government of Canada are recognized as revenue when authorized by federal legislation or federal/provincial agreements, eligibility criteria if any are met and a reasonable estimate of the amounts can be made.

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. Expenses represent the costs of the victims program, the costs of the financial benefits program and administration costs.

Notes to the Financial Statements

Note 2

Summary of Significant Accounting Policies and Reporting Practices (Cont'd)

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

- amortization of tangible capital assets.
- pension costs, which are the cost of employer contributions for current service of employees during the year.
- 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.

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

Financial benefits are recorded as an expense when the obligation to pay is likely and the amount payable on applications submitted can be reasonably estimated.

Incurred by Others

Services contributed by other entities in support of the Fund's operations are not recognized and are disclosed in Schedule 3.

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 cash and cash equivalents, and accounts receivable.

Tangible capital assets of the Fund are recorded at historical cost 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.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Net Assets

Net assets represents the difference between the carrying value of assets held by the Fund and its liabilities. As a result of past operational decisions, the Fund has future contractual obligations totalling \$37.2 million (2011- \$31.1million) as detailed in Note 6 that commit over 73% (2011- 60%) of the net assets of the Fund.

Notes to the Financial Statements

Note 2

Summary of Significant Accounting Policies and Reporting Practices (Cont'd)

Canadian public sector accounting standards require a “net debt” presentation for the statement of financial position in the summary financial statements of governments. Net debt presentation reports the difference between financial assets and liabilities as “net debt” or “net financial assets” as an indicator of the future revenues required to pay for past transactions and events. The Fund operates within the government reporting entity, and does not finance all its expenditures by independently raising revenues. Accordingly, these financial statements do not report a net debt indicator.

Measurement Uncertainty

(in thousands)

Measurement uncertainty exists when there is a variance between the amount recognized or disclosed in the financial statements and another reasonably possible amount. Accounts receivable, recorded as \$19,972 (2011 - \$18,428) in these financial statements, are subject to measurement uncertainty. Victims of Crime Fund accounts receivable 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 \$1,078 (2011 - \$1,134) have been deducted from total outstanding surcharges of \$22,315 (2011 – \$20,499) to arrive at reported revenue and related accounts receivable. The estimate of \$1,078 is based on the actual percentage satisfied in this matter from April 1, 2011 to March 31, 2012. Changes in the proportion of surcharges satisfied by other means may have a material effect on future operating results.

Financial benefits under the Victims of Crime Fund recorded as a liability of \$ 6,091 (2011 - \$ 3,855) in these financial statements, is subject to measurement uncertainty. See Note 8.

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

Notes to the Financial Statements

Note 3

Cash and Cash Equivalents

(in thousands)

Cash and cash equivalents consists of deposits of \$39,895 (2011 - \$36,905) in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. CCITF is being managed with the objective of providing competitive interest income to depositors while maintaining maximum security and liquidity of depositors' capital. The portfolio is comprised of high-quality short-term and mid-term fixed income securities with a maximum term to maturity of three years. The Fund earns interest on its daily cash balance at the average rate of earnings of the CCITF, which may vary depending on prevailing market interest rates. As at March 31, 2012, securities held by the CCITF have a time-weighted rate of return of 1.3% per annum (March 31, 2011: 1.1% per annum).

Note 4

Accounts Receivable

(in thousands)

	2012				2011	
	Gross Amount	Fine Options and Time Served Note 2	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value	Net Realizable Value
Surcharge						
Provincial	\$ 19,883	\$ 840	\$ 890	\$ 18,153	\$ 16,432	\$ 16,432
Federal	2,432	238	375	1,819	1,996	1,996
Other	121	-	-	121	169	169
	\$ 22,436	\$ 1,078	\$ 1,265	\$ 20,093	\$ 18,597	\$ 18,597

Accounts receivable are unsecured and non-interest bearing.

Notes to the Financial Statements

Note 5 Tangible Capital Assets (in thousands)

	Computer Hardware and Software		2012 Total	2011 Total
Estimated Useful Life	5 Years			
Historical Costs				
Beginning of year	\$	729	\$ 729	\$ 686
Additions				43
		729	729	729
Accumulated Amortization				
Beginning of year		641	641	578
Amortization expense		63	63	63
		704	704	641
Net Book Value at March 31, 2012	\$	25	\$ 25	
Net Book Value at March 31, 2011	\$	88		\$ 88

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, 2012, the Fund is committed under contracts and programs totaling \$37,302 (2011 - \$31,126). Estimated payment requirements for each of the next five years and thereafter is as follows:

Year	(in thousands)
2012-13	\$ 8,498
2013-14	5,070
2014-15	1,305
2015-16	775
2016-17	773
Thereafter	20,881
Total	\$ 37,302

The contractual obligations of the Fund primarily include the following:

Notes to the Financial Statements

Note 6 Contractual Obligations (Cont'd)

- Compensation claims of \$14,961 (2011 - \$15,254) assumed from the former Crimes Compensation Board which was dissolved in 1997. In March 2012, 33 eligible recipients received a monthly payment (33 eligible recipients in March 2011).
- Supplemental benefit of \$9,840 (2011 - \$8,052) available to victims of crime whose injuries result in fully dependent quadriplegic or severe brain injury. In March 2012, 19 eligible recipients received a payment of \$1,000 per month (17 eligible recipients in March 2011).
- Funding agreements for delivery of victim services to communities of \$12,461 (2011 - \$7,524).

Note 7 Financial Benefits

(in thousands)

As at March 31, 2012, there were 1,303 (2011 – 624) active applications for financial benefits with the Victims of Crime Financial Benefits Program.

An estimated liability of \$6,091 (2011 - \$3,855), subject to measurement uncertainty, was recorded based on historical decision patterns and average award values. Case progress at year end has been added as a factor in determining liability estimate for current year. Additional information may be required to determine eligibility and amount for individual cases under regulations of the *Victims of Crime Act*.

Note 8 Benefit Plans

(in thousands)

The Fund participates in the multi-employer pension plans: Management Employees Pension Plan and 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 \$284 for the year ended March 31, 2012 (2011 - \$280). The Fund is not responsible for future funding of the plan deficit other than through contribution increases.

At December 31, 2011, the Management Employees Pension Plan reported a deficiency of \$517,726 (2010 - deficiency \$397,087) and the Public Service Pension Plan reported a deficiency of \$1,790,383 (2010 - deficiency \$2,067,151). At December 31, 2011, the Supplementary Retirement Plan for Public Service Managers had a deficiency of \$53,489 (2010 – deficiency \$39,559).

The Fund also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2012, the Bargaining Unit Plan reported an actuarial surplus of \$9,136 (2011 – deficiency \$4,141) and the Management, Opted Out and Excluded Plan an actuarial surplus of \$10,454 (2011 – surplus \$7,020). The expense for these two plans is limited to the employer's annual contributions for the year.

Notes to the Financial Statements

Note 9

Expenses – Directly Incurred Detailed by Object

(in thousands)

	2012		2011
	Budget	Actual	Actual
Salaries, Wages and Employee Benefits	\$ 3,085	\$ 2,817	\$ 2,967
Supplies and Services	1,326	1,185	1,248
Grants	23,182	23,663	23,389
Financial Transactions and Other	100	328	(88)
Amortization of Tangible Capital Assets	5	63	63
Total Fund Expenses	\$ 27,698	\$ 28,056	\$ 27,579

Note 10

Salary and Benefits Disclosure

Salary and benefits disclosure pursuant to *Treasury Board Directive 12/98* as amended is not included as management decisions on the Fund are made by Senior Officials of the Department of the Solicitor General and Public Security.

Note 11

Comparative Figures

Certain 2011 figures have been reclassified to conform to the 2012 presentation.

Note 12

Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Solicitor General.

Schedule to Financial Statements

Comparison of Directly Incurred Expense, Capital Investment and Non-Budgetary Disbursements by Element to Authorized Spending

Schedule 1

Year Ended March 31, 2012
(in thousands)

Program	2011 - 12 Budget	Authorized Supplementary (a)	2011 - 12 Authorized Budget	Amounts not required to be voted (b)	2011 - 12 Authorized Spending	2011 - 12 Actual (c)	Unexpended (Over Expended)
Statutory Expenses							
1 Financial Benefits	\$ 14,838	\$ -	\$ 14,838	\$ (46)	\$ 14,792	\$ 14,546	\$ 246
2 Victims Programs	11,750	800	12,550	(37)	12,513	12,096	417
3 Criminal Injuries Review Board	444	-	444	(5)	439	516	(77)
4 Administration	666	-	666	(17)	649	507	142
Expense	27,698	800	28,498	(105)	28,393	27,665	728
Statutory Capital Investment	25	-	25	-	25	-	25

(a) Approved on January 18, 2012 by Treasury Board for grants to victim service organizations and the reinstatement of restorative justice grants.

(b) Amortization and valuation adjustments are non cash and are not included.

(c) Expenses incurred per Statement of Operations, excluding any valuation adjustments.

Schedule to Financial Statements

Related Party Transactions

Schedule 2

Year Ended March 31, 2012
(in thousands)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's financial statements. Related parties also include management of the Fund.

The Fund and its employees 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 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 service. These amounts are not recorded in the financial statements and are disclosed in Schedule 3.

	Other Entities	
	2012	2011
Expenses - Incurred by Others		
Accommodation	\$ 304	\$ 254
Legal	13	25
	\$ 317	\$ 279

The Fund receives services under contracts managed by the Ministry of Service Alberta. Any commitments under these contracts are reported by Service Alberta.

Schedule to Financial Statements

Allocated Costs

Schedule 3

Year Ended March 31, 2012
(in thousands)

Program	2012				Total Expenses	2011
	Expenses - Incurred by others					
	Expenses (1)	Accommodation Costs (2)	Legal Services (3)	Total Expenses		Total Expenses
Regulated Fund:						
Financial Benefits	\$ 14,790	\$ 122	\$ -	\$ 14,912	\$	15,129
Victims Programs	12,232	104	-	12,336		11,497
Criminal Injuries Review Board	518	78	6	602		607
Administration	516	-	7	523		625
	\$ 28,056	\$ 304	\$ 13	\$ 28,373	\$	27,858

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

(2) Costs shown for Accommodation (includes grants in lieu of taxes) on Schedule 2, allocated by square meters or square meters and manpower.

(3) Cost shown for Legal Services on Schedule 2, allocated by estimated costs incurred by each program.

Alberta Solicitor General and Public Security

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