

Outstanding Recommendations

Assessment of Implementation Report

Alberta Justice and Solicitor General

Victims of Crime and Public Safety Fund—Systems to Manage Sustainability and Assess Results

(February 2016)

Summary of Recommendations

In March 2021, we completed our assessment of implementation from our February 2016 audit of Alberta Justice and Solicitor General's *Victims of Crime Fund—Systems to Manage Sustainability and Assess Results*. We found that one of our two recommendations has been implemented. Please note that the Victims of Crime Fund will be referred to in this assessment by its current name of Victims of Crime and Public Safety Fund.⁶³

REPEATED Recommendation:

Develop and publicly report on a business plan for the Victims of Crime and Public Safety Fund Program

IMPLEMENTED Recommendation:

Determine best use of Victims of Crime and Public Safety Fund accumulated surplus

Introduction

In 2016, we audited whether the department had adequate systems to manage the Victims of Crime and Public Safety Fund (Fund), including:

- having an approved business plan for the use of the Fund
- developing achievable and measurable goals for the Fund so the department could publicly report key results to Albertans
- having a plan to appropriately and productively use the Fund's then growing accumulated surplus

⁶³ Section 9(1) of the *Victims of Crime and Public Safety Act*, which replaced the previous *Victims of Crime Act* on June 26, 2020, when Bill 16, *Victims of Crime (Strengthening Public Safety) Amendment Act*, 2020 received Royal Assent.

We found that while the department and its Victims Services program had adequate systems and processes to manage the day-to-day administration of the Fund, the department was not completing the necessary strategic planning, analysis and reporting to establish desired results and the resources necessary to achieve these results. The department also did not have a plan to appropriately and productively use the Fund's accumulated surplus.

We made two recommendations to the department:⁶⁴

- develop and approve a business plan with measurable desired results for the Victims of Crime and Public Safety Fund and publicly report on the results of this business plan
- supported by sufficient analysis, determine an appropriate use of the Victims of Crime and Public Safety Fund accumulated surplus

In March 2021, we completed our assessment of implementation and found the department has implemented one of our two recommendations. The department developed and implemented a Victims of Crime Fund Surplus Policy effective October 1, 2018.

We again recommend the department develop and publicly report on a plan for the Victims of Crime and Public Safety Fund program. While the Victim Services program took steps to develop a public business plan for the Fund, with included outcomes and performance measures, it was not approved. The reason provided by the department is this business plan did not account for significant changes made to the legislation governing the Fund in June 2020⁶⁵ or an ongoing MLA-led review of the current Victims Services program, which may result in the creation of a new victim assistance program and service delivery model. As a result of no business plan being approved there has not been the intended reporting of results and whether the objectives of the Fund are being met.

Recommendation:

Develop and publicly report on a business plan for the Victims of Crime and Public Safety Fund Program

REPEATED

We recommend that the Department of Justice and Solicitor General:

- develop and approve a business plan with measurable desired results for the Victims of Crime and Public Safety Fund
- publicly report on the results of this business plan

Context

In our 2016 audit, we found the department did not have a current, approved strategy for the Fund. This strategy would set out achievable measurable goals or targets, including timelines and milestones, to determine if the Fund was meeting its mandate as set out in the then *Victims of Crime Act*. At that time, Victims Services program management had developed three internal plans to provide structure for its operations; however, none of these had been approved by the department. Also, none of these plans clearly identified what the current needs of victims of crime were or forecasted to be; they also did not contain financial information about the costs to meet these needs.

⁶⁴ *Report of the Auditor General of Alberta, February 2016*, pages 43–52.

⁶⁵ On June 26, 2020, the *Victims of Crime and Public Safety Act* replaced the *Victims of Crime Act* when Bill 16 *Victims of Crime (Strengthening Public Safety) Amendment Act, 2020* received Royal Assent.

Our current findings

We found:

- a draft business plan with performance measures was prepared in early 2019 but was not approved
- the reason provided by the department is this business plan did not account for significant changes to legislation governing the Fund or an ongoing government review of the victims of crime assistance program
- a change to legislation in June 2020 significantly changed the scope of what the Fund can be used for
- an ongoing government MLA-led review may change the scope of the program and how services to victims of crime are delivered
- the department currently does not externally report any type of specific measurable desired results for the Fund

Draft business plan prepared but not approved

The Victims Services program did prepare a draft Victims of Crime Fund Business Plan for public reporting, with included outcomes and performance measures, in early 2019.

To develop this draft business plan, program management solicited input from various external service providers and stakeholders. This was to help them identify what did and did not work well with meeting the current and forecasted needs of victims of crime, identify gaps in services, and discuss possible solutions. A final report summarizing this work was completed in April 2017. Program management also engaged external expertise to help develop performance measures for this business plan. A final report about this engagement was completed in February 2018.

This business plan was submitted for review but was not approved. The reason provided by the department is the business plan did not account for significant changes to legislation governing the Fund (Bill 16)⁶⁶ or an ongoing MLA-led review of the victims of crime assistance program.

Governing legislation changed to *Victims of Crime and Public Safety Act* by Bill 16

In June 2020 the legislation under which the Fund is governed was changed to the *Victims of Crime and Public Safety Act* by Bill 16, the *Victims of Crime (Strengthening Public Safety) Amendment Act, 2020*. Two significant changes from Bill 16 were:

- The scope of what the Fund could be used for (including the accumulated surplus) was expanded so that payments from it could be used for grants to promote public safety as well as programs that benefit victims of crime. Public safety initiatives that the government has identified that could be considered under this umbrella include Alberta Law Enforcement Response Teams (ALERT), the Rural Alberta Provincial Integrated Defence (RAPID) Response, drug treatment courts and the hiring of additional Crown prosecutors.⁶⁷
- The bill replaced financial benefits for injury and witness-to-homicide with an interim program while a new victims assistance model is developed. The Victims Services program stopped accepting applications for financial benefits received after June 26, 2020.

⁶⁶ Bill 16 is also known as the *Victims of Crime (Strengthening Public Safety) Amendment Act, 2020*

⁶⁷ <https://www.alberta.ca/supporting-victims-of-crime-and-public-safety.aspx>

The impact of these changes can be seen in some of the department's 2021–22 estimated Fund expenditures when compared to the previous year's budgeted amounts:⁶⁸

- A 50 per cent decrease in Financial Benefits (from \$10 million to \$5 million)
- A 21 per cent decrease in Assistance to Victims' Organizations (from \$24 million to \$19 million)
- A 49 per cent increase in Public Safety Initiatives (from \$25.5 million to \$38 million)

MLA-led review of Victims of Crime program

Two government MLAs have conducted a review that may change the scope of the program and change how services to victims of crime are delivered.⁶⁹ Publicly available information shows these MLAs consulted with various stakeholders between September 14 and November 30, 2020, and the final report and recommendations were submitted to the Minister of Justice and Solicitor General in early 2021.

No external performance-results reporting currently done on the Fund

What public reporting the department does around victim services can be found in its Annual Reports.⁷⁰ The 2019–2020 Annual Report includes information on the government review of the current victim service model, including service delivery, victim assistance funding and victim compensation.⁷¹ However, the department currently does not externally report any type of specific measurable desired results for the Fund.

Findings from 2016 audit still relevant

While the delay in approving the 2019 business plan may have been reasonable at the time, the findings, conclusions and recommendation we made in our original audit for the department to implement a business plan and performance measures for the Fund are still relevant today. Moving forward, when re-drafting a business plan and performance measures, the department will have to consider any legislative change to the Fund's use and any changes to the service delivery of the Victims of Crime program that may come from the government review.

Consequences of not taking action

If the department does not set out goals with accompanying targets and measures for the Victims of Crime and Public Safety Fund, it cannot know whether the money being spent is achieving program objectives.

⁶⁸ 2021–22 Entity Financial Information; Justice and Solicitor General, Victims of Crime and Public Safety Fund Statement of Operations, page 83.

⁶⁹ <https://www.alberta.ca/victim-services-engagement.aspx>

⁷⁰ <https://open.alberta.ca/publications/2371-2252>,

⁷¹ Alberta Justice and Solicitor General Annual Report 2019–2020, page 33.

Recommendation:

Determine best use of Victims of Crime and Public Safety Fund accumulated surplus

IMPLEMENTED

Context

The Fund is primarily financed by a surcharge collected from all provincial statute fines and selected federal statute convictions as identified in the *Act*. The surcharge on provincial offences increased from 15 to 20 per cent on April 1, 2020.

Over the last number of years, Fund revenues have been increasing at a faster rate than permitted expenses, resulting in a growing accumulated surplus. At March 31, 2016, this accumulated surplus was just under \$56 million; it was just over \$77 million at March 31, 2020. However, in 2020-21 during the COVID-19 pandemic, the department saw a significant reduction in surcharge revenues and was required to draw down the Fund to maintain daily operations. Consequently, as of March 31, 2021 the surplus was approximately \$63.7 million, a \$13.5 million decrease from the previous year.

We previously reported that the department had not determined or forecasted the financial needs of the Fund in order to complete an analysis of the best possible use of this accumulated surplus. This included not determining the size of reserve required to ensure the long-term sustainability of the Fund.

Our current findings

The department has implemented our recommendation to determine an appropriate use of the Fund's accumulated surplus.

It created a Victims of Crime Fund Surplus Policy, effective October 1, 2018, which sets out that the Fund will maintain a reserve equivalent to that year's operating expense budget. The stated purpose of this operating reserve is to provide sustainable funding and uninterrupted operations for Victims of Crime programs should annual revenues collected be insufficient to cover expenses due to unforeseen circumstances. For 2018-19, the reserve was set at \$44.5 million and \$50.9 million for the following fiscal year. This policy also requires the department to evaluate the appropriateness of the amount of this reserve every two years and adjust it as required.

The department also prepared a forward looking financial analysis for the Fund to complement this policy. Management advised us this will need to be revised due to changes made to legislation in June 2020 that expanded the scope of what the Fund can be used for.

This policy also sets out a process for the Victims Services program to submit an expenditure plan to the department's Financial Services branch for review and feedback when the program recommends new or increased funding from the accumulated surplus for program areas it identifies. Any approved plan(s) will be incorporated into the next ministry quarterly forecast for consideration and approval by Treasury Board.