

Chapter 40

Justice – Monitoring Provincial Policing Services Delivered by the RCMP

1.0 MAIN POINTS

The Ministry of Justice (Ministry) is responsible for provincial policing. This includes making sure the cost for provincial policing services delivered by the Royal Canadian Mounted Police (RCMP) is accurate. For 2015-16, the cost for provincial policing services provided by the RCMP was \$174 million.¹

In 2009, we reported that the Ministry did not verify costs charged by the RCMP for policing were accurate and recommended that it do so. By September 30, 2016, the Ministry had implemented processes to do so (e.g., review of sufficient financial information, developing an understanding of the RCMP's financial management policies). These processes assess the accuracy of the costs charged by the RCMP and reduce the risk of the Ministry overpaying the RCMP.

2.0 INTRODUCTION

To meet its policing objectives, the Ministry contracts with the Government of Canada for the services of the RCMP as allowed under *The Police Act, 1990*.

Our *2009 Report – Volume 1*, Chapter 3 concluded that the Ministry did not have adequate processes for monitoring provincial policing services delivered by the RCMP and included five recommendations. By September 12, 2014,² as reported in our *2014 Report – Volume 2*, Chapter 50, the Ministry had implemented four of those five recommendations. It had not yet verified that costs charged by the RCMP for provincial policing were accurate.

This chapter describes our follow-up of management's actions on this recommendation.

To conduct this review engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate the Ministry's progress towards meeting our recommendation, we used the relevant criteria from the original audit. The Ministry agreed with the criteria in the original audit. We based our findings on our examination of the Ministry's processes, relevant documentation, and discussions with officials.

3.0 STATUS OF RECOMMENDATION

This section sets out the recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the

¹ *Ministry of Justice Annual Report for 2015-16*, p. 22.

² This was the date of our last follow-up.



recommendation at September 30, 2016, and the Ministry's actions up to that date. We found that the Ministry implemented the recommendation.

3.1 Costs Charged by the RCMP Verified

We recommended that the Ministry of Justice (formerly the Ministry of Corrections, Public Safety and Policing) verify that costs charged by the Royal Canadian Mounted Police for provincial policing are accurate. (2009 Report – Volume 1; Public Accounts Committee agreement February 2, 2010)

Status – Implemented

Effective April 1, 2012, the Ministry entered into a 20-year agreement with Public Safety Canada for the services of the RCMP. The agreement sets the overarching principles for accountability and contains various provisions that provide the Ministry with the ability to verify costs charged by the RCMP.

Since late 2014, the Ministry implemented the following processes to monitor the costs charged by the RCMP:

- ▶ Each month and at year-end, the Ministry receives, from the RCMP, budget reports of expenses for providing provincial policing. These reports compare spending to date to the prior period; and forecast for the year to the approved annual budget. The Ministry now requires these financial reports to include documented analysis clearly explaining significant spending variances. This additional information provides the Ministry with sufficient information to assess whether the costs charged by the RCMP for provincial policing are accurate.
- ▶ In 2015-16, the Ministry began restricting funding for specific RCMP initiatives (e.g., traffic safety). We found the Ministry reviewed actual costs associated with these initiatives to monitor whether the RCMP used the funding as intended. The Ministry's monitoring of this funding resulted in \$837,000 being returned to the Ministry in 2015-16.
- ▶ The Ministry had developed an understanding of the RCMP's financial management policies. The RCMP's internal audit division performs periodic internal audits of RCMP detachments to assess compliance with these financial management policies. We found the Ministry reviews the results of these internal audits to assess the significance of identified non-compliance and obtain assurance surrounding the RCMP's implementation of financial policies.
- ▶ The Ministry is a member of the RCMP Contract Management Committee. It also continues to employ an individual who acts as a liaison with the RCMP, and is responsible for gathering financial information relating to the services provided by the RCMP.

The processes described above assist the Ministry with assessing the accuracy of the costs charged by the RCMP and reducing the risk of overpaying.