

Chapter 9 Justice and Attorney General—Victims' Fund

1.0 MAIN POINTS

In 2019-20, the Ministry of Justice and Attorney General took steps to prepare, in a timely way, key supporting documents for the Victims' Fund's financial statements for management's review. However, it needs to give more attention during their preparation as we identified significant errors in the financial statements presented for audit.

In 2019–20, the Fund had reliable financial statements. The Ministry also complied with the authorities governing the Fund's activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

2.0 INTRODUCTION

The Ministry of Justice and Attorney General—Victims' Fund receives all provincial and federal fine surcharges assessed under *The Victims of Crime Act, 1995* and under the *Criminal Code of Canada*.¹ The Act permits expenditures from the Fund to promote and deliver services and benefits to victims; conduct research and distribute information respecting victims' services, needs, and concerns; and fund crime prevention initiatives and administration expenses.

The Ministry of Justice and Attorney General administers the Fund and collects assessed surcharges on behalf of the Fund.

2.1 Financial Overview

As shown in **Figure 1**, for the year ended March 31, 2020, the Fund had revenues of \$14.3 million and expenses of \$11.2 million resulting in an annual surplus of \$3.1 million.

Figure 1—Summary of 2019-20 Financial Results

	Budget 2019-20	Actual 2019-20
	(in millions)	
Surcharge revenue	\$ 13.3	\$ 12.4
Federal cost sharing revenue	1.2	1.1
Investment income and gain	-	0.1
Other	-	0.7
Total Revenue	\$ 14.5	\$ 14.3

¹ *The Victims of Crime Act* established the Victims' Fund; it is continued under the authority of *The Victims of Crime Act, 1995*.



	Budget 2019-20	Actual 2019-20
	(in millions)	
Administration costs and bad debt	\$ 1.9	\$ 1.3
Crime prevention grants and crisis intervention services	5.0	4.5
Court-based programs	0.6	0.6
Compensation payments	1.2	1.2
Domestic violence courts	0.6	0.7
Restitution program	0.3	0.2
Research, evaluation, and prevention	0.8	1.5
Education and training	0.1	0.0
Federal cost sharing agreements	<u>1.2</u>	<u>1.2</u>
Total Expense	\$ 11.7	\$ 11.2
Annual Surplus	<u>\$ 2.8</u>	<u>\$ 3.1</u>
Accumulated Surplus		<u>\$ 8.1</u>

Source: Ministry of Justice and Attorney General—Victims' Fund Financial Statements for the year ended March 31, 2020.

3.0 AUDIT CONCLUSION

In our opinion, for the year ended March 31, 2020, we found, in all material respects:

- **The Ministry complied with the following authorities governing the Fund's activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

The Victims of Crime Act, 1995
The Victims of Crime Regulations, 1997
The Criminal Code of Canada (S. 737)
The Executive Government Administration Act

The Financial Administration Act, 1993
 Orders in Council issued pursuant to the above
 legislation

- **The Fund had reliable financial statements**

In addition to the above, in **Section 4.0**, we bring a significant matter to the attention of the Legislative Assembly.

We used standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (including CSAE 3001 and 3531) to conduct our audit. The audit included consideration of internal control relevant to the preparation of the financial statements in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

The audit included reviewing the data and assumptions used to determine the collectability of the Fund's accounts receivable including fine surcharges. It also assessed the Fund's accounting treatment of transfers for the federal cost-sharing agreements (e.g., Family Information Liaison Unit, legal advice for victims of sexual offenders, engaging victims in a restorative process, and enhancement of services to victims of crime).

4.0 KEY FINDING AND RECOMMENDATION

4.1 Accurate Support for Financial Statements Needed

We recommended the Ministry of Justice and Attorney General—Victims' Fund prepare key supporting documents at the same time as it prepares its financial statements. (2019 Report – Volume 2; p. 58, Recommendation 1, Public Accounts Committee has not yet considered this recommendation as of November 2, 2020)

Status—Partially Implemented

While the Ministry took steps to prepare key supporting documents for the Fund's 2019-20 financial statements for management's review timely, we identified significant errors in the accuracy of the key supporting documents and in turn, the draft financial statements presented for audit.

The Ministry provided our Office with key documents to support the Fund's draft 2019-20 financial statements within the agreed upon timelines.

However, we found ten errors in the draft 2019-20 financial statements presented for audit. The cumulative value of these errors was significant. Management corrected these errors in the final draft financial statements.

Preparing key supporting documents accurately and at the same time as draft financial statements allows management to review the financial statements for accuracy and completeness. It also reduces the time it takes to perform the audit.

