WINNIPEG POLICE BOARD | 2016 ANNUAL REPORT

Winnipeg Police Board

WINNIPEG POLICE BOARD | 2016 ANNUAL REPORT

EXECUTIVE SUMMARY

This report presents highlights of the Board's work in 2016, as well as information on its financial performance.

The Board started 2016 with most key components of its governance framework already in place. Over the course of the year, it enhanced its capacity to provide governance and oversight of the Winnipeg Police Service by adopting its first policies for the effective management of the Service. One important "first" was the Board's appointment of Danny Smyth as the Chief of the Winnipeg Police Service – the first Police Chief to be appointed since the Board was established in 2013.

On the strength of its experience, in 2016 the Board evaluated what worked well and what could be done differently and introduced changes to the way it holds community consultation meetings, the content of its strategic plan, and the format of its annual reports.

The Board's 2016 audited summary of expenditures will be appended to this report once it is available. Information on the Board's activities is published on an ongoing basis on the City of Winnipeg's Decision Making Information System (DMIS) in the form of monthly reports and meeting minutes.

OVERVIEW OF THE WINNIPEG POLICE BOARD

The Winnipeg Police Board provides civilian governance and oversight of the Winnipeg Police Service.

The Board receives its mandate from Manitoba's Police Services Act, enacted in 2009. The Act created a requirement for all municipalities with their own police services to have civilian police boards to govern the police, establish priorities and policies for the police and improve transparency and accountability. In 2012, Winnipeg City Council adopted By-Law No. 148/2012 to establish the Winnipeg Police Board.

Since its first meeting in June 2013, the Board has been establishing the relationships, governance structures, processes and policies needed to ensure police services in Winnipeg are adequate and effective.

Meet the Board

The Board is composed of seven members. In 2016, the following people served on the Board:

- ***Councillor Scott Gillingham*** (Chair until November 2016)
- ***Councillor Jeff Browaty*** (Chair as of November 2016)
- ***Councillor Ross Eadie***
- ***Derek Johannson*** (since February 2016)
- ***Larry Licharson*** (since July 2016)*
- ***Mary Jane Loustel***
- ***Ken Matchett*** (until January 2016)
- ***Angeline Ramkissoon*** (until July 2016)*
- ***Leslie Spillett*** (until July 2016)*
- ***Alicja Szarkiewicz*** (since July 2016)*
- ***Barry Tuckett***

** Members appointed by the Province*

MEETINGS

The Board held ten regular meetings in 2016:

- January 8
- February 5
- March 11
- April 1
- May 6
- June 3
- September 9
- October 7
- November 4
- December 6

Total Board and Committee meetings in 2016

Meeting Type	Number
Public Board meetings	10
Committee meetings (all committees) and consultation meetings	63
Paid training sessions*	3

**Board members receive remuneration for attending training sessions arranged by the Board or the Manitoba Police Commission. However, Board members choose to attend additional training opportunities and community events on their own time.*

Training opportunities

In 2016, new Board members had opportunities to meet with Board staff and the Board Chair to become familiar with to their responsibilities. In addition, the following training opportunities were offered to all Board members:

- A one-day training event organized by the Manitoba Police Commission in March
- A one-day forum on police governance hosted by the Canadian Association of Police Governance in June
- A presentation and demonstration on Use of Force training by members of the Winnipeg Police Service
- A presentation by the Winnipeg Police Service on its work with community partners to research and identify solutions to addictions issues
- The opportunity for Board members to shadow members of the Service's communications centre to understand how emergency calls are received and dispatched
- A presentation from the City of Winnipeg's Materials Management staff on the City's procurement process
- A presentation from the Winnipeg Police Service on how it manages and budgets for its vehicle use

Remuneration for Board meetings

The Winnipeg Police Board By-law states that citizen members of the Board shall receive remuneration for any official Board or committee meetings they attended, as well as any training sessions arranged by the Board or the Manitoba Police Commission.

Board members who are also City Councillors are not eligible for remuneration. In 2016, this included:

- Councillor Jeff Browaty, Chair since November 2016
- Councillor Ross Eadie
- Councillor Scott Gillingham, Chair until November 2016

Rate of Remuneration			
Meeting Length	**Regular Members**	**Vice-Chair**	**City Councillors**
4 hours or less	$109	$190	Not eligible
Over 4 hours	$192	$336	Not eligible
The Board Chair is entitled to remuneration at the same rate as the Vice-Chair in the event that Council appoints a citizen (who is not also a City Councillor) as Board Chair.			

Board Member Remuneration Report as of December 31, 2016		
Board Member	**2016 Board & Committee Meetings Attended**	**Amount Paid**
Derek Johannson – Board Member since February 17, 2016	34	$3,955.00
Larry Licharson – Board Member since July 6, 2016	20	$2,429.00
Mary Jane Loustel – Board Member	56	$6,436.00
Ken Matchett – Board Member until January 19, 2016	2	$218.00
Angeline Ramkissoon – Board Member until July 6, 2016	23	$2,590.00
Leslie Spillett – Board Member until July 6, 2016	37	$4,116.00
Alicja Szarkiewicz – Board Member since July 6, 2016	22	$2,647.00
Barry Tuckett – Vice-Chair	61	$12,320.00
Total		**$34,711.00**

HIGHLIGHTS

- The Board appointed Danny Smyth as the new Chief of the Winnipeg Police Service after Former Chief Devon Clunis retired from the position earlier in the year. It was the first time since its establishment that the Board appointed a Police Chief.
- Four new Board members were appointed between January and November of 2016. The Board worked hard to bring each new Board member up to speed and get them oriented to their duties.
- The *Police Services Act* requires the Board to establish policies for the effective management of the Winnipeg Police Service. In 2016, the Board adopted its first two policies: Bias-Free Policing and Law Enforcement Accreditation. The policies were developed in consultation with the Police Service and the public. They are available on the Board's website.
- For the first time, the Board received an annual business plan from the Police Service and monitored its implementation through quarterly reporting and meetings with the Police Chief.
- The Board partnered with its Indigenous Council on Policing and Crime Prevention to host a community consultation meeting on May 11, 2016. The council assisted the Board in encouraging community members to attend a meeting at Neeginan Centre.
- 2016 marked the first full year of the Board providing secretariat support and soliciting advice from the Indigenous Council on Policing and Crime Prevention.
- Online input on the Board's strategic priorities increased significantly in 2016. The Board's online comment form collected 139 responses, compared to 23 in 2015.
- The Board collaborated with Tourism Winnipeg to bid on hosting the Canadian Association of Police Governance's annual conference in 2018. The bid won, meaning the Board will bring a CAPG conference to Manitoba for the first time.
- The Board worked with the Police Service to identify budget adjustments and then allocated the 2016 operating budget accordingly after City Council set the total amount of the Service's annual operating budget at a different amount than the Board had recommended based on advice and prospective allocations from the Police Service.
- At the invitation of the Canadian Association of Police Governance, the Board Chair presented at a summit in June 2016 on best practices for strategic planning and the Board's experience to date.

COMMITTEE HIGHLIGHTS



ICPCP – Indigenous Council on Policing and Crime Prevention
WPS – Winnipeg Police Service

STRATEGIC PLANNING

The Winnipeg Police Board adopted a five-year plan outlining its vision and priorities for the Winnipeg Police Service. The 2015-2019 Strategic Plan was first published in May 2015. For 2016, the Board focused on reconnecting with the community to seek feedback on the plan, then updating the plan to keep it relevant.

Consultation Format	Date	Participants (#)
Meeting at Millennium Library	May 5, 2016	6
Meeting at Neeginan Centre	May 11, 2016	9
Meeting at Magnus Eliason Recreation Centre	June 8, 2016	26
Written comment forms	May-September 2016	6
Input received online	May-September 2016	139

- The Board held three community consultation meetings in 2016. This still exceeded the minimum two meetings required by the Board's By-law, while focusing Board resources and minimizing time commitments for the Winnipeg Police Service. By comparison, the Board held six meetings in 2015.
- Overall engagement increased over 2015, thanks to more people contacting the Board through an online comment form. The Board used the comment form to collect qualitative feedback on community safety priorities, and appealed to community partners and Twitter followers to complete the form.
- The Board is committed to updating the strategic plan each year, and 2016 was the first time the Board undertook a substantial update. Board staff updated statistics for the 2017 Strategic Plan Update to keep it current, and the Board added a new introduction that outlined changes to the strategic directions and targets:
    - A revised target for body-worn cameras
    - Refining strategic directions on police service communications to emphasize the importance of informing the public why and how officer safety is factored into the Service's operations and equipment purchases
    - Implementing the Board's Use of Force policy
    - A new section that looks ahead at issues the Board will monitor for the 2018 Strategic Plan Update
- For the first time, the Service adopted an annual business plan that outlined the Service's activities to implement the strategic plan. The Board received a presentation on the business plan, along with quarterly progress reports.

Implementation of the 2015-2019 Strategic Plan for the Winnipeg Police Service

The Winnipeg Police Service is 1.5 years into implementing the strategic plan the Board adopted in May 2015. The Board considers strategic planning an iterative process, updating the plan each year to reflect experience, shifting priorities and changes to the environment for policing.

Most of the targets in the strategic plan measure the Service's implementation based on reaching certain milestones by 2019. The targets that can be measured in 2016 are listed in the table below.

Goal: Reduce crime & victimization		
Measure	**Target**	**Progress**
Percentage of police time spent on proactive policing and crime activities	33% of General Patrol time is spent on proactive policing by 2019	33.1% of events in 2016 were initiated by police (proactive). However, the Service estimates that time spent on proactive policing amounted to less than 33% of General Patrol time.
Goal: Engaged communities		
Diversity within the Service	15% of new recruits are Indigenous in 2017	25% of the members of Recruit Class #159 (February 2016) were Indigenous.
A communications and outreach strategy for the Service	The strategy is approved and adopted	The Service developed and adopted a strategy in 2016. In implementing the strategy, the Service surpassed 85,000 Twitter followers, launched a Facebook profile and posted videos on YouTube.
Goal: Effective & efficient service		
Police Service budget	Increases at or less than inflation	In December 2016, the Board recommended an operating budget for 2017 for the Service that amounted to a 1.28% increase over the Service's amended budget for 2016.
Goal: A healthy organization		
All targets are focused on 2019		

Evaluating the strategic plan and monitoring its performance identified gaps for the Board to address in 2017. Statistics Canada released crime statistics in July 2016 that showed crime in Winnipeg increased in 2015. This poses a challenge to the Service, which the strategic plan charges with reducing the crime severity index and violent crime severity index by 25% by 2019.

The increase in crime in 2015 – at the same time that the Service was implementing its Smart Policing Initiative and promoting engaged communities – reiterated how the feasibility of some of the current strategic plan targets depend on factors outside of the Service's control. Likewise, the strategic plan calls for increased resources in such areas as crime analysis, but the Board's capacity to allocate resources to these priority areas is driven by the budget Council sets for the Service.

Looking ahead, the Board will review its strategic plan with an eye to ensuring all priorities and targets reflect the current environment for policing, while continuing to pursue the same vision and goals.

THE WINNIPEG POLICE BOARD BUDGET

The Board was allocated $446,079 from the budget for the City Clerks department in 2016. The Board received quarterly budget update reports in June, September and December and submitted them to the Standing Policy Committee on Finance for information.

The Board operated within its budget in 2016. Its primary expenditures were staff salaries and benefits; office rent; remuneration for Board members; memberships, conferences, travel and events; strategic planning and public consultation meetings; office operations; and professional governance support services.

The Board's audited summary of expenditures will be appended to this report when they are available.

THE WINNIPEG POLICE SERVICE BUDGET

The Winnipeg Police Board By-law directs the Board to prepare annual estimates for the Winnipeg Police Service's operating and capital budgets. The Board submits these estimates to City Council, along with any other budget information Council requires.

The Board's budget estimates must reflect the Board's assessment of what it will cost to provide police services that are adequate and effective. The estimate and any supporting materials shared by the Board help inform Council's decision of the amount of the total City of Winnipeg budget to allocate to the Winnipeg Police Service.

After considering advice from the Winnipeg Police Service, the Board allocates the Service's annual operating budget. In 2016, the Board had to take into account Council's direction to find $2.5 million worth of budget adjustments in the operating budget, as well as unanticipated expenditures:

- The Service had fewer retirements than estimated in 2016, so it needed to adjust its budget to offset the extra salaries and benefits costs.
- The Service had planned to adopt a Major Case Management System in 2016 System to manage investigations and cases more efficiently. This $1 million capital project was deferred to 2017, in order to re-allocate funds to salaries and benefits.
- An actuarial evaluation reported the Service needed to increase the rate at which it contributed to members' pensions. This increased the Service's expenditures by $3.7 million in 2016. Council approved an increase in the Service's budget to cover this unanticipated expenditure increase.
- The Service's operating expenditures are partially offset by revenues. The Service estimated revenues for 2016 would amount to $48,048,728. Revenues for photo enforcement in 2016 were below budget.
- The Board obtained authorization from Council to cancel a $1 million pilot project to equip a limited number of front-line officers with body-worn cameras to test their effectiveness. The funding for this project was reallocated to cover operating costs.

Further details on the allocation of the Service's operating and capital budgets and its budget performance in 2016 can be found in the Board's meeting minutes, particularly in the Service's quarterly budget update reports. Meeting minutes and reports are available through the City of Winnipeg's Decision Making Information System.

2016 Operating Budget	
Adopted Budget	$280,669,573
Amended Budget	(To be added once available)
Actuals	(To be added once available)
2016 Capital Budget	
Adopted Budget	$13,197,000

The Service's audited statement of revenues and expenses will be appended to this report when they are available.

THE INDIGENOUS COUNCIL ON POLICING AND CRIME PREVENTION

The Indigenous Council on Policing and Crime Prevention (ICPCP) is a body that provides information and advice to the Winnipeg Police Board. The council is composed of local leaders and representatives of Winnipeg's Indigenous communities. They meet 2-4 times per year to advise the Board on how to improve public safety for Indigenous people in Winnipeg and ensure police services meet the needs, values and expectations of Indigenous people.

Members

- ***Jackie Anderson***, since November 2016
- ***Jarred Baker***, Co-Chair since November 2016
- ***Eric Chartrand***, since March 2016
- ***Mel Chartrand***
- ***Shirley Chartrand***
- ***Ken Fleury***
- ***Shauna Fontaine***, Co-Chair
- ***Jade Harper***
- ***Damon Johnston***
- ***Angela Lavallee***
- ***Kyle Mason***, until September 2016
- ***Alaya McIvor***, since November 2016
- ***Kim McPherson***
- ***Lenard Monkman***, Co-Chair until July 2016
- ***Cora Morgan***, until September 2016
- ***Geraldine Shingoose***, until May 2016
- ***Willie Starr,*** until September 2016
- Alternate – ***Eleanor Paulic***

Highlights

- Providing advice and feedback on the Board's draft policy on Bias-Free Policing
- Developing and recommending terms of reference for the council for the Board's approval
- Participating in the Board's public consultation process by providing input on the qualities and skills council members expected to see in the next Police Chief
- Co-hosting a community consultation meeting with the Board, at Neeginan Centre
- Recruiting new council members to fill vacancies
- Meeting with the Board's Indigenous Liaison Committee to talk about reconciliation

APPENDIX 1 | ANNUAL REPORT REQUIREMENTS

The Winnipeg Police Board By-law requires the Board to issue an annual report at the end of each year that summarizes the Board's activities for the year. The report is submitted to Council for information through the Standing Policy Committee on Protection, Community Services and Parks.

The Policy and Procedure Manual for Manitoba Police Boards developed by the Manitoba Police Commission ("the MPC Manual") states that the Commission must receive a copy of the Board's annual report as well. It prescribes that the annual report must include the following information:

a) a progress report on the strategic objectives, goals and/or tactics identified by the police board in their strategic plan;

b) highlights of activities and achievements throughout the year;

c) a breakdown of police service spending for the year;

d) a reporting of the number of police board meetings held in the fiscal year including private meetings; and

e) the minutes of any regular meetings of the police board in the form of an appendix to the annual report.

The Winnipeg Police Board also includes audited statements on its spending for the year, including the remuneration paid to Board members.

APPENDIX 2 | COMMITTEE MANDATES AND MEMBERSHIP

Budget and Finance Committee

Mandate

- Receives updates on the respective budgets of the Board and the Winnipeg Police Service
- Makes recommendations to the Board related to preparing and submitting budget estimates for the Winnipeg Police Service to Winnipeg City Council

Members

- ***Derek Johannson***, Committee Chair (since February 2016)
- ***Ken Matchett***, Committee Chair (until January 2016)
- ***Councillor Ross Eadie***
- ***Larry Licharson*** (since July 2016)
- ***Leslie Spillett*** (until July 2016)
- ***Councillor Scott Gillingham***, ex officio member (until November 2016)
- ***Councillor Jeff Browaty***, ex officio member (since November 2016)

Governance Committee

Mandate

- Leads development of the Board's Rules of Practice and Procedure
- Leads development of the Board's policies for the effective management of the Winnipeg Police Service
- Provides advice and recommendations to the Board regarding its governance framework

Members

- ***Mary Jane Loustel***, Committee Chair
- ***Angeline Ramkissoon*** (until July 2016)
- ***Alicja Szarkiewicz*** (since July 2016)
- ***Barry Tuckett***
- ***Councillor Scott Gillingham***, ex officio member (until November 2016)
- ***Councillor Jeff Browaty***, ex officio member (since November 2016)

Indigenous Liaison Committee

- Acts as the Board's point of contact for the Indigenous Council on Policing and Crime Prevention
- Advises the Board on how to consider and implement the Council's advice

Members

- ***Leslie Spillett***, Committee Chair (until July 2016)
- ***Mary Jane Loustel***
- ***Alicja Szarkiewicz*** (since July 2016)
- ***Councillor Scott Gillingham***, ex officio member (until November 2016)
- ***Councillor Jeff Browaty***, ex officio member (since November 2016)

Police Chief Recruitment Committee

Mandate

- Oversees the process to attract and screen candidates for Police Chief
- Advises the Board on appointing the Police Chief
- Established April 2016

Members

- ***Councillor Scott Gillingham***, Committee Chair (until November 2016)
- ***Councillor Jeff Browaty***, Committee Chair (since November 2016)
- ***Councillor Ross Eadie***
- ***Derek Johannson***
- ***Larry Licharson*** (since July 2016)
- ***Mary Jane Loustel***
- ***Angeline Ramkissoon*** (until July 2016)
- ***Leslie Spillett*** (until July 2016)
- ***Alicja Szarkiewicz*** (since July 2016)
- ***Barry Tuckett***

Risk Management and Audit Committee

Mandate

- Reviews and assesses the Winnipeg Police Service's risk management framework and performance audits
- Leads the Board's internal risk management and evaluation activities

Members

- ***Barry Tuckett***, Committee Chair
- ***Larry Licharson*** (since July 2016)
- ***Mary Jane Loustel***
- ***Ken Matchett*** (until January 2016)
- ***Councillor Scott Gillingham***, ex officio member (until November 2016)
- ***Councillor Jeff Browaty***, ex officio member (since November 2016)

Strategic Planning Steering Committee

Mandate

- Provides direction on the organization of annual community consultation meetings and the development of multi-year strategic plans for the Winnipeg Police Service

Members

- ***Councillor Scott Gillingham***, Committee Chair (until November 2016)
- ***Councillor Jeff Browaty***, Committee Chair (since November 2016)
- ***Councillor Ross Eadie***
- ***Derek Johannson***
- ***Larry Licharson*** (since July 2016)
- ***Mary Jane Loustel***
- ***Ken Matchett*** (until January 2016)
- ***Angeline Ramkissoon*** (until July 2016)
- ***Leslie Spillett*** (until July 2016)
- ***Alicja Szarkiewicz*** (since July 2016)
- ***Barry Tuckett***

APPENDIX 3 | BOARD MEETING MINUTES

The Winnipeg Police Board publishes minutes for all of its public meetings on the City of Winnipeg's Decision Making Information System. The following links will connect you to each of the ten public meetings the Board held in 2016.

January 8, 2016: http://clkapps.winnipeg.ca/dmis/ViewDoc.asp?DocId=14945&SectionId=&InitUrl=

February 5, 2016: http://clkapps.winnipeg.ca/dmis/ViewDoc.asp?DocId=15021&SectionId=&InitUrl=

March 11, 2016: http://clkapps.winnipeg.ca/dmis/ViewDoc.asp?DocId=15130&SectionId=&InitUrl=

April 1, 2016: http://clkapps.winnipeg.ca/dmis/ViewDoc.asp?DocId=15175&SectionId=&InitUrl=

May 6, 2016: http://clkapps.winnipeg.ca/dmis/ViewDoc.asp?DocId=15278&SectionId=&InitUrl=

June 3, 2016: http://clkapps.winnipeg.ca/dmis/ViewDoc.asp?DocId=15351&SectionId=&InitUrl=

September 9, 2016: http://clkapps.winnipeg.ca/dmis/ViewDoc.asp?DocId=15518&SectionId=&InitUrl=

October 7, 2016: http://clkapps.winnipeg.ca/dmis/ViewDoc.asp?DocId=15608&SectionId=&InitUrl=

November 4, 2016: http://clkapps.winnipeg.ca/dmis/ViewDoc.asp?DocId=15682&SectionId=&InitUrl=

December 6, 2016: http://clkapps.winnipeg.ca/dmis/ViewDoc.asp?DocId=15771&SectionId=&InitUrl=

KPMG LLP
Suite 2000 - One Lombard Place
Winnipeg MB R3B 0X3
Canada

Telephone (204) 957-1770
Fax (204) 957-0808
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Corporate Controller of the City of Winnipeg

We have audited the summary of expenditures of The City of Winnipeg - Winnipeg Police Board, ("the schedule") for the year ended December 31, 2016. This schedule has been prepared in accordance with the financial reporting provisions in The City of Winnipeg By-Law No 148/2012 dated November 28, 2012.

Management's Responsibility for the Schedule

Management is responsible for the preparation of the schedule in accordance with The City of Winnipeg By-Law No 148/2012 dated November 28, 2012 referred to above, and for such internal control as management determines is necessary to enable the preparation of the schedule that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the schedule based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the schedule, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the schedule 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 schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG Network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity
KPMG Canada provides services to KPMG LLP.

Opinion

In our opinion, the financial information in the statement of expenditures of The City of Winnipeg - Winnipeg Police Board is prepared in all material respects, in accordance with the financial reporting provisions in The City of Winnipeg By-Law No 148/2012 dated November 28, 2012.

Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to Note 1 to the schedule, which describes the basis of accounting. The schedule is prepared to provide information to the City of Winnipeg and the Manitoba Police Commission regarding The City of Winnipeg By-Law 148/2012 dated November 28, 2012. As a result, the schedule may not be suitable for another purpose. Our report is intended solely for The City of Winnipeg and the Manitoba Police Commission, and should not be used by parties other than The City of Winnipeg and the Manitoba Police Commission.

KPMG LLP

Chartered Professional Accountants

June 5, 2017

Winnipeg, Canada

THE CITY OF WINNIPEG
WINNIPEG POLICE BOARD

Summary of Expenditures

Year ended December 31, 2016

	2016	2015
Expenditures:		
Staff wages	$282,342	$274,878
Office rent	56,959	56,851
Honoraria	35,915	32,512
Public consultations and meetings	8,508	14,309
Other administration costs	14,271	11,898
Education and training	14,982	11,115
Professional services	9,609	11,294
Furniture and equipment	-	1,057
Board memberships	6,477	633
Total expenses	$429,063	$414,547
Expenses charged against Winnipeg Police Board budget	$429,063	$414,547

See accompanying notes to financial information.

THE CITY OF WINNIPEG
WINNIPEG POLICE BOARD

Notes to Financial Information

Year ended December 31, 2016

---

1. Significant accounting policies:

(a) Basis of accounting:
This schedule has been prepared in accordance with the financial reporting provisions as set out in The City of Winnipeg ("the City") By-Law No. 148/2012 dated November 28, 2012. As a result, the schedule may not be suitable for other purposes. Winnipeg Police Board expenses are those charged against the Winnipeg Police Board budget in the General Revenue Fund and the Commitment Reserve Fund.

(b) Expenditures:
(i) Staff wages:
Agreements for employment of Board staff have been authorized and approved by The City of Winnipeg - Winnipeg Police Board ("the Board").

(ii) Honoraria:
The Board shall hold a minimum of nine (9) monthly meetings per year and shall annually hold a minimum of two additional public consultations to solicit community input on public safety issues and priorities.

Citizen members of the Board shall be paid the following remuneration by the City for time spent in attendance at meetings of the Board, including public consultations:
(a) Chair and Vice Chair:
(i) $190.00 for four (4) meeting hours or less;
(ii) $336.00 for more than four (4) meeting hours.
(b) Other Citizen members:
(i) $109.00 for four (4) meeting hours or less;
(ii) $192.00 for more than four (4) meeting hours.

Statement of Revenues and Expenses

THE CITY OF WINNIPEG -
WINNIPEG POLICE SERVICES
December 31, 2016

KPMG LLP
Suite 2000 - One Lombard Place
Winnipeg MB R3B 0X3
Canada

Telephone (204) 957-1770
Fax (204) 957-0808
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Winnipeg Police Board

We have audited the statement of revenues and expenses of The City of Winnipeg - Winnipeg Police Services, ("the schedule") for the year ended December 31, 2016. This schedule has been prepared in accordance with the financial reporting provisions in The City of Winnipeg By-Law No 148/2012 dated November 28, 2012.

Management's Responsibility for the Schedule

Management is responsible for the preparation of the schedule in accordance with The City of Winnipeg By-Law No 148/2012 dated November 28, 2012 referred to above, and for such internal control as management determines is necessary to enable the preparation of the schedule that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the schedule based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the schedule, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the schedule 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 schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG Network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity
KPMG Canada provides services to KPMG LLP.

Opinion

In our opinion, the financial information in the statement of revenues and expenses of The City of Winnipeg - Winnipeg Police Services for the year ended December 31, 2016 is prepared in all material respects, in accordance with the financial reporting provisions in The City of Winnipeg By-Law No 148/2012 dated November 28, 2012.

Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to Note 2 to the schedule, which describes the basis of accounting. The schedule is prepared to provide information to The City of Winnipeg, the Manitoba Police Commission and the Winnipeg Police Board regarding The City of Winnipeg By-Law No 148/2012 dated November 28, 2012. As a result, the schedule may not be suitable for another purpose. Our report in intended solely for The City of Winnipeg, the Manitoba Police Commission and the Winnipeg Police Board, and should not be used by parties other than The City of Winnipeg, the Manitoba Police Commission and the Winnipeg Police Board.

KPMG LLP

Chartered Professional Accountants

June 5, 2017

Winnipeg, Canada

THE CITY OF WINNIPEG - WINNIPEG POLICE SERVICES
Statement of Revenues and Expenses
Year Ended December 31, 2016

	2016 $	2015 $
REVENUES		
Provincial government grants	**20,255,204**	**19,322,948**
Regulation Fees	**19,930,804**	**22,019,959**
Sale of goods and services	**6,454,992**	**6,798,097**
Other revenue	**34**	**5,853**
Recoveries	**701,283**	**803,866**
TOTAL REVENUES	**47,342,317**	**48,950,723**
EXPENSES (Schedule 1)		
Salaries and benefits	**239,736,272**	**225,050,810**
Services	**17,270,361**	**15,886,959**
Materials - parts and supplies	**4,916,192**	**4,764,606**
Assets and purchases	**2,402,199**	**1,891,061**
Debt and finance charges	**8,141,386**	**362,384**
Grant transfers	**15,263,660**	**15,144,291**
TOTAL EXPENSES	**287,730,070**	**263,100,111**
Funded by Commitment Reserve (note 2 (b))	**(2,833,056)**	**(1,210,596)**
NET TOTAL EXPENSES	**284,897,014**	**261,889,515**
EXCESS OF EXPENSES OVER REVENUES	**237,554,697**	**212,938,792**

1. Nature of the organization:

Winnipeg Police Services, a department of The City of Winnipeg, has a mandate to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crimes from occurring; detect offenders; and enforce the law.

The City of Winnipeg (the "City") is a municipality that was created on January 1, 1972 pursuant to The City of Winnipeg Act, a statute of the Legislature of the Province of Manitoba (the "Province"). The City continued as a body corporate by virtue of the enactment by the Province of The City of Winnipeg Charter on January 1, 2003.

2. Significant Accounting Policies:

The statement of revenue and expenses are prepared in accordance with Canadian public sector accounting standards.

(a) Basis of presentation:

These statements of revenue and expenses present the results of operations of the Winnipeg Police Services as if it has been accounted for on a stand-alone basis. Management has extracted the information used to prepare this statement of revenue and expenses from the consolidated financial statements of The City of Winnipeg.

This statement of revenue and expenses is not necessarily indicative of the results that would have been attained if the Winnipeg Police Services had been operated as a separate legal entity during the year presented.

The basis of accounting used in this statement of operations materially differs from Canadian public sector accounting standards because statements of financial position and cash flows are not included.

(b) Commitment reserve:

An amount of $2,833,056 of the expenses reported during 2016 (2015 - $1,210,596) was charged to the City’s Commitment Reserve Fund. The Commitment Reserve Fund was established by The City of Winnipeg for the purpose of allowing departments to carry forward committed budget dollars to the succeeding year thereby eliminating the need to re-budget.

3. Related party transactions:

Type of Charge	Category	**2016** **$**
Municipal Accommodations	Rent	**9,101,771**
City of Winnipeg- Corp Finance	Debt & finance	**8,141,386**
City of Winnipeg – Fleet Service	Fleet-Insurance/Lease/Fuel	**4,153,089**
City of Winnipeg – Corp Finance	Translation cost/Neighbourhood watch	**11,798**
City of Winnipeg – Parking Authority	Parking rentals	**117,859**
City of Winnipeg-Corporate Services	Postage meter	**53,176**
City of Winnipeg- Corporate Finance	Cash to capital	**6,120,000**
City of Winnipeg-Business Tech.	Radio shop services	**389,166**
City of Winnipeg-Corporate Services	% of Salary of Occ. Health Nurse	**77,256**
Total		**28,165,501**

THE CITY OF WINNIPEG - WINNIPEG POLICE SERVICES

Schedule 1 - Detailed Statement of Winnipeg Police Services Expenses

Year ended December 31, 2016

		2016	2015
		$	$
SALARIES			
	Salaries - permanent	180,190,527	170,915,862
	Salaries - temporary	280,489	420,121
	Sick Leave and Severance Pay	2,310,582	2,397,770
	Vacation/Overtime cashout	1,267,591	1,329,582
	Shift premium	1,373,982	975,373
	Long service pay	7,800	8,250
	Overtime	9,300,562	9,446,651
	Standby Pay	465,309	453,705
	Fatality pension premium	539,714	504,560
	Payroll costs	139,774	310,896
	Pension Awards	126,843	35,360
	Vision care	365,687	319,096
	Interest and Administration	472,248	332,469
	Acting pay	658,347	718,730
	Furlough recoveries - permanent	(120,153)	(112,297)
BENEFITS			
	Civic pension	31,745,664	26,852,084
	Civic pension cash out	26,280	30,791
	Canada pension	4,974,669	4,811,308
	Employment insurance	2,524,024	2,433,946
	Dental plan	2,131,284	2,026,737
	Group insurance	572,973	545,968
	Medical Expenses	318,356	237,059
	Ambulance/hospital coverage	63,720	56,789
TOTAL SALARIES AND BENEFITS		239,736,272	225,050,810

THE CITY OF WINNIPEG - WINNIPEG POLICE SERVICES

Schedule 1 - Detailed Statement of Winnipeg Police Services Expenses

Year ended December 31, 2016

	2016	2015
	$	$
SERVICES		
Professional and consultant services	195,719	267,312
Office equipment maintenance	1,500,488	1,005,836
Duffy's Taxi	34,914	18,096
Freight and messenger services	45,655	50,812
Non-professional services	7,250,087	7,049,789
Janitorial Services	-	5,077
Allocated department costs	28,997	9,828
Auto allowance	5,386	5,583
Light and Power	14,054	14,572
Real property contracts - construction and maintenance	1,007,288	38,472
Vehicle Maintenance	77,063	162,061
Towing Services	40,501	34,368
Cleaning and Laundry	53,881	67,931
Other Equipment Servicing	650,476	553,351
Printing,Binding,Photocopying	76,396	62,226
Telephone-Regular Desk Set	449,952	409,132
Telephone-Cellular	416,413	419,112
Telephone-Alarm Systems	4,715	698
Data Comm DSL	552,935	631,794
Advertising	58,304	1,150
Insurance and Licenses-Auto	225,583	253,555
Fleet Insurance	911,133	810,490
Drivers' Licenses	28,660	21,204
Certificates,Permits,Licenses	36,358	35,246
Hauling Expense	34,058	42,849
Rentals	578,340	583,105
Fleet Capital Lease	2,108,454	1,949,162
Equipment Rental-External	174,203	245,707
Parking Space Rental	117,859	175,330
Meal Expense	3,592	6,465
Luncheons, Receptions & Events	43,552	47,685
Membership Fees	37,964	26,949
Postage	53,177	59,409
Training,Workshops and Tuition	210,862	582,155
Conferences	18,156	21,951
Conferences Involving Travel	200,401	171,870
Travel-City Business	24,785	46,627
	17,270,361	15,886,959

THE CITY OF WINNIPEG - WINNIPEG POLICE SERVICES

Schedule 1 - Detailed Statement of Winnipeg Police Services Expenses

Year ended December 31, 2016

	2016	2015
	$	$
MATERIALS, PARTS AND SUPPLIES		
Photographic Supplies	14,785	12,848
Stationery and Office Supplies	237,917	206,523
Periodicals and Subscriptions	32,133	33,044
Computer Software	70,083	40,228
Medical,Dental & Lab Supplies	58,629	64,072
Animal Food and Supplies	12,448	10,341
Cleaning Supplies	56,359	51,194
Other Operating Supplies	766,304	729,213
Small Tools	10,404	3,125
Uniforms & Protective Clothing	668,077	368,877
Uniforms/Clothing Other	681,938	757,983
Motive Fuels and Lubricants	240,798	260,898
Lubricants	-	2,170
Fleet Fuel	1,133,502	1,314,840
Electrical and Communication	1,182	3,164
Automotive Parts	509,469	495,276
Clothing Allowance	420,271	413,241
Inventory Adjustment	1,893	(2,431)
	4,916,192	4,764,606
ASSETS AND PURCHASES		
Motive Equipment	495,147	113,278
Elec,Light and Comm Equipment	77,958	195,543
Office Equipment	7,601	5,639
Other Equipment	1,213,709	496,641
Computer Hardware	243,005	459,178
Office Furniture	356,613	613,816
Books	8,166	6,966
	2,402,199	1,891,061

THE CITY OF WINNIPEG - WINNIPEG POLICE SERVICES

Schedule 1 - Detailed Statement of Winnipeg Police Services Expenses

Year ended December 31, 2016

	2016	2015
	$	$
TOTAL DEBT AND FINANCES		
Interest	6,216,975	39,671
Principal	1,800,412	191,033
Letter of Credit Fees	95,121	101,092
Debenture Issue Expense	8,090	11,312
Credit Card Commission	20,788	19,276
	8,141,386	362,384
TOTAL GRANTS		
Grants-Cash	55,814	55,814
Claims	55,901	26,118
Claims-Vehicles	-	-
Claims	212,541	252,196
	324,256	334,128
TRANSFERS TO OTHER FUNDS		
Tsf to General Capital Fund	350,792	212,013
Tsf to GCF-cash to capital	6,120,000	4,986,000
Tsf to Insurance Reserve	(27,107)	27,232
Tsf to Civic Accommodations	9,101,771	7,308,173
Tsf to Commitment Reserve	-	1,826,440
Inter-Dept Tsf to GRF - BTS	389,166	389,166
Inter-Dept Tsf to GRF - HRPS	77,256	83,157
Purchasing Card Rebate	(22,474)	(22,018)
Expenditure Management	(1,050,000)	-
	14,939,404	14,810,163
Total Expenses	287,730,070	263,100,111

Winnipeg Police Board