

Correctional Service Canada

Performance Report

For the period ending
March 31, 2006



Approved by

The Honourable Stockwell Day, P.C., M.P.
(Minister of Public Safety)

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OVERVIEW

Minister's Message

As Canada's Minister of Public Safety, it gives me great pleasure to provide Parliament with my Department's Performance Report for the period ending on March 31, 2006.

The Department of Public Safety, which was created in 2003, coordinates activities and facilitates communication across federal departments and agencies responsible for national security and the safety of Canadians. As well, it provides policy advice on public safety and security issues and works to improve the integration of this advice across the Portfolio and with key federal stakeholders and partners. In addition to the Department, the Portfolio comprises: the Canada Border Services Agency (CBSA), the Canadian Security Intelligence Service (CSIS), the Correctional Service of Canada (CSC), the National Parole Board (NPB), the Royal Canadian Mounted Police (RCMP) and three independent review bodies.



In its 2005-2006 Report on Plans and Priorities, the Department identified four strategic priorities to promote safe and secure communities: Seamless Emergency Management and National Security Measures; Integrated Public Safety Toolkit; Community Safety through Partnerships; and Effective and Efficient Portfolio Leadership. Based on the "whole of government framework" for reporting to Parliament, these priorities have provided guidance in the development of essential structures for the Department of Public Safety to meet its key challenges, expectations and commitments.

The Department has undertaken a number of measures to fight crime and to protect Canadians from victimization. With the development of new laws and the allocation of new funds, the Department of Public Safety, working with its Portfolio partners, has improved Canada's border security and strengthened the ability of law enforcement to pursue criminal organizations. As well, the Department worked with Justice Canada to develop legislative reforms aimed at toughening sentencing for crimes involving firearms by enhancing the mandatory minimum penalty provisions of the *Criminal Code*. We are continuing to work with provinces, territories and other partners to develop a National Strategy that will, among other things, strengthen the Government's response to marijuana and synthetic drugs, and help to ensure effective enforcement.

In addition, the Department is leading the development of a solid foundation for emergency management. Traditionally, emergency management in Canada has focused on preparedness and response. Within the past few years we have seen an increase in the frequency and severity of environmental and human-provoked disasters. This has prompted a comprehensive approach to enhancing Canada's emergency management

system across the full spectrum of mitigation, preparedness, response and recovery. The Department has enhanced its focus on risk mitigation and prevention strategies to support reductions in social, economic and environmental costs and damages.

An important measure in the Portfolio's approach to addressing national security concerns, and the government's response to terrorism and hate crimes, has been to engage Canada's citizens in a dialogue on these matters. Working with the Department of Justice, the Department of Public Safety, CBSA, CSIS, and the RCMP launched an on-going dialogue with the members of the Cross-Cultural Roundtable on Security, and with community groups across Canada. This dialogue has been both rich and productive in informing national security policy and helping strengthen the effectiveness of the Government's response.

I invite you to review the content of this report and, if you have inquiries, to consult the list of departmental contacts. You can also obtain more information on the Department's Internet site, at: www.psepc-sppcc.gc.ca

The Honourable Stockwell Day
Minister of Public Safety and Emergency Preparedness



Commissioner's Message

The achievements of Correctional Services Canada contained in this report are against commitments made prior to fiscal year 2005-06. While the information is accurate, this reporting period predates both my arrival as Commissioner, as well as the appointment of the Honourable Stockwell Day as our Minister of Public Safety in Canada's new government.

Since that time, the organization has refined its mission, and the Minister and I have agreed on five key priorities to better reflect our core contributions to what is, and must always be, the overarching priority for the Correctional Service, the protection of Canadians and their communities:

- Safe transition of offenders into the community
- Safety and security for staff and offenders in our institutions
- Enhanced capacities to provide effective interventions for First Nations, Métis and Inuit Offenders
- Improved capacities to address mental health needs of offenders
- Strengthening management practices

We have set results-based objectives in each of these areas, as outlined in our Report on Plans and Priorities (RPP) which was tabled in the House of Commons on September 26th, 2006. Our next Departmental Performance Report will report against these objectives.

I am confident we are now positioned to make real, measurable contributions to the Government's commitment to tackle crime, and we will continue to work with our many partners in public safety to achieve results.

Keith Coulter
Commissioner, Correctional Service of Canada

Management Representation Statement

I submit for tabling in Parliament, the 2005/2006 Departmental Performance Report for the Correctional Service of Canada.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2005/2006 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*.

1. It adheres to the specific reporting requirements outlined in the TBS guidelines;
2. It is based on the department's approved accountability structure as reflected in its Management Resources and Results Structure (MRRS);
3. It presents consistent, comprehensive, balanced and reliable information;
4. It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
5. It reports finances based on approved planned spending numbers from the Treasury Board Secretariat in the Report on Plans and Priorities.

Keith Coulter
Commissioner, Correctional Service of Canada

Statements of Attestation and Recommendation

I, Lynn Garrow, CSC Assistant Commissioner, Performance Assurance, attest that the 2005/2006 Departmental Performance Report meets the criteria 1, 2, 3 and 4 as indicated above, and recommend to the Commissioner that he certify same.

I, Louise Saint-Laurent, CSC Senior Financial Officer, attest that the 2005/2006 Departmental Performance Report meets the criteria 2, 3, 4, and 5 as indicated above, and recommend to the Commissioner that he certify same.

Lynn Garrow

Louise Saint-Laurent



1.1 Summary Information

Our Mandate

The purpose of the Correctional Service of Canada, as set out in the *Corrections and Conditional Release Act*, is to contribute to public safety by:

- Ensuring that the protection of the public is the paramount consideration in all decisions relating to the custody, treatment and release of offenders;
- Carrying out sentences imposed by the courts through the reasonable, safe, secure and humane custody and supervision of offenders with sentences of two years or more; and
- Assisting in the rehabilitation of offenders and their reintegration into the community as law-abiding citizens through the provision of programs in penitentiaries and communities.

Total Financial Resources for the Department (\$ millions)

Planned Spending	Total Authorities	Actual Spending
\$1,618.2	\$1,704.4	\$1,652.1

Total Human Resources for the Department (full-time equivalents)

Planned	Actual	Difference
14,663	14,638	25

Summary of Performance

Recognizing the interdependent nature of all its activities, CSC has one overarching Strategic Outcome that highlights its unique contribution to public safety, namely: *Offenders are safely and effectively accommodated and reintegrated into Canadian communities.*

Three Program Activities support this Strategic Outcome: i) Care and Custody; ii) Rehabilitation and Case Management; and iii) CORCAN.

CORCAN, a Special Operating Agency (SOA) of CSC, was included under the “Rehabilitation and Case Management” Program Activity in the 2005/06 Report on Plans and Priorities (RPP).¹ It has since been established as a separate Program Activity in CSC’s Program Activity Architecture (PAA)² for 2006/07, a change applicable to all SOAs across Government operating through a revolving fund.

¹ http://publiservice.tbs-sct.gc.ca/est-pre/20052006/CSC-SCC/CSC-SCCr56_e.asp

² The PAA identifies the strategic outcomes of an organization, and describes the activities supporting these outcomes and how the organization is structured to manage them. CSC’s PAA, with its single Strategic Outcome, is presented at the beginning of Section 2.

The following table presents CSC's priorities for 2005/06 under the two original Program Activities; the planned and actual spending for these priorities; and the performance status with respect to the Program Activities.

Program Activity and Expected Result	Performance Status	2005/2006 Priorities	Planned Spending (\$Millions)	Actual Spending (\$Millions)
Program Activity 1 Care and Custody Expected Result³ Reasonable, safe, secure and humane custody.	Successfully Met Expected Result	Ensure safety and security by modernizing facilities, equipment, personnel deployment and offender management strategies	38.2	35.4
		Ensure safety and security by developing capacity for intelligence gathering and analysis and contributing to interoperability	0.6	0.7
		Enhance health and well-being	1.9	0.9
		Optimize the continuum of mental health services	0 ⁴	0
		Reduce the risk of transmission of infectious diseases	17.3	17.2
Program Activity 2 Rehabilitation and Case Management (including CORCAN) ⁵ Expected Result⁶ Safe Reintegration to the community at the most opportune time consistent with the law.	Successfully Met Expected Result	Develop and implement targeted programs and case management strategies for higher risk offenders, women offenders and Aboriginal offenders	1.5	1.2
		Enhance case management and supervision strategies	11.0	11.0
		Enhance community capacity to support safe and timely reintegration	4.4	4.4
Total:			74.9	70.8

³ RPP 2005/06, p.13.

⁴ "0" indicates that no incremental funds were allocated.

⁵ CORCAN has since become a separate Program Activity.

⁶ RPP 2005/06, p.23.



1.2 Overall Departmental Performance

Operating Environment

The Correctional Service of Canada (CSC) is an agency of the portfolio of Public Safety. The portfolio also includes the Royal Canadian Mounted Police, the Canada Border Services Agency, the Canadian Security Intelligence Service, the National Parole Board, and three review bodies, including the Office of the Correctional Investigator.

The portfolio is designed to address a range of risks to the safety and security of Canadians – from crime affecting the lives of individuals, to natural disasters, to

What we do

- ❑ *Administer sentences of 2 years or more*
- ❑ *Prepare inmates for safe and timely release*
- ❑ *Supervise offenders on conditional release and Long-Term Supervision Orders (LTSO)*

terrorism and other threats to national security. This is achieved through a continuum of service delivery, from prevention to response; for example, emergency preparedness, crime prevention, border management, emergency response, law enforcement, corrections, and parole.

The legislative framework governing CSC is the *Corrections and Conditional Release Act* (CCRA). Other Acts, Regulations, policies, and international conventions that guide the delivery of CSC services include: the *Canadian Charter of Rights and Freedoms*, the *Canadian Human Rights Act*, the *Criminal Code*, the *Privacy and Access to Information Acts*, the *Transfer of Offenders Act* and the *United Nations Standard Minimum Rules for the Treatment of Prisoners*.

Scope of Operations

CSC is responsible for administering sentences of a term of two years or more, as imposed by the court. This is accomplished by managing institutions (penitentiaries) of various security levels and supervising offenders under conditional release in the community. CSC also provides post-sentence supervision of offenders with Long-Term Supervision Orders (LTSOs).

Federally Managed Facilities

58 institutions

16 community correctional centres

71 parole offices

On any given day, CSC manages approximately 21,000 offenders: 12,700 offenders in institutions⁷ and 8,400 offenders serving the remainder of their sentence under supervision in the community.⁸ In addition, CSC supervises approximately 120 LTSO offenders, an increase from 31 in 2002/03. Over the

⁷ The increase from 54 (RPP 2005/06) to 58 institutions is not the result of new institutions, but rather a clarification of the definition based on legislation; i.e., an institution refers to a facility that requires a warrant for admission.

⁸ Source: Corporate Reporting System (CRS), May 14, 2006.

course of a year, CSC manages a flow-through of 25,500 different offenders.⁹

CSC has a presence from coast to coast – from large urban centres with their increasingly diverse populations, to remote Inuit communities across the North. CSC manages institutions, treatment centres, Aboriginal healing lodges, community correctional centres and parole offices. It does this through managing five regional headquarters that provide administrative support and serve as the delivery arms of CSC’s programs and services. CSC also manages an addictions research centre, a correctional management learning centre, staff colleges, and a national headquarters.

In addition to federally operated facilities, CSC partners with non-government organizations that run approximately 200 community-based residential facilities across the country.¹⁰ Specialized correctional services and programs are also provided through a variety of Exchange of Service Agreements with provincial and territorial correctional and justice authorities.

CSC also partners with Aboriginal communities to provide custody and supervision of Aboriginal offenders through the establishment of healing lodges and in the development of release plans under Sections 81 and 84 of the CCRA.

CORCAN, a Special Operating Agency of CSC, provides work and employability skills training to offenders in institutions to enhance job readiness upon their release to communities. It also offers support services at 34 employment locations across Canada to assist offenders on conditional release in securing employment. CORCAN’s services are provided through partnership contracts internally (CSC and CORCAN) as well as externally.

WORKFORCE

- **Over 16,000 employees, of whom 86% work in institutions and communities.**

CSC employs approximately 16,000¹¹ staff across the country and strives to maintain a workforce that reflects Canadian society. Slightly more than 5% are from visible minority groups, approximately 4% are persons with disabilities, and approximately 7% are Aboriginal.¹² These rates are at or above the labour market availability¹³ of workers in these groups for the types of employment offered by CSC. Just under 45% of CSC’s staff are women.

Two occupational groups, for the most part exclusive to CSC, represent over half of all staff employed in operational units. The CX, or correctional officer group, comprise 40% of staff, while another 14% are WPs, that is, the group which includes parole and

⁹ Source: CRS, May 14, 2006.

¹⁰ In 2005/06, CSC paid approximately \$50.2 million for these residential services.

¹¹ This includes active full-time, part-time, term and casual employees, as well as those who may be absent at any given time (e.g., on disability or parental leave). Data as of March 31, 2006 (Source: Human Resources Management System).

¹² Based on employment equity data, as of March 31, 2006.

¹³ As per the latest available data from Statistics Canada (2001 Census Data).



program officers. The balance of CSC's workforce reflects the variety of skills required to operate institutions and community offices – from health professionals, to electricians, to food service staff, as well as staff providing corporate and administrative functions at the local, regional and national levels.

Correctional Approach

CSC uses research-based approaches across the full continuum of an offender's sentence. The following four key activities comprise CSC's correctional strategy:

- *A comprehensive intake assessment* to determine security risk and needs, as well as an initial placement to an institution at the appropriate security level. The assessment results in a multi-disciplinary correctional plan for treatment and intervention throughout the sentence. This assessment includes a review of information on the impact of offenders' crimes on victims, police reports, judges' comments on sentencing and other information, which provides a comprehensive picture of the individual.
- *Institutional accommodation and intervention* to address the individual's risk for re-offending. This includes the delivery of research-based programs to the individual. A broad range of programs, varying in intensity and subject matter, is available to address factors that led to criminal behaviour.
- *Risk re-assessment* at specific points throughout the sentence to assess an individual's progress against his or her correctional plan and recommend any changes to the plan. CSC obtains input from the community, including police and victims, where appropriate. Preparation for transition to the community includes notification to police of all releases from institutions. Victims, who have so requested, also receive notification at major milestones throughout the offender's sentence.
- *Community supervision* to provide community-based programs and interventions to address an individual's needs and risks and monitor progress. Community supervision may include a requirement to reside in a half-way house or other community correctional centre. The National Parole Board may impose various special conditions that restrict what the offender may do (e.g., abstain from alcohol) or where he or she may go. The Parole Officer maintains regular contact with the offender, as well as with police, employers, social workers, relatives and other people who are involved with the offender, in order to monitor and assess the offender's progress in reintegrating in the community.

Partnerships

As one component of the larger criminal justice system, CSC works closely with other agencies in the Public Safety portfolio, as well as other federal organizations, such as the Department of Justice, the Department of Indian and Northern Affairs, the Department of Citizenship and Immigration, Health Canada, the Public Health Agency of Canada and the Canadian Human Rights Commission.

Citizen groups, such as Citizen Advisory Committees (attached to each institution and parole office), the Health Care Advisory Committee, the Interfaith Committee, the National and the Regional Ethnocultural Advisory Committees, provide advice and act as a link between citizens and CSC. Specifically for Aboriginal issues, national and regional Aboriginal Advisory Committees and the National Elders Working Group provide advice on the development and implementation of Aboriginal Initiatives, guidance on policy around Aboriginal culture and spirituality, and act as a link to Aboriginal communities. As well, approximately 8,100 volunteers contribute their time by providing essential support.¹⁴

In addition, CSC supports various community partners, through its contributions program, to build capacity and further regional initiatives. In 2005/06, CSC provided 34 contributions (excluding the Aboriginal Contribution Program) for a total of \$1.01 million in funding. CSC also has contractual partnerships with community groups to provide halfway houses, community supervision and programs to offenders.

The Strategic Context: Internal and External Factors

The profile of the offender population has become much more diverse and complex.¹⁵ It is characterized by more offenders with extensive histories of violence and violent crimes, previous youth and adult convictions, affiliations with gangs and organized crime, serious substance abuse histories and problems, increased representation of First Nation, Metis and Inuit ancestries, and serious mental health disorders.

This more complex offender profile requires more multi-faceted, integrated interventions. The increase in offenders receiving short sentences of less than three years further adds to the challenge to prepare them for safe release, as there is less time to benefit from programming.

The majority of offenders will eventually return to the community. Many communities, with which CSC has always worked to assist in the reintegration of offenders, have a more difficult time managing the complex offender needs in times of diminishing resources. Responding to these changes in innovative ways is particularly difficult given that most of CSC's resources are used for non-discretionary costs, leaving limited

¹⁴ Source: Human Resources Management System, March 31, 2006.

¹⁵ Motiuk, L. *The Changing Federal Offender Population—Meeting the Challenge*. (Canadian Criminal Justice Association, 2004 Justice Report, Vol. 19, no. 3).



flexibility for policy and program changes or investments that could yield longer-term results.

The Link to “Whole-of-Government Framework”¹⁶

The whole-of-government framework groups all departments’ Strategic Outcomes and Program Activities into 13 long-term benefits to Canadians—referred to as “Government of Canada Outcomes”—in three broad sectors: Social, economic, and international.

Through two Program Activities—*Care and Custody*, and *Rehabilitation and Case Management*—CSC contributes directly and indirectly to the social affairs sector, under the Government of Canada Outcome, “Safe and Secure Communities”.

Government of Canada Outcome	CSC’s Direct Contribution	CSC’s Indirect Contribution
Canada’s Social Affairs <i>Safe and Secure Communities</i>	<ul style="list-style-type: none"> • Decreased levels of crime and victimization by offenders through the delivery of programs and services that reduce recidivism. • Enhanced community capacity to deliver programs and services that meet the needs of at-risk populations, through partnerships and formal arrangements with the voluntary sector. • Enhanced intelligence gathering and information-sharing capacity, both internally and with criminal justice partners, has allowed for a more cooperative response to ensuring security and safety in institutions and communities. 	Maintain safe and secure communities. Reduced social costs of crime.

CSC’s third Program Activity, CORCAN (included under *Rehabilitation and Case Management* in 2005-06), contributes primarily to the economic sector, under the Government of Canada Outcome, “Income Security and Employment for Canadians”.

¹⁶ The Whole-of-Government Framework is used for whole-of-government reporting, as reflected in documents such as the annual *Canada’s Performance* reports: http://publiservice.tbs-sct.gc.ca/report/govrev/06/cp-rc_e.pdf.

Government of Canada Outcome	CSC's Direct Contribution	CSC's Indirect Contribution
Canada's Economic Affairs <i>Income Security and Employment for Canadians</i>	<ul style="list-style-type: none"> Provision of work opportunities and employability skills to offenders, through work and training in institutions and support in finding employment when released to the community. 	A larger, more productive Canadian workforce.

In addition, CSC contributes to the Government's cross-cutting theme on Aboriginal peoples, in the following way:

Directly	Indirectly
<ul style="list-style-type: none"> Aboriginal community capacity development and engagement in the development and delivery of correctional services for Aboriginal offenders. Improved health status of Aboriginal offenders. Culturally-appropriate accommodation options for safe transition to communities. Enhanced participation in education programs. Development of employment and employability skills. 	Improved life chances for individual Aboriginal offenders. Healthier and more economically viable Aboriginal communities. Enhanced Aboriginal relationship with the Government of Canada.

CSC contributes in an important, but more indirect way, to other Government of Canada Outcomes, notably, "Healthy Canadians with Access to Quality Health Care", via infectious diseases surveillance and control within federal institutions; provision of harm reduction programs that reduce the impact of high-risk behaviour; and interdiction procedures that reduce the amount of illicit drugs getting into institutions.



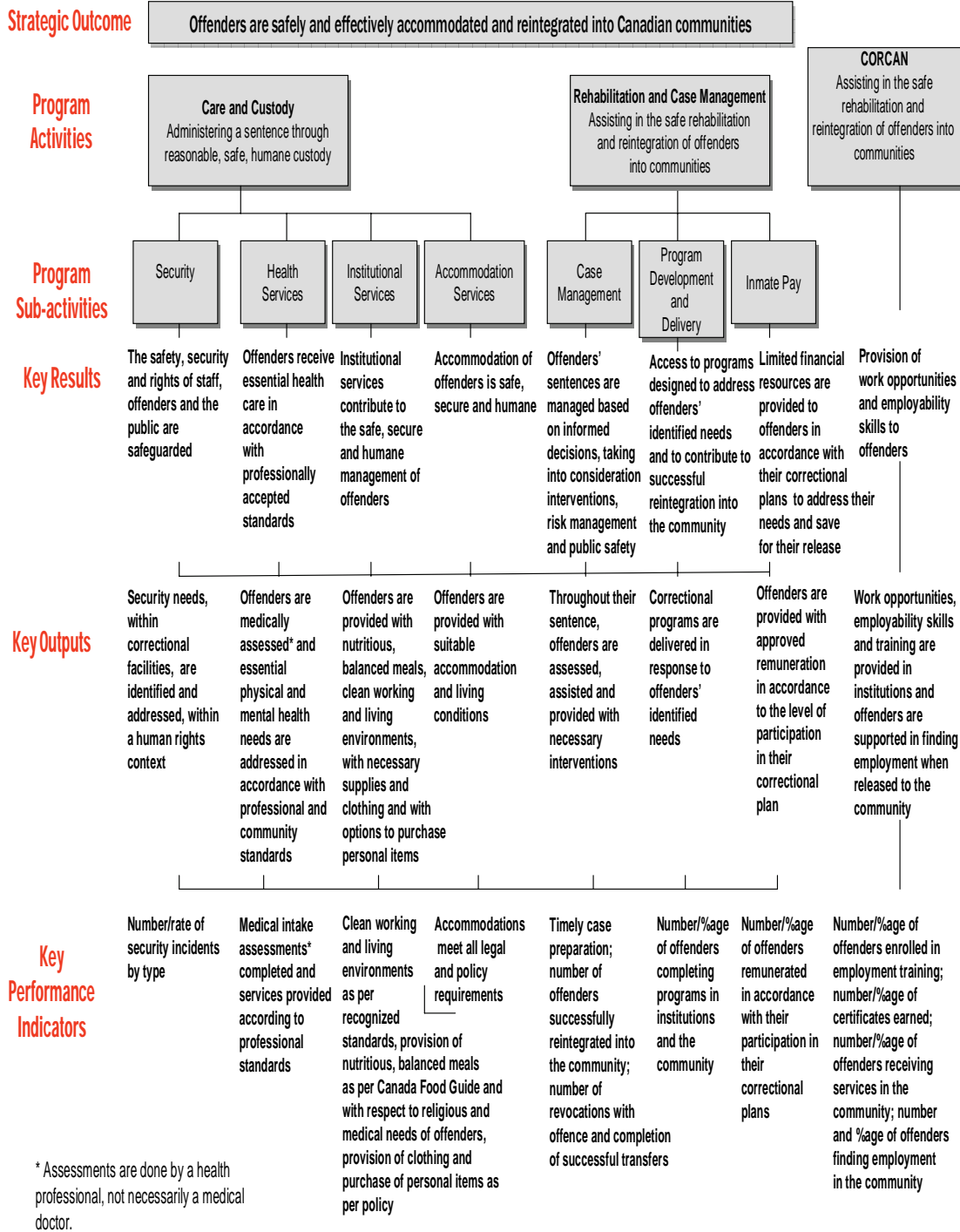
SECTION 2 ANALYSIS OF PROGRAM ACTIVITIES

The Strategic Outcome for the Correctional Service of Canada (CSC) is that “*Offenders are safely and effectively accommodated and reintegrated into Canadian communities*”. As described in the RPP 2005/06, this Strategic Outcome is to be achieved through two Program Activities: i) Care and Custody; and ii) Rehabilitation and Case Management.

Since the RPP 2005/06 was tabled, CORCAN, previously included under *Rehabilitation and Case Management* Program Activity, is now a Program Activity.

CSC’s current Program Activity Architecture (PAA) is depicted in the following chart. It presents the Strategic Outcome, the three Program Activities, their respective Sub-Activities, and, for each Sub-Activity, outlines the key results, outputs and performance indicators.

PROGRAM ACTIVITY ARCHITECTURE (PAA)





This section will examine each Program Activity in detail with respect to results expected and results achieved. Under each Program Activity, the plans and priorities from the RPP 2005/06 are presented at the sub-activity level. Note that, as per the RPP 2005/06, a priority may be associated with more than one sub-activity.

2.1 Care and Custody Program Activity

Description of Program Activity: Administering a sentence through reasonable, safe and humane custody.

As CSC institutions are, by necessity, isolated from society, CSC provides much of the day-to-day needs for offenders in custody. The *Care and Custody* Program Activity includes a wide range of activities that address health and safety issues, including providing basics such as food, clothing and mental and physical health care. It also includes security within institutions as well as in the community, including secure facilities, drug interdiction, and appropriate control practices to prevent incidents.

The *Care and Custody* Program Activity is comprised of the following key sub-activities: Security, Health Services, Institutional Services, and Accommodation Services.

Expected Result:¹⁷ Reasonable, safe, secure and humane custody.

For fiscal year 2005/2006, the priorities associated with the *Care and Custody* Program Activity were:

- Ensure safety and security by modernizing facilities, equipment, personnel deployment and offender management strategies;
- Ensure safety and security by developing capacity for intelligence gathering and analysis and contributing to interoperability;
- Enhance health and well-being;
- Optimize the continuum of mental health services; and
- Reduce the risk of transmission of infectious diseases.

The total planned and actual spending, and human resource allocations, related to this Program Activity were:

¹⁷ As per the RPP 2005/06.

*Care and Custody:***2005/06 Total Financial Resources for the Department (\$ millions)**

Planned Spending	Authorities	Actual Spending
\$1,170.7	\$1,216.9	\$1,197.4

2005/06 Total Human Resources for the Department (full-time equivalents)

Planned	Actual	Difference
10,530	10,337	193

2.1.1 Security Sub-Activity

Ensuring public safety while protecting the rights of all Canadians is fundamental to CSC's mandate.

Planned Spending for 2005/06: \$565.2 million

Actual Spending for 2005/06: \$604.1 million

Expected Result: The safety, security and rights of staff, offenders and the public are safeguarded.

Priority

Ensure safety and security by modernizing facilities, equipment, personnel deployment and offender management strategies.

Specific plan(s):

- *Co-develop, with stakeholders, approaches related to health and safety.*

CSC is concerned with staff health and safety. Discussion with unions are ongoing through CSC's health and safety committees at the local, regional and national levels, to co-develop approaches to health and safety issues. A National Advisory Committee on Staff Safety, a subcommittee of Occupational Safety and Health, meets three times a year to discuss innovative ways to enhance the safety of staff in the community via new technology and training, and to recommend policy changes.

Recent initiatives include protective vests for certain Correctional Officer posts; testing of new protective gloves; and safety training for staff engaged in community supervision.

- *Complete and implement a security personnel deployment strategy.*



For the last 20 years, CSC's institutions have been organized on a Unit basis, with staff assigned to rotate between posts within the Units, and to work with a relatively consistent group of offenders.

The inmate population has changed, and we have learned which intervention approaches are most effective within scarce resources. This has led CSC to explore modifications to both the management and deployment strategies for our institutions.

While building on the primary principles of unit management, the new management structure and frontline deployment standards are intended to achieve improved national consistency in our operations, better resource management, and enhanced safety for staff, offenders, and the public.

The new organizational models for CSC correctional operations and interventions were approved in March 2006, allowing for the development of a detailed implementation strategy and evaluation plan that will be presented to CSC's Executive Committee in October 2006. If approved, implementation is expected to be completed by March 2008.

- *Implement a revised gang management strategy.*

In the context of a growing gang problem in Canadian society, CSC approved a concept for a gang management strategy in January 2006. The Research Branch completed a background document on the relevant theory and research concerning gang activity.¹⁸ This document is being used to develop an operational strategy, along with a proposal for resources, to manage the impacts of gangs within institutions and discourage gang membership and activity. The operational strategy is expected to be completed by the end of 2006/07.

- *Ensure effective strategies to prevent the entry of contraband into institutions.*

Eliminating drugs and alcohol within institutions is key to resolving a host of critical issues for CSC. Substances contribute to violent behaviour and interfere with learning in correctional programs. They contribute to the spread of infectious disease and involve other contraband (for example, needles) that put staff at risk when conducting searches. They contribute to poor physical and mental health and also to the risk of injury or self-harm. They damage family relationships and encourage organized criminal activity.

As part of its effort to keep drugs out of institutions, CSC seized the following contraband substances in 2005/06:¹⁹ 5,179 assorted pills, 226 grams of amphetamines,

¹⁸ *Street Gangs: A Review of Theory, Interventions, and Implications for Corrections.* (http://www.csc-scc.gc.ca/text/rsrch/reports/r161/r161_e.pdf)

¹⁹ Source: Offender Management System (OMS), April 9, 2006.

313 grams of cocaine, 8,155 grams of THC, a further 623 THC items, 762 grams of opiates, 6,267 litres of alcohol/beer and 1,851 items of drug paraphernalia.

As indicated by the *three-year moving average* in the following table, urinalysis results have improved somewhat. However, inmates continue to find ways to obtain and use contraband substances, while CSC continues to intensify its efforts to reduce inmate access to them.

RANDOM URINALYSIS RESULTS²⁰

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Total number of tests	6,845	6,905	6,862	6,681	6,874	7,437
Positive	860	721	771	767	739	767
Refused	932	991	932	836	806	894
% of positive or refused	26.2%	24.8%	24.8%	24.0%	22.5%	22.3%
Three-year moving average ²¹			25.3%	24.5%	23.8%	22.9%

CSC: Corporate Reporting System, May 14, 2006.

Priority

Ensure safety and security by developing capacity for intelligence gathering and analysis and contributing to interoperability.

Specific plan(s):

- *Implement the National Security Intelligence model.*

With the increased threat from gangs, organized crime and terrorism, CSC faces the challenge of safeguarding information while honouring the public's access-to information rights. Intelligence information is not always apparent, and it is possible for requests for information to seem innocuous when, in fact, the information can be maliciously used by organized criminal groups or terrorists. Protocols have been established within CSC's Access to Information and Privacy Branch to provide for the timely review and secure handling of information that has links to sensitive security decisions and investigations. The volume and sensitivity of this information places new demands on CSC staff and calls for new relationships with Intelligence partners.

In accordance with the National Security Intelligence model, CSC continues to work with its partners in the Public Safety portfolio to improve data collection, analysis and information-sharing. CSC has signed a Memorandum of Understanding with the Passport Office, enhanced the role of Security Intelligence Officers, and added "I-2" computer

²⁰ Offenders that refuse to provide a sample are considered to have tested positive.

²¹ A three-year moving average is expected to provide a more robust indicator of the long-term trend.



software to its secure network, a product which enables intelligence analysts to identify patterns of behaviour and critical links between individual people or pieces of information.

Key Performance and Other Indicators

Key Indicators: Number/rate of security incidents

Major Institutional Incidents

Enhancing safety and security for staff and offenders in institutions is one of four operational priorities for CSC over the next few years.²² CSC is committed to reducing institutional violence of all forms, in order to create an environment that is safe for everyone, and establish the right conditions for maximizing correctional results.

Following two years of a declining rate in major security incidents, the rate per 100 offenders has risen again, and is anticipated to keep rising due to the changing offender population. If we continue to operate within our current resource levels, our efforts to reduce the rate of major institutional incidents (such as reorganizing our security structure, eliminating drugs, and improving staff training) will likely result in minimal, if any, improvement.

MAJOR SECURITY INCIDENTS IN INSTITUTIONS²³

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Major security incidents	79	66	85	78	53	68
Incarcerated population	18,704	18,575	18,579	18,525	18,621	18,988
Rate per 100 incarcerated offenders	0.42	0.36	0.46	0.42	0.28	0.36
Three-year moving average			0.41	0.41	0.39	0.35

Source: Corporate Reporting System/Security Branch, March 31, 2006.

On a typical day, CSC must deal, on average, with two assaults on staff or inmates. While there has been slight improvement over the last few years, the rate of assaults has risen in 2005-06 and remains a major preoccupation. Many of these assaults on staff and inmates result in injuries.

²² RPP 2006/07.

²³ The rate is calculated using as the denominator the flow-through population of offenders incarcerated. Escapes are not included. Incidents must include a serious injury (see definition in footnote on next page). This does not apply in the case of hostage takings/forcible confinements and major disturbances. Note that this table includes major assaults on staff and inmates (involving serious injury) that are included in separate tables below.

ASSAULTS* ON STAFF AND INMATES

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
# of assaults on staff	463	508	465	367	293	376
# of assaults on offenders	542	510	540	468	463	557
Total	1,005	1,018	1,005	835	756	933
Rate per 100 offenders incarcerated	5.4	5.5	5.4	4.5	4.1	4.9
Three-year moving average			5.4	5.1	4.7	4.5

*Data includes "Commit", "Attempt to Commit", "Threaten to Commit", "Suspected of Committing", "Conspire to Commit", and so on.

Source: Security Branch, CJIL, July 9, 2006.

STAFF AND OFFENDERS INJURED* DURING ASSAULTS

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
# of STAFF injured:						
MAJOR injury	3	2	0	0	1	6
MINOR injury	99	89	90	86	62	85
TOTAL	102	91	90	86	63	91
NO physical injury	200	240	202	158	144	152
# of INMATES injured:						
MAJOR injury	50	31	50	44	31	39
MINOR injury	371	361	357	322	322	359
TOTAL	421	392	407	366	353	398
NO physical injury	112	99	106	85	92	124
Grand-Total (WITH/WITHOUT injury)	835	822	805	695	651	764
Rate per 100 incarcerated inmates		4.4	4.3	3.8	3.5	4.0
Three-year moving average			4.4	4.2	3.9	3.8

* Data includes "Minor", "Major", and "No [physical] Injuries"

Source: Corporate Reporting System/Security Branch, July 9, 2006.

The above tables tell only one part of the story. Front-line staff have identified the climate in institutions to be changing, with assaultive behaviour becoming more pronounced and with more incidents of behaviour that is problematic but short of actual assaults.



Increases in instances of bodily fluids and waste being thrown on officers and verbal assaults such as threats to harm family members, are only recently being fully appreciated for their impact. Previously, these attacks were fewer and may have been taken as an occasional “part of the job”. However, they are now better understood as potential precursors to physical violence, indicative of an ingrained lack of respect for others, and are understood as having lasting and significant impact on staff’s and offenders’ sense of safety and security, and even on their physical health.

CSC is committed to furthering its understanding of the dynamics of aggressive behaviour in institutions, and implementing effective measures to address it. We continue to consult with our unions on ways to reduce assaults and injury to staff, including enhancing protective equipment for staff and providing specialized training for correctional officers and other staff who deal with violent inmates. Areas of focus include enhancing security and self-defence awareness around inmate movement; increasing awareness of violent tendencies of specific offenders; and applying more effective communication techniques in interacting with violent offenders.

Community Incidents

Community incidents have been declining. 2005/06 saw the lowest number in the past few years.

Community Incidents (Offenders Charged)

	2001-02	2002-03	2003-04	2004-05	2005-06
Total	213	238	235	208	200
Murder	10	9	4	12*	7
Attempted Murder	10	5	8	4	2
Sexual Assault	10	21	14	15	15
Major Assault	65	72	61	59	42
Hostage Takings	1	0	1	2	0
Unlawful Confinement	0	4	4	1	3
Armed Robbery	98	98	124	94	112
Other	19	29	19	21	19

Source: Corporate Reporting System (May 31, 2006)

** Includes the murder of a CSC staff member*

The decline in the number of incidents in the community reflects the increased efforts by community staff to take preventive actions in the supervision of offenders, whether it is earlier intervention, more intensive supervision, greater use of community partnerships, or the use of suspension to prevent a breach of release conditions. (As the table below indicates, suspension warrants have increased in 2005/06.)

Suspension Warrants

	2001-02	2002-03	2003-04	2004-05	2005-06
# Supervised Federal Offenders (snapshot)	8,567	8,372	8,340	8,219	8,365
# Suspension Warrants issued	6,970	7,050	6,996	7,490	7,554
# Suspension Warrants executed	3,623	3,819	3,739	4,124	4,170
Percentage of Suspension Warrants executed	52%	54%	53%	55%	55%
# Suspension Warrants withdrawn/cancelled/expired	3,332	3,216	3,236	3,323	3,096
Percentage withdrawn/cancelled/expired	48%	46%	46%	44%	41%
# Percentage Warrants outstanding	15	15	21	43	288
Percentage outstanding	<1%	<1%	<1%	1%	4%

Source: CSC Offender Management System, April 9, 2006

This more challenging offender population requires more concerted effort on the part of staff, not only because of offenders' greater needs and limitations, but also because an increasing number are being released into the community later in their sentence, on statutory release, with reduced motivation to comply with their release conditions.

2.1.2 Accommodation Services Sub-Activity

CSC manages offenders' sentences through reasonable, safe and humane custody. This includes the provision of safe, secure and humane accommodations.

Planned Spending for 2005/06: \$368.7 million

Actual Spending for 2005/06: \$344.3 million

Expected Result: Accommodation of offenders is safe, secure and humane.

Priority

Ensure safety and security by modernizing facilities, equipment, personnel deployment and offender management strategies.

Specific plan(s):

- *Develop a long-range accommodation and capital plan to better meet the needs of the changing offender population, including Aboriginal offenders, in conjunction with the provinces and territories.*

During 2005/06, CSC developed a Long Range Accommodation Strategy (LRAS) through extensive regional consultations, which included discussions with provinces and territories. This LRAS is aimed at identifying accommodation measures that will assist in meeting CSC's priorities and challenges, including addressing the various implications of



a changing offender profile and the needs of Aboriginal offenders. The LRAS will form the basis for CSC's Accommodation and Capital Plans, which will be included in CSC's 2007/08 National Capital, Accommodation and Operational Plan.

- *Implement physical enhancements to maximum security institutions and introduce new standards for maximum security housing.*

The majority of the physical enhancements identified in the review of maximum security institutions have been completed, including the installation of range cameras, various unit-based yards, expansions to select vehicle sallyports and a number of layout and building component changes/upgrades.

A new standard housing unit was developed and approved for maximum security institutions. The first two applications are currently underway at Saskatchewan Penitentiary (construction) and Kent Institution (tender). Both projects are expected to be completed by spring 2008.

- *Complete a review of technical and facilities management practices.*

A review of the management practices of Technical Services and Facilities was completed. The review examined management practices and structure of activities at the institutions and at regional/national headquarters, and identified alternative approaches that have potential for improved efficiency and effectiveness. The feasibility of having a highly centralized structure was recognized. The review determined that there was some potential for improvements in the long-term; however the impact of transitioning to a highly centralized structure, in terms of cost and potential operational disruption, would be significant compared to the efficiencies to be gained. It was consequently decided to continue with the current organizational and operational structure for Technical Services and Facilities activities.

Priority

Enhance health and well being

Specific plan(s):

- *Implement CSC's Sustainable Development Strategy.*

Table 19 in Section 3.2 outlines CSC's Sustainable Development Strategy, and results achieved. In an effort to raise awareness of environmental impact of CSC's activities, for the past five years every edition of CSC's publication, *Let's Talk*, has included an article on environmental issues.

Key Performance and Other Indicators

Key Indicators: Accommodation meets all legal and policy requirements

Special needs offenders and availability of appropriate cells:

An internal audit was conducted in 2005/06 on accommodating offenders with disabilities.²⁴ The audit found that CSC is compliant with a number of requirements related to accommodating offenders with *physical* disabilities. In terms of assessment of, and correctional interventions for, offenders with *mental* disabilities, the audit recommended that options be explored which would allow the continuation of assessments and provision of specialized strategies for offenders with Learning Disabilities.

The audit found that all cells/rooms in CSC facilities that are required to be wheelchair accessible (based on 1% of rated capacity) are in fact so. CSC has developed action plans to address the deficiencies identified in the audit. These will be completed by April 2007.

Compliance with occupational safety and health, fire safety, and facilities management standards:

➤ Community Staff Safety

In response to the tragic death of a Parole Officer in 2005, CSC's Community Reintegration Branch has been leading a staff safety committee (a sub-committee under Occupational Safety and Health) composed of union as well as national and regional staff representatives. Based on the recommendations of this committee, CSC has implemented changes to the procedures used by staff when interviewing offenders in the community, particularly in the offender's home or in remote locations.

The Committee continues to explore other ways to promote safe working conditions in community supervision.

➤ Fire Safety

In 2005/06, CSC undertook an internal audit²⁵ of fire safety activities in order to determine the level of compliance and identify areas for improvement. Action plans are being developed to address recommendations for improvement. In addition, CSC facilities are inspected periodically by external agencies, such as Labour Canada, and deficiencies are addressed as expeditiously as possible.

²⁴ Audit report is available at: www.csc-ccc.gc.ca/text/pblct/pa/toc_e.shtml

²⁵ Audit report is available at: www.csc-ccc.gc.ca/text/pblct/pa/toc_e.shtml



➤ Facilities Management Standards

CSC operates its facilities in accordance with applicable facilities management standards. Its Maintenance Management System (MMS) is in use across the organization. In 2005/06, measures were initiated to enhance and expand the use of the MMS and additional training was provided to staff. Some critical aspects of facilities management, such as Fall Protection and Confined Space Safety, were examined during an internal audit²⁶ and action plans are being developed to improve CSC's performance in these areas.

➤ Offender Accommodations

CSC is required to provide reasonable and humane accommodation for inmates. One offender per cell is the standard set out in the *United Nations Standard Minimum Rules for the Treatment of Prisoners*.²⁷ At times, as a result of constant population management demands, two offenders will be housed in cells intended for one (i.e., double-bunking). The percentage of offenders being double-bunked in CSC facilities has been decreasing over the years. In the case of women offenders, CSC has been able to manage its flow-through population in 2005/06 without the need to double-bunk.

Inmates double-bunked²⁸

	2001/02	2002/03	2003/04	2004/05	2005/06
% Inmates sharing Cells Designed for One Inmate	10%	11%	7%	8%	8%

Source: CSC Offender Management System, April 14, 2002, April 13, 2003, April 11, 2004, April 10, 2005 and April 9, 2006.

Women Inmates double-bunked

	2001/02	2002/03	2003/04	2004/05	2005/06
% Inmates sharing Cells Designed for One Inmate	4%	4%	4%	6%	0%

Source: CSC Offender Management System, April 14, 2002, April 13, 2003, April 11, 2004, April 10, 2005 and April 9, 2006.

²⁶ Part of audit on Occupational Health and Safety Program. www.csc-scc.gc.ca/text/pblct/pa/toc_e.shtml

²⁷ See http://www.unhcr.ch/html/menu3/b/h_comp34.htm

²⁸ These figures represent the number of incarcerated offenders (men and women), with active cell assignments, who share a cell designed for only one offender, as a percentage of the number of active cell assignments on the last day of each time period presented.

2.1.3 Health Care Services Sub-Activity

The CCRA requires that CSC provide every inmate with essential health care and with reasonable access to non-essential mental health care in accordance with community standards. This assists them in participating in correctional programs that will contribute to their reintegration and to public health and safety.

Planned Spending for 2005/06: \$128.8 million

Actual Spending for 2005/06: \$147.6 million

Expected Result: Offenders receive essential health care in accordance with professionally accepted standards.

Priority

Enhance health and well being.

Specific plan(s):

- *Implement approaches to reduce exposure to second-hand smoke in institutions.*²⁹

On January 31, 2006, CSC's policy on Exposure to Second-Hand Smoke came into effect, permitting smoking only in designated outdoor areas. This decision took into account the advice and concerns raised by numerous stakeholder groups during consultations held in 2004 and 2005.

Given the uniqueness of each facility, institutional implementation plans were developed describing how the policy applies to the public, staff and inmates. CSC also introduced a smoking cessation strategy that included providing offenders with pharmaceutical aids and nicotine replacement products, for a three-month period, to help reduce the urge to smoke. These cessation aids are in line with those available to all Canadians.

To gauge the feasibility of the non-smoking policy, a measurement strategy was developed, which includes analysis of security incidents and offence reports related to the policy, as well as inmate grievances.

- *Develop a continuous quality improvement framework for all CSC health centres as part of the requirements for formal health services accreditation.*

²⁹ This plan is associated with three sub-activities: Accommodation Services, Security and Health Services (RPP p.18).



As part of its commitment to providing quality health services, CSC has secured the assistance of the Canadian Council on Health Services Accreditation to assess level of compliance with community standard health service delivery and recommend areas for improvement.

During 2005/06, many sites have had an accreditation survey. Some of these resulted in non-accreditation and corrective actions are being examined; others were “accredited with conditions”; and others had an “education” survey, which helps the institutions learn about the accreditation process and prepare them for the actual accreditation survey at a later date.

Results of accreditation surveys are integrated into a continuous quality assurance process for health services.

- *Develop and implement an automated health information system.*

In an effort to move away from paper-based systems for recording health information, significant work was done in 2005/06 on developing an integrated, automated system that protects sensitive health information. The key positions for the project were staffed. Key business/functional requirements were documented and the work flows of key clinical activities were completed and approved.

Priority

Optimize the continuum of mental health services.

Mental health problems are up to three times more common in correctional institutions than among the general Canadian population, and the number of offenders with mental health disorders has been increasing. More than one out of ten men offenders and one out of four women offenders have been identified at admission as having mental health problems.³⁰ Improving our capacity to address the mental health needs of offenders is a priority for CSC in the coming years.

Specific plan(s):

- *Further develop the continuum of care for offenders with mental health disorders in collaboration with health partners.*

Two new components have been added to CSC’s mental health strategy. There are now six components:

³⁰ Source: CSC Climate Indicator Profile System.

1. Implement clinical screening and assessment process at intake
2. Provide primary mental health care in all CSC institutions (*New*)
3. Create intermediate mental health care units in selected men's institutions
4. Ensure consistent standards and approach in CSC Mental Health treatment centres
5. Provide coordination and leadership in delivery and development of mental health services (*New*)
6. Implement Community Mental Health Initiative.

Only the Community Mental Health Initiative has been funded. Significant new resources are required to implement the other components.

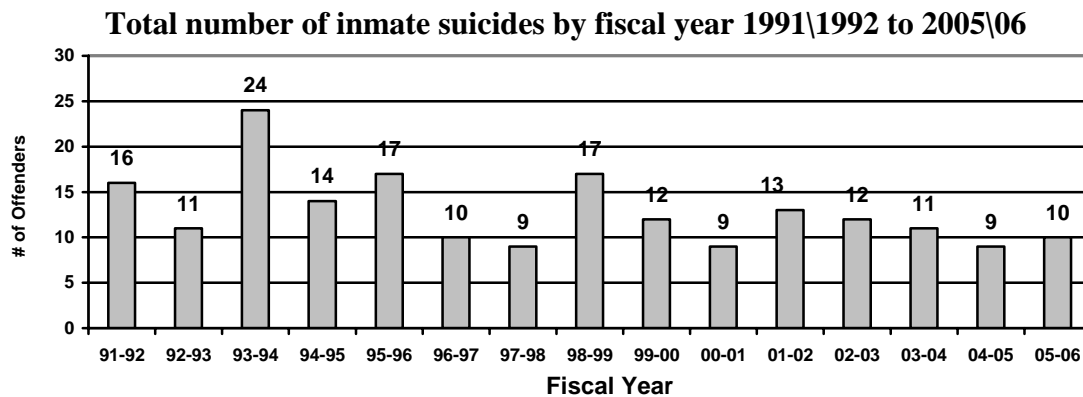
CSC has also made presentations to provincial criminal justice and health organizations and non-governmental organizations to determine areas of collaboration. In addition, a key part of the Community Mental Health Initiative involves the development of partnerships and collaborations to better serve the needs of offenders with mental disorders.

A significant concern in the area of mental health is suicide. Predicting inmate suicide is difficult, in part because inmate suicide, while more frequent than in the general Canadian society (given the higher-needs offender population), is a relatively infrequent occurrence. CSC's approach to addressing suicide and self-injury is multi-faceted, and encompasses prevention, intervention, and analysis of suicides in order to determine their cause.

The following graph shows the trend in the rate of suicide over the last fifteen years.³¹ There were 10 inmate suicides in 2005/06. All were men. One inmate was Aboriginal and nine were non-Aboriginal.³² All suicides are investigated by a national investigations team, including a psychologist.

³¹ Corporate Reporting System, April 9, 2006.

³² Corporate Reporting System, April 9, 2006.



Source: Corporate Reporting System, April 10, 2006

- *Research and develop a strategy with partners for identifying and addressing behaviours associated with Foetal Alcohol Spectrum Disorders (FASD).*

The number of federal offenders who are affected by FASD is not known and reliable estimates are not yet available. Given that FASD is a lifelong disability, there is a need for a continuum of care and high level intervention throughout the sentence and post-warrant expiry.

CSC's Addictions Research Centre initiated a study to determine the number of offenders affected by FASD admitted to one of its institutions.³³ The study took nearly two years to develop because of complex ethical and methodological issues, and data collection began in April 2005. Data collection is expected to be completed in the fall of 2006.

Having an estimate of the number of offenders admitted who are affected by FASD will assist CSC in putting in place effective interventions for these offenders. The study should also provide information for developing a screening tool that would assist CSC in identifying offenders who should undergo a full assessment for FASD.

Other initiatives CSC is pursuing include: Establishing contracts with Community Residential Facilities, such as Genesis House in British Columbia, to provide specialized services to offenders with FASD; providing input to Health Canada in the development of a horizontal initiative on FASD; and determining the degree of staff awareness of the needs of offenders with FASD.

³³ See DPR 2004/05, Section 2.1.2.

Priority

Reduce the risk of transmission of infectious diseases.

Specific plan(s):

- *Work with federal and regional health sectors to develop an integrated strategy to reduce the transmission of infectious diseases.*

Collaborative work on addressing infectious diseases in the inmate population is continuing with semi-annual formal meetings of the Federal/Provincial/Territorial Heads of Corrections Working Group on Health, as well as informal sharing of information and best practices. In 2005/06, preparation for a possible pandemic influenza has been a significant area of attention. The issue has also brought CSC to the table with other federal departments. Notably, CSC Health Services is a member of the Public Health and Emergency Management Working Group, which reports to the Deputy Ministers' Steering Committee on Pandemic Influenza Planning. CSC Health Services, regionally and locally, are engaged with public health units as well.

In partnership with the Public Health Agency of Canada (PHAC), CSC's Surveillance Program continues its data collection on infectious diseases, including recent enhancements with respect to sexually transmitted infections. As well, work continues on technical revisions to treatment protocols for viral hepatitis and for tuberculosis prevention and control, with publication of the revised protocols slated for the fall of 2006. An updated infectious diseases report for 2002/04, will be published as well in the fall of 2006. A tri-yearly newsletter, Focus on Infectious Diseases, has been shared widely.

CSC is a partner in a federal initiative, led by PHAC, to address HIV/AIDS in Canada, and is represented on the Interdepartmental Assistant Deputy Minister Committee on HIV/AIDS.

In an effort to stem the harm caused by illicit inmate behaviour, and reduce the costly burden of infection, CSC has examined initiatives that might mitigate the spread of HIV/AIDS within its institutions.

- *Develop and implement an Aboriginal infectious diseases strategy.*

In 2005/06, CSC Health Services made a concerted effort to implement and maintain the Circles of Knowledge Keepers, an Aboriginal-specific peer counselling program, in as many sites as possible. As well, with funding provided through the Federal Initiative to address HIV/AIDS in Canada, CSC anchored Aboriginal-directed program support coordination in two regions (Pacific and Prairies) which have the highest concentrations of Aboriginal offenders. Consultations on a draft strategic framework to address



infectious diseases in the Aboriginal offender population continued wherever opportunities, both formal and informal, presented themselves.

Key Performance and Other Indicators

Key Indicators: Health intake assessments completed and services provided according to professional standards.

The prevalence of HIV and Hepatitis C virus (HCV) among new admissions can be estimated by adding the number of new admissions already known to be positive and the number of new admissions who are diagnosed for the first time with HIV or HCV.

For HIV, the prevalence among new admissions between 2000 and 2005 ranged between 2.97% and 3.70%. In 2005, the rate was 3.20%. For HCV, the prevalence among new admissions ranged between 23.1% and 30.1%. In 2005, the prevalence of HCV among new admissions to CSC was 29.1%.

The overall prevalence of HIV or HCV is estimated by dividing the number of inmates with HIV or HCV at calendar year-end (December 31) by the institutional population at that time.

For HIV, the year-end prevalence estimate between 2000 and 2005 ranged from 1.70% to 2.04%. In 2005, the year-end HIV prevalence rate was 1.66%. HIV prevalence is higher among women, at 3.59% in 2005.

For HCV, the year-end prevalence estimate between 2000 and 2005 ranged from 20.1% to 29.1%. In 2005, the year-end HCV prevalence rate was 29.1%. HCV prevalence is higher among women, at 50.0% in 2005.

HIV Frequency and Prevalence Rate Among New Admissions to Canadian Federal Penitentiaries 2000-2005

	2000	2001	2002	2003	2004	2005
Population	4,302	4,288	4,159	4,238	4,413	4,159
Number of Reported HIV Infections (Known prevalent plus newly diagnosed)	128	134	154	131	131	133
Prevalence Rate	2.98%	3.13%	3.70%	3.09%	2.97%	3.20%

Source: Infectious Disease Surveillance System. Data for 2005 is preliminary.

Hepatitis C Virus (HCV): Frequency and Prevalence Rate Among New Admissions to Canadian Federal Penitentiaries 2000-2005

	2000	2001	2002	2003	2004	2005
Population	4,302	4,288	4,159	4,238	4,413	4,159
Number of Reported HCV Infections (Known prevalent plus newly diagnosed)	991	1,053	1,163	1,209	1,328	1,212
Prevalence Rate	23.1%	24.6%	28.0%	28.5%	30.1%	29.1%

Source: Infectious Disease Surveillance System. Data for 2005 is preliminary.

HIV Prevalence at Year-end Among Males and Females, CSC 2000-2005

Year-end Prevalence	2000	2001	2002	2003	2004	2005
Female	5.00%	4.70%	4.25%	4.73%	3.44%	3.59%
Male	1.60%	1.70%	1.99%	1.84%	1.37%	1.61%
Total	1.70%	1.80%	2.04%	1.92%	1.43%	1.66%

Source: Infectious Disease Surveillance System. Data for 2005 is preliminary.

HCV Prevalence at Year-end Among Males and Females, CSC 2000-2005

Year-end Prevalence	2000	2001	2002	2003	2004	2005
Female	42.4%	41.2%	38.6%	37.0%	37.6%	50.0%
Male	19.7%	23.2%	25.5%	26.5%	24.8%	28.6%
Total	20.1%	23.6%	25.8%	26.8%	25.2%	29.1%

Source: Infectious Disease Surveillance System. Data for 2005 is preliminary.

Hepatitis B (HBV) status at admission is not currently part of the routinely collected data. Data on newly diagnosed HBV cases are available for 2000/05. The number of HBV cases reported in CSC between 2000 and 2005 ranged from 6 to 43 and was 6 in 2005.

HBV

	2000	2001	2002	2003	2004	2005
Number of HBV Cases Diagnosed in CSC	13	43	30	17	16	6
Acute HBV Prevalence Rate	0.10%	0.34%	0.24%	0.14%	0.12%	0.05%

Source: Infectious Disease Surveillance System. Data for 2005 is preliminary

There is no stable trend over the past few years in the number of upheld complaints and grievances related to health care.



Upheld inmate health care-related complaints and grievances³⁴

	2001/02	2002/03	2003/04	2004/05	2005/06
Complaint	268	244	268	226	228
Institutional Level Grievance	31	31	40	32	26
Regional Level Grievance	14	6	17	16	20
National Level Grievance	8	4	15	4	8
Total	321	285	340	278	282

Source: CSC Offender Management System, April 9, 2006

2.1.4 Institutional Services Sub-Activity

CSC manages offenders' sentences through reasonable, safe and humane custody. This includes the provision of institutional services such as meals, clothing and supplies.

Planned Spending for 2005/06: \$ 108.0 million

Actual Spending for 2005/06: \$101.4 million

Expected Result: Institutional services contribute to the safe, secure and humane management of offenders.

Priority

Enhance health and well being.

Specific plan(s):

- *Introduce a standardized nutrition management program with national dietary standards.*

A standardized Nutrition Management Program with national dietary standards was introduced. This involved the provision of nutritional guidance and direction to ensure compliance with all medical, religious and dietary guidelines.

The following specific components of the Nutrition Management Program were developed:

- List of diets provided by CSC Food Services;
- Medical nutrition therapy protocols for each of the diet types; and

³⁴ These figures represent the number of health care related complaints and grievances received during the time period presented that were upheld upon review.

- Teaching tools for regional/institutional dieticians to use in the provision of nutritional services.

Revisions, adjustments and enhancements to the Nutrition Management Program will be undertaken as this program continues. Examples of proposed enhancements include: processing of diets, standards of practice for dieticians, and a continuous quality improvement program for the dieticians.

Key Performance and Other Indicators:

Key Indicators: Clean working and living environments as per recognized standards, provision of nutritious, balanced meals as per the Canada Food Guide and consistent with religious and medical needs of offenders, provision of clothing and purchase of personal items as per policy.

CSC has Management Control Frameworks³⁵ in place for Facilities Maintenance, Food Services, Personal Property of Inmates, and Inmate Canteen. No significant areas of non-compliance or improvement were identified through the use of managers' self-audit tools.

2.2 Rehabilitation and Case Management Program Activity

Description of Program Activity: Assisting in the safe rehabilitation and reintegration of offenders into communities.

Case management begins when offenders enter the correctional system, and continues for as long as they are under supervision, whether in an institution or in the community.

Case management is closely aligned with rehabilitation. Incarceration and supervision alone do not produce the long-term changes that many offenders require in order for them to lead productive, law-abiding lives in the community. Correctional programs, in the institution and in the community, are necessary to help bring about positive changes in behaviour. These programs are aimed at addressing problems that are directly related to offenders' criminal behaviour and that interfere with their ability to function as law-abiding members of society.

The *Rehabilitation and Case Management* Activity includes the following key sub-activities: Case Management, Program Development and Delivery, and Inmate Pay.³⁶

³⁵ A management control framework defines control requirements, provides managers and staff with a better understanding of controls in the context of day-to-day management and identifies control gaps that need to be addressed in relation to risks.

³⁶ There were no plans or priorities associated with Inmate Pay for 2005/06.



Expected Result:³⁷ Safe reintegration into the community at the most opportune time consistent with the law.

For fiscal year 2005/06, the priorities associated with this Program Activity were:

- Develop and implement targeted programs and case management strategies for higher risk offenders, women offenders and Aboriginal offenders;
- Enhance case management and supervision strategies; and
- Enhance community capacity to support safe and timely reintegration.

The total planned spending and human resource allocations related to this Program Activity were:

Rehabilitation and Case Management:

2005/06 Total Financial Resources for the Department (\$ millions)

Planned Spending	Authorities	Actual Spending
447.5	487.5	454.7

2005/06 Total Human Resources for the Department (full-time equivalents)

Planned	Actual	Difference
4,133	4,301	(168)

2.2.1 Case Management Sub-Activity

Case management practices and policies are developed to ensure that offenders' sentences are managed based on informed decision-making that takes into consideration interventions, risk management and, most importantly, public safety. To achieve this, all offenders are assessed throughout their sentence, via a Correctional Plan developed upon admission and regularly updated, in order to ensure that staff can provide the necessary interventions at the appropriate times.

Planned Spending for 2005/06: \$258.2 million

Actual Spending for 2005/06: \$261.6 million

Expected Result: Offenders' sentences are managed based on informed decisions taking into consideration interventions, risk management and public safety.

³⁷ As per the RPP 2005/06.

Priority

Enhance case management and supervision strategies.

Specific plan(s):

- *Revise case management policies and practices to respond to the changing offender population profile.*

Institutional case management policy revisions, including Aboriginal-specific procedures, were completed in April 2006. Recommendations from investigations and court decisions were consolidated and integrated into the revised policies.

- *Develop a gender-informed initial security classification instrument and implement the re-classification instrument for women.*

The Canadian Human Rights Commission (CHRC) recommended that CSC "create a security classification tool explicitly for federally sentenced women, one that takes into consideration the low risk posed to public safety by most women."³⁸

The development of a new, gender-informed initial security classification tool has commenced using independent resources with expertise in research methodologies applicable to women involved in the criminal justice system.

Due to the complexity of instrument development, this is a multi-year project, with field testing expected to begin by December 2006. Given the relatively few women admitted each year, there is a need for lengthy field testing to gather sufficient data.

In February 2005, CSC approved a Security Reclassification Scale for Women, which is currently used as part of all security reclassification reviews on women offenders. The three-year field test on this reclassification instrument indicated that it is valid and reliable for both Aboriginal and non-Aboriginal women.

- *Complete CSC's Offender Management System connectivity project with all regions.*

The Offender Management System (OMS) is a database of detailed information about federal offenders. It is used daily by CSC and NPB officers to track offenders and help ensure their safe reintegration into society. In 2001, the Government of Canada contributed \$47 million to renew the OMS. Renewal is necessary in order to provide

³⁸ CHRC 2003 report: <http://www.chrc-ccdp.ca/publications/reports-en.asp#4>.
CSC Response and Action Plan to the CHRC report: http://www.csc-scc.gc.ca/text/prgrm/fsw/gender4/CHRC_response_e.shtml



users with better quality information. As well, the system can no longer handle its growing number of users. Originally created for 900 users, it now serves more than 9,000 users. The OMS Renewal Project started in May 2001 and officially ended as a project in April 2006.

An important component of the OMS Renewal Project was the information-sharing stream. Connectivity with various criminal justice partners has been achieved since 2001. CSC has exceeded its objectives, with over 4,000 new external users that are connected. The version 2.0 of InfoPol, an information-sharing initiative that provides police with access to pertinent information on federal offenders, was put into production. InfoPol has received considerable positive media coverage. Today, InfoPol has approximately 3,100 users across the country, a number that is continuously growing as more and more police users are connecting to the application. Connection of CSC users to InfoPol has started and approximately 101 parole offices are connected so far.

Hundreds of users from provincial corrections and Community Residential Facilities have access to a restricted menu of the OMS. CSC has also established partnerships with other provincial and federal jurisdictions such as Passport Canada and Ontario Sex Offender Registry. CSC's Regional Connectivity Teams are still active, maintaining these connectivity gains for public safety and looking at new opportunities to further advance the agenda.

- *Enhance the supervision and delivery of programs for offenders on Statutory Release, Statutory Release with residency, or under a Long-Term Supervision Order, in partnership with community organizations.*

Pilot site training and implementation has been completed on the Community Maintenance Program (CMP). The CMP is an enhanced maintenance process that strengthens CSC's ability to provide early intervention to help prevent offender relapses. Rather than being program-specific (for example, violence, substance abuse or other need areas), the CMP provides a standard approach that can be applied by both program delivery and case management staff to manage offenders and assist them to maintain their treatment gains.

A Working Group on Statutory Release with Residency identified issues that impact on the recommendation of, imposition of, and removal of the "special condition" of residency. Policy is well-defined in this area. The Group developed a list of best practices, which are being reviewed for a strategic approach to implementing the existing policy.

- *Enhance the effectiveness of Community Correctional Centres and increase alternatives in the community.*

Community Correctional Centres (CCCs), which are managed by CSC, provide a higher degree of structure and control than Community-based Residential Facilities (CRFs) for offenders requiring closer supervision in making the transition from institution to community living. A three-phase study that compares offenders residing at CCCs to those residing at CRFs, was initiated in 2004/05 and is expected to be completed in 2006/07.

A set of differential standards and an appropriate staff model are being developed to address the legitimate variances in the CCC and CRFs across the country. A CRF Standards consultation was held in March 2006 with the National Agencies Active in Criminal Justice. From that consultation as well as from consultations with staff, new standards for CRFs were completed.

- *Explore the use of innovative technologies and practices to enhance community supervision and surveillance.*

A feasibility study on Electronic Monitoring was completed in June 2006. The study assessed options for implementation and indicated a need to develop an evaluation strategy to support whatever options are chosen.

In the area of urinalysis, CSC is studying a pilot project, underway in Nova Scotia, for ways to improve the use of urinalysis in dealing with offender drug use. Based on this pilot, CSC is preparing, in collaboration with the National Parole Board, a proposal to enhance the use of urinalysis in the community, pending identification of funding sources.

Priority

Enhance community capacity to support safe and timely reintegration.

The safe transition of offenders into the community is a priority for CSC. CSC seeks, in partnership with communities, to reduce the number of violent crimes committed by offenders while they are under community supervision, as well as the rate of offenders returning to CSC as a result of committing a violent crime after sentence completion.

Specific plan(s):

- *Strengthen citizen and community engagement and criminal justice partnerships in correctional endeavours.*

In 2005/06, CSC took a number of important steps in strengthening its relationships with citizens, communities, and stakeholder groups.

CSC strengthened its capacity to engage citizens as members of Citizen Advisory Committees and as volunteers, by launching two new Web portals to centralize access to



resources and information, and by reinforcing the management framework through policy development and evaluation. CSC also continued to strengthen citizen engagement through the media by offering proactive media training for staff and key stakeholder groups.

Community engagement met with some important successes, particularly with facilities consultation (notably for the Oskana Community Correctional Centre). CSC has improved its ability to respond to the needs of communities and to engage citizens as early in the process as possible. In order to deepen its understanding of the correctional concerns and needs of municipalities, CSC surveyed 500 Federation of Canadian Municipalities (FCM) members. Through this initiative, CSC, along with other government partners, is looking to build alliances and have open dialogue with FCM to advance effective corrections in the interest of public safety.

In 2005/06, CSC participated in two successful consultations with the 21 member agencies of the National Associations Active in Criminal Justice (NAACJ). These dialogues help shape corrections policies and programs in the interest of public safety, and further CSC's commitment to the Voluntary Sector Accord.

As well, CSC is renewing its Memorandum of Understanding (MOU) with the Inter-Faith Committee on Chaplaincy. The MOU impacts on service delivery standards and continuum of care for institutional and community chaplaincy across the country. CSC Chaplaincy continues to develop a strategic approach to working with families of offenders based on consultation with Canadian Families in Corrections Network.

CSC promotes restorative justice approaches that allow community members, victims and offenders to discuss the different kinds of harm caused by crime as well as the efforts required to address them. This engagement includes wide-spread promotion through Restorative Justice Week and the Ron Wiebe Restorative Justice Award. It also includes direct services to victims and offenders during incarceration and upon release.

- *Increase the involvement of Aboriginal communities in the Aboriginal offender continuum of care model.*

Due to the gap in performance between Aboriginal and non-Aboriginal offenders (as measured by performance indicators), a top priority for CSC over the coming years is to enhance capacities to provide effective interventions for First Nations, Métis and Inuit offenders,³⁹ Engaging Aboriginal communities in this effort is achieved through the following partnership arrangements:

³⁹ RPP 2006/07

CCRA Section 81 – Four Aboriginal communities are currently operating healing lodges under Section 81 agreements.⁴⁰ In addition, there are four healing lodges being managed by CSC in cooperation with local Aboriginal communities. Transition of the four CSC-operated healing lodges to Aboriginal communities and development of new proposals for Section 81 agreements is contingent on the communities' capacity to assume responsibility. A variety of funding mechanisms through Indian and Northern Affairs Canada, the Department of Justice, and the National Crime Prevention Centre, are in place to help communities develop that capacity.

CCRA Section 84 - Beginning in 2005/06, CSC received ongoing funding of \$1.4 million to maintain nine full-time Aboriginal Community Development Officer positions, who work directly with Aboriginal communities to develop release plans for offenders in accordance with Section 84 of the CCRA. A significant increase in the number of cases initiated, completed and in progress for 2005/06 reflects an increase in communities actively involved in the planning and implementation of release plans for Aboriginal offenders.

Key Performance and Other Indicators

Key Indicators: Timely case preparation; number of offenders successfully reintegrated into the community; number of revocations with offence; and completion of successful transfers.

CSC contributes to reduce the long-term rate of offenders returning to federal custody, but several external factors influence this long-term result, including the profile of the offenders, legislation, sentencing trends, law enforcement capacity, and events that happen to offenders following sentence completion and when they are no longer under CSC's jurisdiction.

The national trend has remained fairly consistent. The Atlantic region has consistently had the highest offender return rate. The Ontario region was historically well below the national average before experiencing an increase of over 2% in the 2001/02 fiscal year. Ontario still has the lowest return rate.

The regional variations generally reflect the economic and social variations in the regions. For example: high rates in the Atlantic Region may reflect the higher rate of unemployment in that region, whereas a more robust economic engine in Ontario is reflected in the lower rates. The upward trends in recent years reflect the changing offender population: more offenders with longer criminal histories and with more mental health and behavioural problems. Recent spikes in the Pacific region are thought to also reflect an increasingly transient population to Vancouver and associated homelessness, coupled with greater police efforts to tackle the drug problem in the streets.

⁴⁰ Refer to Glossary.



Percentage of Federal Offenders Returning to CSC within 2 Years of Warrant Expiry Date

	1998/99	1999/00	2000/201	2001/02	2002/03	2003/04
National	9.5%	9.0%	9.4%	9.1%	10.4%	10.6%
Atlantic	9.9%	12.7%	15.4%	11.2%	12.5%	11.2%
Quebec	10.2%	8.4%	10.0%	10.5%	10.2%	10.7%
Ontario	7.7%	6.6%	6.9%	9.1%	9.5%	9.2%
Prairie	9.6	10.5%	9.4%	6.9%	10.7%	10.7%
Pacific	11.4%	9.1%	8.8%	9.7%	10.6%	12.8%

Source: Corporate Reporting System (April 9, 2006)

The following table presents the national picture of Aboriginal reoffending vs. non-Aboriginal reoffending while under community supervision. While the decreasing three-year moving average indicates a narrowing of the gap between these two population groups, the rate of violent reoffending by Aboriginal offenders is still more than double that for non-Aboriginal offenders.

**SUPERVISED FEDERAL OFFENDERS IN COMMUNITIES
CONVICTED OF, OR CHARGED WITH, AN OFFENCE:⁴¹
ABORIGINAL VS. NON-ABORIGINAL OFFENDERS**

Aboriginal offenders	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
% of supervised population: violent offence	4.1%	5.6%	4.7%	4.0%	4.2%	3.6%
% of supervised population: non-violent offence	10.3%	9.2%	9.3%	9.0%	8.0%	8.2%
% of supervised population: any offence	14.4%	14.8%	14.0%	12.9%	12.3%	11.8%
Non-Aboriginal offenders	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
% of supervised population: violent offence	2.0%	1.8%	1.9%	1.8%	1.8%	1.3%
% of supervised population: non-violent offence	6.6%	6.3%	6.1%	5.8%	6.1%	5.7%
% of supervised population: any offence	8.6%	8.1%	7.9%	7.5%	7.9%	7.0%
Gap in re-offending	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
% of supervised population: violent offence	2.1%	3.8%	2.8%	2.2%	2.5%	2.2%
% of supervised population: non-violent offence	3.7%	3.0%	3.3%	3.2%	1.9%	2.5%
% of supervised population: any offence	5.9%	6.8%	6.1%	5.4%	4.4%	4.8%
Three-year moving average			6.3%	6.1%	5.3%	4.8%

Source: OMS as of April 9, 2006. Percentage might not add up due to rounding.

⁴¹ This table shows the total number of offenders whose parole has been revoked and who were convicted of, or charged with, at least one criminal offence while under supervision comparing the non-Aboriginal population with the Aboriginal population. A violent crime is considered to be murder or a Schedule I offence. Offenders are classified according to the most serious crime that they have been convicted of, or charged with.



**Federal Offenders Returning to Federal Custody for any Offence Within Two Years
After the end of their Sentence: Aboriginal vs. Non-Aboriginal Offenders**

Aboriginal Offenders	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
% returning to CSC within 2 years	10.2%	13.0%	11.9%	9.2%	13.3%	13.5%
Three-year moving average			11.7%	11.4%	11.5%	12.0%
Non-Aboriginal Offenders	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
% returning to CSC within 2 years	9.4%	8.3%	8.8%	9.1%	9.9%	10.0%
Three-year moving average			8.8%	8.7%	9.3%	9.7%
Gap in re-offending			2.9%	2.7%	2.2%	2.3%

Source: CSC Offender Management System (April 9, 2006)

The higher rate of Aboriginal offenders returning to custody within two years sentence completion contributes in part to their over-representation in the offender population. Implementing culturally appropriate programs and developing viable community transition options is more challenging with the Aboriginal offender population.

For this reason, CSC has made a strategic shift in its approach to planning for Aboriginal offenders. All sectors within CSC have been tasked to fully integrate the needs of the Aboriginal offender population into their planning and operations, guided by the Strategic Plan developed by CSC's Aboriginal Initiatives Branch. This will bring the full force of CSC's energy to bear on this challenge by ensuring Aboriginal offender issues are factored into all operational and resourcing decisions.

Readmission of sex offenders within two years after Warrant Expiry Date

	1999/00	2000/01	2001/02	2002/03	2003/04
% Sex Offenders Re-admitted within 2 Years of Sentence Completion ⁴²	3%	3%	5%	3%	2%

Source: CSC Offender Management System, April 9, 2006

The rate of sexual offenders returning to custody within two years of finishing their sentence remains relatively stable. Because of the relatively small number of offenders involved, variances in the percentages are a non-significant aberration.

⁴² These figures represent the number of sex offenders who were re-admitted to CSC on a new sentence within two years of the completion of a federal sentence as a percentage of the number of federal sex offenders who completed their federal sentence during the time period presented.

Offender Performance

Offender performance on day parole, full parole, and statutory release

	2001/02	2002/03	2003/04	2004/05	2005/06
% Offenders Re-offending while on Day Parole ⁴³	6%	6%	5%	6%	4%
% Offenders Re-offending while on Full Parole ⁴⁴	5%	4%	4%	4%	4%
% Offenders Re-offending while on Statutory Release ⁴⁵	14%	13%	13%	13%	12%

Source: CSC Offender Management System, April 9, 2006

Day and full parole are discretionary decisions. These numbers suggest the recommendation/decision process is targeting the right offenders as those released on discretionary release have a lower reoffending rate than those released by statute.

Furthermore, since the rate of offenders released on Statutory Release has increased⁴⁶ while the rate of technical violations (breaching a condition of supervision but not committing a crime) has been stable, the reduction in the rate of reoffending for those on Statutory Release is not attributable to a reduction in technical violations, but rather may reflect that increased attention on these offenders is reducing their reoffending rate.

Revocations for technical reasons or for committing a new crime

	1999/00	2000/01	2001/02	2002/03	2003/04
% Offenders Being Revoked while Under Supervision ⁴⁷	21%	23%	23%	23%	23%

Source: CSC Offender Management System, April 9, 2006

43 These figures represent the number of federal offenders who are charged or convicted of an offence that occurred while the offender was on day parole as a percentage of the number of federal offenders who were on day parole for at least one day during the time period presented.

44 These figures represent the number of federal offenders who are charged or convicted of an offence that occurred while the offender was on full parole as a percentage of the number of federal offenders who were on full parole for at least one day during the time period presented.

45 These figures represent the number of federal offenders who are charged or convicted of an offence that occurred while the offender was on statutory release as a percentage of the number of federal offenders who were on statutory release for at least one day during the time period presented.

46 CSC Corporate Reporting System, April 9, 2006.

47 These figures represent the number of federal offenders revoked with or without an offence while the offender was on some form of conditional release (day parole, full parole, statutory release or long-term supervision order) as a percentage of the number of federal offenders who were on conditional release for at least one day during the time period presented.



Case Preparation

Timely case preparation significantly contributes to the successful reintegration of offenders in the community. The Post-Sentence Community Assessment and the Correctional Plan are two key documents that assist Parole Officers in the institutions and in the community address the reintegration needs of offenders. In 2005/06, the timeliness of completion of Correctional Plans was affected by a relatively high influx of new offenders, particularly in the Ontario Region.

Timeliness of completion of correctional plans and post-sentence community assessments

	2001/02	2002/03	2003/04	2004/05	2005/06
% Correctional Plans Completed On-time ⁴⁸	70%	86%	93%	83%	81%
% Post Sentence Community Assessments Completed On-time ⁴⁹	89%	92%	92%	90%	90%

Source: CSC Corporate Monitoring Tool, April 9, 2006

Upheld case preparation-related complaints and grievances⁵⁰

	2001/02	2002/03	2003/04	2004/05	2005/06
Complaint	225	225	163	153	178
Institutional Level Grievance	55	48	44	43	42
Regional Level Grievance	19	15	25	18	10
National Level Grievance	5	11	26	9	26
Total	304	299	258	223	256

Source: CSC Offender Management System, April 9, 2006

The above tables indicate that while there is a margin for improvement, staff are performing at high rates of compliance and these are reflected in relatively low rates of offender complaint. However, the decline in performance with respect to timely completion of Correctional Plans indicates a problem at our Regional Assessment/Intake Centres. For this reason, CSC is implementing process changes at the intake stage.

⁴⁸ These figures represent the number of Correctional Plans completed within the time frames outlined in CSC policy as a percentage of the total number of Correctional Plans due to be completed during the time period presented.

⁴⁹ These figures represent the number of Post Sentence Community Assessments completed within the time frames outlined in CSC policy as a percentage of the total number of Post Sentence Community Assessments due to be completed during the time period presented.

⁵⁰ These figures represent the number of case preparation related complaints and grievances received during the time period presented that were upheld upon review.

Number of successful transfers to lower security levels

	2001/02	2002/03	2003/04	2004/05	2005/06
% Transfers to Lower Security Completed Successfully ⁵¹	92%	94%	95%	94%	95%

Source: CSC Corporate Monitoring Tool, April 9, 2006

Postponements/adjournments of day parole hearings

	2001/02	2002/03	2003/04	2004/05	2005/06
% Hearings Postponed ⁵²	18%	18%	18%	18%	18%
% Hearings Adjourned ⁵³	9%	8%	7%	6%	4%

Source: CSC Corporate Monitoring Tool, April 9, 2006

Waivers, postponements/adjournments of full parole hearings

	2001/02	2002/03	2003/04	2004/05	2005/06
% Hearings Waived ⁵⁴	24%	25%	27%	28%	28%
% Hearings Postponed ⁵⁵	21%	23%	22%	23%	22%
% Hearings Adjourned ⁵⁶	7%	7%	6%	4%	3%

Source: CSC Corporate Monitoring Tool, April 9, 2006

Postponements usually occur when critical documents are not ready in time for the hearing. These can be either CSC-produced reports or documents from external sources (courts, police). Waivers occur when the offender elects not to proceed with a hearing.

The number of postponements and waivers are both impacted by sentence length. Given that the average sentence length has been decreasing, there is greater pressure on the entire criminal justice system to share information efficiently, as well as on CSC to identify and deliver programs in a shorter time. CSC is working with its criminal justice partners on improving information-sharing, and is looking for ways to provide appropriate programs as early in the sentence as possible.

⁵¹ These figures represent the number of cases where an offender was transferred to a lower security level institution and did not get transferred back to the higher level institution within 120 days of the transfer, as a percentage of the cases where an offender had transferred to a lower security level 120 days earlier, during the time period presented.

⁵² These figures represent the number of day parole hearings postponed as a percentage of day parole hearings scheduled during the time period presented.

⁵³ These figures represent the number of day parole hearings adjourned as a percentage of day parole hearings scheduled during the time period presented.

⁵⁴ These figures represent the number of full parole hearings waived as a percentage of full parole hearings scheduled during the time period presented.

⁵⁵ These figures represent the number of full parole hearings postponed as a percentage of full parole hearings scheduled during the time period presented.

⁵⁶ These figures represent the number of full parole hearings adjourned as a percentage of full parole hearings scheduled during the time period presented.



A small number of adjournments occur when the National Parole Board determines a hearing cannot proceed. Where those are due to CSC activity (for example, administrative delays, operational interruptions), remedial steps are identified and implemented promptly.

Success on parole for Aboriginal offenders under Section 84 Agreements

The role of Aboriginal Community Development Officers is well-established and more communities are being engaged in release planning. Data for fiscal year 2005/06 was collected and reported manually by Aboriginal Community Development Officers across the country. This data has been compared to available results gathered over three fiscal years (2001/02, 2002/03 and 2003/04), following the implementation of the Effective Corrections initiative. In 2005/06, the number of cases initiated⁵⁷ totalled 587, compared to a total of 389 cases initiated (an average of 130/year) over the comparison three-year period. The rate of successfully completed⁵⁸ cases has also increased in 2005/06, a total of 226 completed, compared to a total of 187 completed (an average of 62/year) over the comparison three-year period. The number of cases in progress⁵⁹ also increased at the end of the reporting period for 2005/06, with a total of 407 in progress, compared to a total of 119 in progress (an average of 40/year) at the end of the comparison three-year period.

2.2.2 Program Development and Delivery Sub-Activity

CSC's objective is to provide programs that meet the needs of the federal offender population at the most appropriate time in the sentence. Addressing offender needs in this way contributes to their successful reintegration into the community.

Planned Spending for 2005/06: \$162.4 million

Actual Spending for 2005/06: \$170.1 million

Expected Results: Access to programs designed to address offenders' identified needs and contribute to successful reintegration into the community.

Priority

Develop and implement targeted programs and case management strategies for higher risk offenders, women offenders and Aboriginal offenders.

⁵⁷ *Initiated* refers to interest expressed and followed through with, by the community and/or the inmate, whether or not a release plan was created.

⁵⁸ *Completed* refers to release plans developed and presented to the National Parole Board (NPB) utilizing Section 84 legislation, involving the Aboriginal community, whether or not the NPB granted release.

⁵⁹ *In Progress* refers to consultations and release plan development, involving the Aboriginal community, still underway at time of reporting, in preparation for NPB hearing.

Specific plan(s):

- *Expand approaches to manage higher risk and higher need offenders in a safe manner.*

Targeted interventions at the appropriate time in the sentence, offering more programs in the institutions to meet the increasing demand, and strengthening programs in the community are three areas that CSC is focusing on.

Staff who supervise and deliver programs to offenders are taking a more interventionist approach to managing each offender. Training will be provided to ensure that operational case managers and program delivery personnel apply similar skills to motivate offenders and to manage their correctional plan and program participation. A shift in approach to programming closer to the date of admission will provide more time and greater strategic use of programs for assessing higher risk offenders and managing their risk through their return to the community. New correctional programs are being developed that focus on violent behaviour.

- *Develop and Implement the Aboriginal National Strategy to address the needs of First Nations, Métis and Inuit Offenders.*

During the reporting period, a strategic plan for the future of Aboriginal corrections (2006/07 to 2010/11) was developed. It addresses the need to integrate correctional initiatives and initiatives of other government departments and other levels of government, with the needs and aspirations of Aboriginal communities.

In October 2005, the Commissioner of CSC announced a realignment of responsibilities for Aboriginal corrections, whereby the Senior Deputy Commissioner assumes direct responsibility for leadership in advancing the Strategic Plan. The Aboriginal Initiatives Directorate now reports to the Senior Deputy Commissioner.

The Strategic Plan also addresses the need for integrating Aboriginal considerations throughout the case management and decision-making process, through an Aboriginal corrections continuum of care, developed with Aboriginal stakeholders. The Continuum provides the mechanism to guide further development of new initiatives and to ensure consistent delivery throughout an offender's sentence.

Key Performance and Other Indicators

Key Indicators: Number/percentage of offenders completing programs in institutions and the community.



One way to prepare offenders for their release to the community is through the provision of appropriate programs prior to and upon release. Offenders can be enrolled in more than one program (even multiple enrolments of the same type of program) during the course of a year.

OFFENDER PROGRAM ENROLMENTS BY TYPE OF PROGRAM

PROGRAMS	2001/02	2002/03	2003/04	2004/05	2005/06
Violence Prevention Programs	482	626	626	598	528
Sex Offender Programs	1,376	1,579	1,395	1,208	1,134
Substance Abuse Programs	5,606	6,078	5,328	5,171	5,376
Family Violence Prevention Programs	1,142	1,284	971	740	830
Living Skills Programs	5,080	4,334	3,567	2,917	2,846
Community Correctional Programs	361	446	546	552	633
Special Needs Programs	192	185	144	188	165
Women Offender Programs*	60	75	200	150	198
Aboriginal Initiative Programs	170	327	288	231	257
Educational Programs	11,113	11,588	11,933	11,260	11,019
Personal Development	2,393	2,530	1,387	607	505

Corporate Reporting System, Snapshot: 2006-07-09. Program Enrolment numbers represent all programs started during the fiscal year indicated.

**Programs for women offenders are also subsumed under some of the other categories; for example, the Women Offender Substance Abuse Program is captured within "Substance Abuse Programs".*

OFFENDER PROGRAM OUTCOMES BY TYPE OF PROGRAM⁶⁰

PROGRAMS		2001/02	2002/03	2003/04	2004/05	2005/06
Violence Prevention Programs	All Outcomes	479	525	648	577	556
	% Completions	72%	67%	65%	62%	62%
Sex Offender Programs	All Outcomes	1,368	1,363	1,367	1,208	1,107
	% Completions	74%	68%	60%	59%	59%
Substance Abuse Programs	All Outcomes	5,519	6,060	5,257	5,044	5,228
	% Completions	75%	69%	63%	60%	62%
Family Violence Prevention Programs	All Outcomes	1,176	1,234	977	744	815
	% Completions	83%	84%	78%	69%	73%
Living Skills Programs	All Outcomes	5,113	4,368	3,625	2,998	2,819
	% Completions	78%	78%	76%	76%	78%
Community Correctional Programs	All Outcomes	375	473	487	562	610
	% Completions	77%	64%	59%	64%	58%
Special Needs Programs	All Outcomes	208	182	144	188	151
	% Completions	74%	54%	45%	52%	42%
Women Offender Programs	All Outcomes	48	84	151	183	172
	% Completions	60%	75%	51%	52%	48%
Aboriginal Initiative Programs	All Outcomes	194	272	281	294	219
	% Completions	38%	39%	48%	35%	37%
Educational Programs	All Outcomes	11,025	11,479	11,914	11,347	11,098
	% Completions	45%	27%	29%	30%	30%
Personal Development	All Outcomes	2,406	2,615	1,425	616	498
	% Completions	88%	93%	89%	92%	74%

*Corporate Reporting System, Snapshot: 2006-07-09.

The following table shows the enrolment and completion rates for Aboriginal Correctional Programs. These seven national programs have been in development over the last few years, during which time other programs for Aboriginal offenders were developed and delivered regionally and locally.

Completion rates suggest that Aboriginal offenders are responding very well to Aboriginal programs, and to Aboriginal correctional programs in particular. When offered, Aboriginal

⁶⁰ Program Outcome numbers represent all the program ends during the fiscal year. Offenders may have finished more than one program during the course of the year.

The Program Outcome number do not correspond to the Program enrolment number presented in the previous table, as the programs in the Outcomes table may have started in a previous fiscal year.

Completion rates represent those offenders who successfully completed the program, or who attended all sessions. Those Outcomes which did not result in a completion fall either in the category of drop out, or population management (which includes cases where the offender was released, transferred, reached their warrant expiry date, etc.).



programs have higher completion rates than the core program equivalent. This suggests that Aboriginal offenders are responding better to Aboriginal-specific programs than to non-Aboriginal-specific programs.

ABORIGINAL CORRECTIONAL PROGRAMS	2001/02		2002/03		2003/04		2004/05		2005/06	
	Enrol.	Compl.	Enrol.	Compl.	Enrol.	Compl.	Enrol.	Compl.	Enrol.	Compl.
All Aboriginal Correctional Programs	111	87	141	113	207	169	251	198	304	257
Violence Prevention Programs										
In Search of your Warrior Program	33	36	67	43	106	101	93	82	76	61
Spirit of your Warrior Program	8	1	11	9	18	13	19	23	35	24
Sex Offender Programs										
TUPIQ Program for Inuit Offenders	16	19	22	14	6	9	9	7	10	9
Substance Abuse Programs										
Aboriginal Offender Substance Abuse Program							37	22	69	60
Family Violence Prevention Programs										
Aboriginal High Intensity Family Violence Prevention Program					9		7	9	21	14
Living Skills Programs										
National Aboriginal Basis Healing Program					16		35	14	43	39
Circles of Change Program	18	13	11	3	5	9	12	11	7	6

Studies repeatedly demonstrate that programs have a positive impact on reducing reoffending rates. The specific effect of programs completed in 2005/06 on the reduction of recidivism cannot yet be determined, as a follow-up period of at least a year would be

required. The following table summarizes the results of studies that were conducted in recent years, on different kinds of programs.

Crime Reduction Through Effective Treatment

Target	Study	Design/Sample	Result
Education	"A Two Year Follow-up of Federal Offenders who Participated in the Adult Basic Education (ABE) Program" (R. Boe, 1998, R-60).	Compared a sample of male federal offenders who participated in ABE with a national sample of paroled offenders. Follow-up period of 2 years.	<ul style="list-style-type: none"> • 718 paroled offenders who completed ABE-8 program had a 7.1% reduction in re-admissions (from 24% for the benchmark group to 22.3% in the program group). • 74 paroled offenders who completed ABE-10 program had a 21.3% reduction in re-admissions (from 24% for the benchmark group to 18.9% in the program group).
Employment	"Prison Work Programs and Post-release Outcome: A Preliminary Investigation" (L. Motiuk & R. Belcourt, 1996, R-43).	Compared a sample of male federal offenders who participated in CORCAN with a national sample of paroled offenders. Follow-up period of 1.5 years.	<ul style="list-style-type: none"> • 52 paroled offenders who participated fully in the prison industries program (CORCAN) had a 27.8% reduction in re-admissions (from 26.6% for the benchmark group to 19.2% in the program group).



Substance Abuse	"An Outcome Evaluation of CSC Substance Abuse Programs: OSAPP, ALTO, and Choices Executive Summary (T ³ Associates).	Compared a sample of male federal offenders who participated in OSAPP with a matched sample of offenders. Follow-up period of 1 year.	<ul style="list-style-type: none"> • 2,432 offenders completed OSAPP and showed a 14% reduction in re-admissions (from 49% for the benchmark group to 42% in the program group) and 31% reduction in new convictions (from 21.9% for the benchmark group to 15.2% in the program group).
Personal/Emotional	"The Impact of Cognitive Skills Training on Post-release Recidivism among Canadian Federal Offenders" (D. Robinson, 1995, R-41).	Compared a sample of federal offenders who completed Cognitive Skills Training with offenders who remained on the waiting list without programming.	<ul style="list-style-type: none"> • 1,444 offenders who completed cognitive skills training demonstrated an 11% reduction in re-admissions to prison and 20% reduction in new convictions.
	"Anger Management Programming for Federal Inmates: An Effective Intervention"(C. Dowden et. al, 1999, R-82).	Compared a matched sample of male federal offenders to an untreated comparison group. Matched on age, risk and major offence. Average follow-up period of 1.5 years.	<ul style="list-style-type: none"> • 56 higher risk offenders who completed the Anger Management program showed a 69% reduction in non-violent recidivism (from 39.3% for the benchmark group to 12.5% in the program group) and

				86% reduction in violent recidivism (from 25% for the benchmark group to 3.6% in the program group).
Sex Offenders	"Applying the Risk Principle to Sex Offender Treatment" [A. Gordon & T. Nicholaichuk, 1996, FORUM, 8(2)].	Compared treated male sex offenders with a national sample of sex offenders. Follow-up of two years.		<ul style="list-style-type: none"> 80 higher risk sex offenders on the Clearwater Unit program showed a 58.9% reduction in sexual recidivism (from 14.6% for the benchmark group to 6.0% in the program group).
	"A Multi-year Multi-modal review of Sex Offender Programs in Federal Corrections" (L. Motiuk, 1998, 17 th Annual Research and Treatment Conference for the Association for Treatment of Sexual Abusers).	Compared treated male sex offenders with a national sample of all released sex offenders. Follow-up of three years.		<ul style="list-style-type: none"> 210 treated sex offenders showed a 50% reduction in sexual recidivism (from 6% for the benchmark group to 3% in the program group).



2.3 CORCAN Program Activity⁶¹

CORCAN is a Special Operating Agency of CSC, operating through a revolving fund, responsible for aiding in the safe reintegration of offenders in Canadian society. CORCAN provides employment and training opportunities to offenders incarcerated in federal penitentiaries and, for brief periods of time, to offenders after they are released into the community.

Expected Results:⁶² Provision of work opportunities and employability skills to offenders.

Priority

Develop and implement targeted programs and case management strategies for higher risk offenders, women offenders and Aboriginal offenders.

Specific plan(s):

- *Implement a continuum of employability skills training and work opportunities for higher risk and higher needs offenders.*

In 2005/06, National Employability Skills development was completed. Ninety-two certificates were earned by offenders, five of whom are women. The National Employability Skills Program is a broad spectrum, third-party-certified program that is being rolled out across all regions, to equip offenders with the soft skills needed for employability. Completion of the program yields a nationally-recognized certificate signed by the Conference Board of Canada.

With respect to work, a business-to-business alliance was introduced at Isabel McNeil House to employ women offenders packaging brake parts. As well, a business venture was approved at the Regional Treatment Centre (Ontario region) to provide work for offenders with mental health needs, in recycling toner cartridges.

A highlight of CSC's vocational training strategy for inmates was CORCAN's partnering with Clark Builders to organize a 12-week construction framing program in the summer of 2005. More than 20 inmates, who were nearing the end of their time in custody, were provided with an instructional and hands-on learning opportunity. The instruction followed a course plan in the institution for Construction Framing Skills, combining both classroom and practical skills training. The course included professional instruction,

⁶¹ CORCAN appears as a sub-activity of "Rehabilitation and Case Management" Program Activity in the RPP 2005/06.

⁶² As per Program Activity Architecture: Key Results.

hands-on experience, safety training, and certification from the Northern Alberta Institute of Technology. Successful completion of the program resulted in employment opportunities with Clark Builders at a number of sites. As a result of its success, CSC is continuing this initiative in the current fiscal year.

Key Performance and Other Indicators

Key Indicators:

1. Number/percentage of inmates enrolled in employment training:
 - 3,988 men and 86 women inmates worked a total of 2.347 million hours in CORCAN shops – an increase of 3% from 2004/05.
 - 12,019 men and 483 women inmates worked in other assignments through Institutional Operations.
 - Offenders stayed in one work assignment an average of 107 days (research indicates that a minimum of 90 days is required to maximize skill development)

The focus in 2005/06 remained on ensuring that employment training opportunities were provided to those inmates assessed at intake as having some or considerable need in this area. Despite our efforts, 889 (17%) of non-Aboriginal male offenders still had an employment gap at the end of the fiscal year – a result similar to 2004/05. Improvement was made with Aboriginal male offenders, where the percentage was reduced from 16% to 14.5%.

The employment gap for non-Aboriginal women offenders decreased from 21% to 16%. However, the gap for Aboriginal women offenders increased slightly from 26% to 28%, and CSC will need to continue to focus its attention in this area.

2. Number of certificates earned:⁶³

7,651 third-party certificates were earned, an increase of 39% from 2004/05: 1,558 by Aboriginal men, 5,493 by non-Aboriginal men, 210 by Aboriginal women, and 390 by non-Aboriginal women.

The majority of certificates were in Basic Food Safe, WHMIS, Safe Start Pre-employment, First Aid, Construction Safety, Hydrogen/Dioxide and Portfolio Development, Prior Learning Assessment and Recognition, National Employability Skills Program.

⁶³ An offender may earn more than one certificate.



-
3. Number of offenders receiving services at community employment centres:
A total of 3,129 offenders received services, of which 2,904 were men and 120 were women.

 4. Number of offenders finding employment in the community:
1,610 offenders (1, 518 men and 92 women) found employment with the assistance of a CORCAN Community Employment Centre, an increase of 40% from 2004/05.

Further information on CORCAN can be found on CSC's website at http://www.csc-scc.gc.ca/text/prgrm/corcan/home_e.shtml

SECTION 3 SUPPLEMENTARY INFORMATION

3.1 Organizational Information

CSC is organized to provide effective correctional services in a fiscally responsible manner. There are three levels of management: national, regional and local.

- National Headquarters

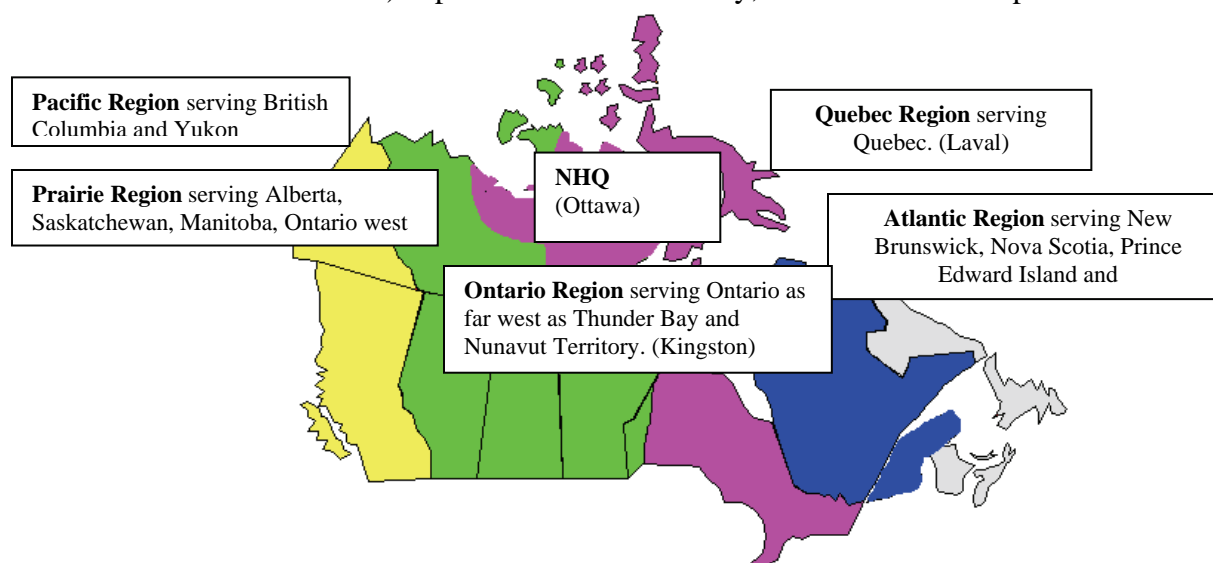
Provides support to the Commissioner and the Executive Committee and delivers services to all of CSC including: provision of information to Parliamentary Committees, Central Agencies and the public; ministerial liaison; communications, correctional operations, human resource and financial management expert advice; corporate review and audit; performance assurance; policy and planning; program development; research; legal services and information management.

- Regional Headquarters

Provides support to National Headquarters in developing Commissioner's Directives and national programs; develops and implements regional procedures, plans and programs for performance measurement, human resource, financial management, federal/provincial/territorial relations, public consultation, and provision of information to the media, elected officials, interest groups and the public.

- Institutional/Parole Offices — CSC manages 58 institutions,⁶⁴ 16 Community Correctional Centres and 71 Parole Offices.

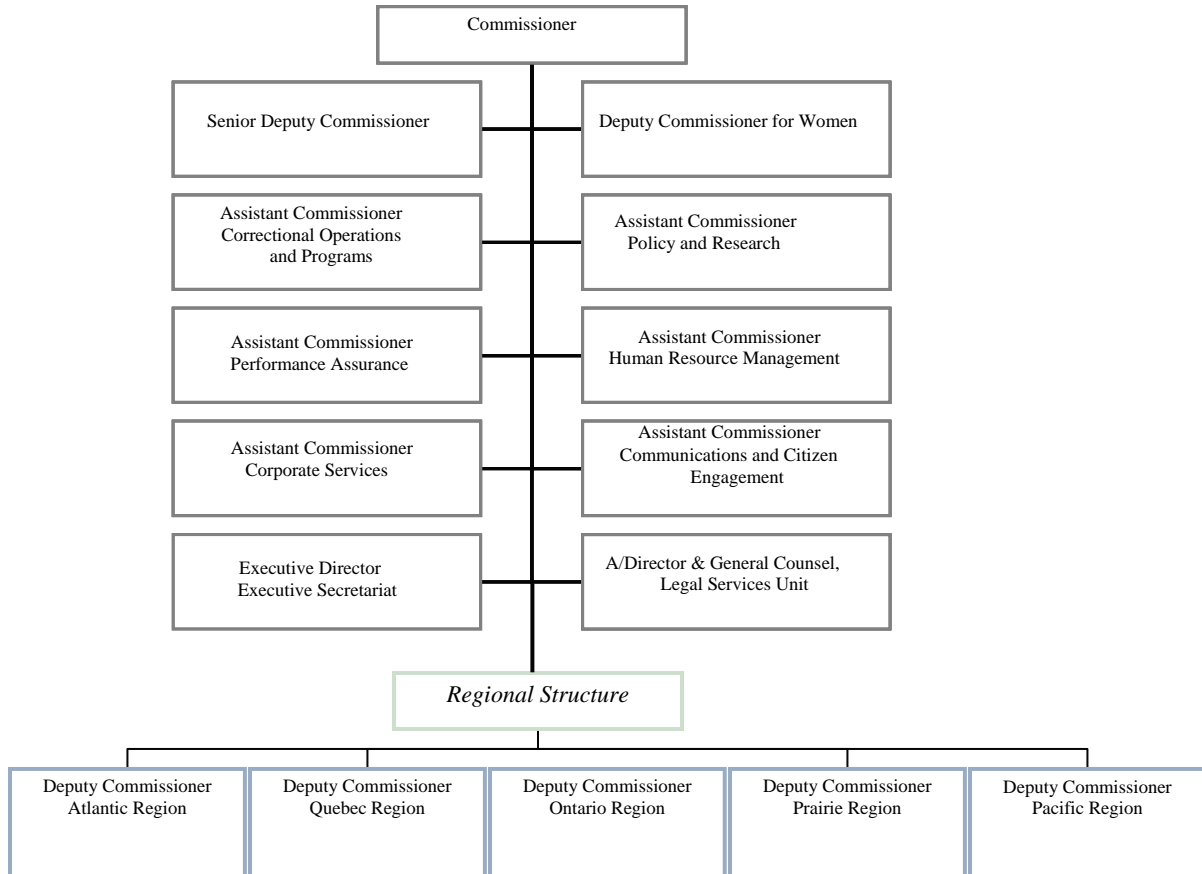
A description of institutional security level classifications (i.e., maximum, medium, minimum and multi-level) is provided in the Glossary, at the end of this report.



⁶⁴ The increase from 54 (RPP 2005/06) to 58 institutions is not the result of adding, but rather a clarification of the definition based on legislation; i.e., an institution refers to a facility that requires a warrant for admission.



The **Commissioner** is the Agency Head of the Correctional Service Canada and is accountable to the Minister of Public Safety. An Executive Committee of national and regional officials sets the vision and agenda for correctional services delivery. Specific functions, as of August 2006, are depicted in the following chart and outlined in the paragraphs below:



The **Senior Deputy Commissioner** is accountable to the Commissioner. His main role is to support the Commissioner, focus on the management of operational and strategic issues, provide leadership on Aboriginal initiatives and oversight of policy and program development for Aboriginal offenders, oversee the incident investigation process, and act as Commissioner when required.

The five **Regional Deputy Commissioners** are responsible for the management of CSC operations within their respective regions, implementation of correctional policy, and leadership in providing advice on criminal justice system matters.

The **Deputy Commissioner for Women** is responsible for effective policy and program development and oversight for program delivery for women offenders.

The **Assistant Commissioner, Correctional Operations and Programs** is responsible for the integrity of community and institutional operations across CSC for improving the development and delivery of health care, security, case management, and program development.

The **Assistant Commissioner, Policy and Research** is responsible for corporate policy and research in support of the government agenda; federal, provincial, territorial and international relations; and fairness and equity of correctional practices through offender redress mechanisms and delivery of services under the *Access to Information Act* and the *Privacy Act*.

The **Assistant Commissioner, Performance Assurance** is responsible for ensuring mechanisms are in place to analyze, monitor and measure CSC's performance on delivering correctional results. In addition, Performance Assurance is accountable for evaluation, internal disclosure programs, the informal conflict management system, integrated business planning and reporting, and also provides administrative support to the internal audit function. The Assistant Commissioner is currently the Senior Values and Ethics Officer.

The **Assistant Commissioner, Corporate Services** is responsible for informatics and technological support, technical services, facilities, finance and materiel management and for the Comptroller's Branch.

The **Assistant Commissioner, Human Resource Management** is responsible for the development of human resource management strategies, management of administrative and human resource activities and interpretation of human resources-related policies, directives and guidelines.

The **Assistant Commissioner, Communications and Citizen Engagement** is responsible for leadership in the development of the voluntary sector and communication engagement initiatives, for the implementation of communication policy, and for the development and implementation of strategies to improve media and public understanding of CSC's mandate, policies and programs, through outreach activities and public consultation, as well as the design, production, dissemination and evaluation of multi-media products.

The **Executive Director, Executive Secretariat** is responsible for Ministerial liaison and Parliamentary relations to support the Commissioner and the Minister in fulfilling CSC's mandate.



The *Director and General Counsel, Legal Services Unit* provides advice on legal risks in the development of correctional policy, programs and services, as well providing legal advice to CSC on litigation.

Federal Institutions⁶⁵ by Region and Security Level**Atlantic Region**

Atlantic Institution (Maximum)
 Nova Institution for Women (Multi)
 Shepody Healing Centre (Multi)
 Dorchester Penitentiary (Medium)
 Springhill Institution (Medium)
 Westmorland Institution (Minimum)
Carlton CCC (Minimum)
Carlton Annex CCC (Minimum)
Newfoundland and Labrador CCC (Min)
Parrtown CCC (Minimum)

Ontario Region

Kingston Penitentiary (Maximum)
 Millhaven Institution (Maximum)
 Grand Valley Institution for Women (Multi)
 Regional Treatment Centre (Multi)
 Bath Institution (Medium)
 Collins Bay Institution (Medium)
 Fenbrook Institution (Medium)
 Joyceville Institution (Medium)
 Warkworth Institution (Medium)
 Beaver Creek Institution (Minimum)
 Frontenac Institution (Minimum)
 Isabel McNeill (Minimum)
 Pittsburgh Institution (Minimum)
Hamilton CCC (Minimum)
Keele CCC (Minimum)
Portsmouth CCC (Minimum)

Pacific Region

Kent Institution (Maximum)
 Fraser Valley Institution for Women (Multi)
 Pacific Institution (Multi)
 Regional Treatment Centre (Multi)
 Matsqui Institution (Medium)
 Mission Institution (Medium)
 Mountain Institution (Medium)
 Ferndale Institution (Minimum)
 Kwikwèxwelhp Healing Village (Min)
 William Head Institution (Minimum)
Chilliwack CCC (Minimum)

Quebec Region

Donnacona Institution (Maximum)
 Port-Cartier Institution (Maximum)
 Regional Reception Centre (Maximum)
 Joliette Institution (Multi)
 Regional Mental Health Centre (Multi)
 Archambault Institution (Medium)
 Cowansville Institution (Medium)
 Drummond Institution (Medium)
 La Macaza Institution (Medium)
 Leclerc Institution (Medium)
 Federal Training Centre (Minimum)
 Montée Saint-François Institution (Min)
 Sainte-Anne-des-Plaines Institution (Min)
Hochelaga CCC (Minimum)
Laferrière CCC (Minimum)
Marcel Caron CCC (Minimum)
Martineau CCC (Minimum)
Ogilvy CCC (Minimum)
Sherbrooke CCC (Minimum)

Prairie Region

Edmonton Institution (Maximum)
 Edmonton Institution for Women (Multi)
 Okimaw Ohci Healing Lodge (Minimum)
 Regional Psychiatric Centre (Multi)
 Saskatchewan Penitentiary (Multi)
 Bowden Institution (Medium)
 Bowden Annex (Minimum)
 Drumheller Institution (Medium)
 Drumheller Annex (Minimum)
 Stony Mountain Institution (Medium)
 Grande Cache Institution (Minimum)
 Riverbend Institution (Minimum)
 Rockwood Institution (Minimum)
 Willow Cree Healing Lodge (Minimum)
 Grierson Centre (Minimum)
 Pê Sâkâstêw (Minimum)
Osborne CCC (Minimum)
Oskana CCC (Minimum)

⁶⁵ Includes 58 institutions as well as Community Correctional Centres, displayed in italic.



3.2 Financial Information

In 2005/06, the budget of the CSC was \$1,597,238,000 as approved by Parliament in the Main Estimates. This budget was comprised of the following main elements (which includes CORCAN).

	<u>\$M</u>	<u>%</u>
Salaries	808.0	50.6%
Employee Benefit Plans (EBP)	162.6	10.2%
Operating	488.4	30.6%
Capital	138.2	8.6%
TOTAL	1,597.2	

With regard to the distribution of the budget by planning element in the Main Estimates, the resources were broken down as follows:

	<u>\$M</u>	<u>%</u>
Security	565.2	35.4%
Health Care	117.4	7.3%
Institutional Services	108.0	6.8%
Accommodation Services	362.7	22.7%
Case Management	254.6	15.9%
Program Development	162.4	10.2%
Inmate Pay	26.9	1.7%
TOTAL	1,597.2	

With regard to the distribution of the budget by program activity, the resources were broken down as follows:

	<u>\$M</u>	<u>%</u>
Care and Custody	1,153.3	72.2%
Rehabilitation and Case Management	443.9	27.8%
TOTAL	1,597.2	

Financial Table 1 - Comparison of Planned to Actual Spending (including FTEs)

(\$ millions)	2003-2004	2004-2005	2005-2006			
	Actual	Actual	Main Estimates	Planned Spending	Total Authorities	Total Actuals
Care and Custody	1,114.1	1,161.0	1,153.3	1,170.7	1,216.9	1,197.4
Rehabilitation and Case Management *	412.0	421.6	443.9	447.5	487.5	454.7
TOTAL	1,526.1	1,582.6	1,597.2	1,618.2	1,704.4	1,652.1
Less: Non-responsible Revenue	16.5	14.9	N/A	18.0	N/A	13.4
Plus: Cost of services received without charge	86.4	91.9	N/A	87.9	N/A	91.2
Total Departmental Spending	1,596.0	1,659.6	N/A	1,688.1	N/A	1,729.9
Full Time Equivalents	14,495	14,530	N/A	14,663	N/A	14,638

* Includes CORCAN Revolving Fund

The increase in expenditures for all Program Activities is due to: impact of signed collective agreements and increases in prices paid (inflation) for basic goods and services.



Explanations of changes between the Estimates and the actual expenditures for 2005/06.

For fiscal year 2005/06, the Service has spent the amount of \$1,652.1M or \$54.9M in excess of the amount approved in the Part II of the Estimates; i.e. \$1,597.2M. In order to analyze the financial results of the Service, additional resources provided via Governor General Special Warrants and Treasury Board should be taken in consideration.

The following reconciliation is provided:

(Figures are in \$ thousands)

Main Estimates	1,597,238
Plus	
Governor General Special Warrants	92,279
Funding for Audited Financial Statement Project	150
Decrease to Employee Benefit Plan	(389)
Non-Estimate Items	
CORCAN - ANCAFA (net of Main Estimates)	13,956
Others (including Crown Assets, etc.)	1,160
Total Authority available for use	1,704,394
Less	
CORCAN & Crown Assets Disposal	12,423
Available for future years	
Total Available to CSC	1,691,971
Less	
Actual	1,652,095
Variance	39,876

Financial Table 2 – Resources by Program Activity

\$ millions

2005-2006

Program Activity	Operating (3)	Capital	Grants	Contributions and Other Transfer Payments	Total: Gross Budgetary Expenditures	Less: Respendable Revenue (4)	Total Net Budgetary Expenditures	Loans, Investments, and Advances	Total
Care and Custody									
Main Estimates	1,027.4	124.5	0.3	1.1	1,153.3	0.0	1,153.3	0.0	1,153.3
Planned spending	1,038.2	131.1	0.3	1.1	1,170.7	0.0	1,170.7	0.0	1,170.7
<i>Total authorities</i>	<i>1,095.1</i>	<i>120.3</i>	<i>0.4</i>	<i>1.1</i>	<i>1,216.9</i>	<i>0.0</i>	<i>1,216.9</i>	<i>0.0</i>	<i>1,216.9</i>
Actual Spending	1,088.8	107.1	0.3	1.2	1,197.4	0.0	1,197.4	0.0	1,197.4
Rehabilitation and Case Management *									
Main Estimates	503.7	13.7	0.2	0.7	518.3	74.4	443.9	0.0	443.9
Planned spending	507.3	13.7	0.2	0.7	521.9	74.4	447.5	0.0	447.5
<i>Total authorities</i>	<i>538.4</i>	<i>22.6</i>	<i>0.2</i>	<i>0.7</i>	<i>561.9</i>	<i>74.4</i>	<i>487.5</i>	<i>0.0</i>	<i>487.5</i>
Actual Spending	510.2	12.8	0.0	0.8	523.8	69.1	454.7	0.0	454.7

* includes CORCAN Revolving Fund

Note:

1. Number in italics denotes Total Authorities for 2005/06 (Main plus Warrants and other authorities).
2. Bolded numbers denote actual expenditures in 2005/06.
3. Operating includes Contributions to Employee Benefit Plans and Minister's allowances.
4. These revenues were formerly called "Revenues Credited to the Vote".



Financial Table 3 - Voted and Statutory Items

(\$ millions)

		2005-2006			
Vote or Statutory Item	Truncated Vote or Statutory Wording	Main Estimates	Planned Spending	Total Authorities	Total Actuals
40	Correctional Service Operating Expenditures	1,296.4	1,310.8	1,388.8	1,370.3
45	Capital Expenditures	138.2	144.8	138.2	116.8
S	Contributions to employee benefit plan	162.6	162.6	162.3	162.3
S	CORCAN Revolving Fund			14.0	1.8
S	Spending of proceeds from Disposal of Crown Assets			1.1	0.9
S	Refund of previous year's revenues			0.0	0.0
	TOTAL	1,597.2	1,618.2	1,704.4	1,652.1

Financial Table 4 – Services Received Without Charge

(\$Millions)	2005-2006
Accommodation provided by Public Works and Government Services Canada (PWGSC)	10.1
Contributions covering employers' share of employees' insurance premiums and expenditures paid by TBS (excluding revolving funds)	72.9
Worker's compensation coverage provided by Social Development Canada	6.2
Salary and associated expenditures of legal services provided by Justice Canada	2.0
Total 2005/06 Services received without charge	91.2

Financial Table 5 – Loans, Investments and Advances (Non-Budgetary)

Not Applicable

Financial Table 6 - Sources of Responsible and Non-responsible Revenue

Responsible Revenue

(\$ millions)	Actual 2003-2004	Actual 2004-2005	2005-2006			
			Main Estimates	Planned Revenues	Total Authorities (1)	Actual
Care and Custody	0.0	0.0	0.0	0.0	0.0	0.0
Rehabilitation and Case Management *	77.0	77.7	74.4	74.4	74.4	69.1
Total Responsible Revenues (2)	77.0	77.7	74.4	74.4	74.4	69.1

Non-Responsible Revenue

(\$ millions)	Actual 2003-2004	Actual 2004-2005	2005-2006			
			Main Estimates	Planned Revenues	Total Authorities (1)	Actual
Care and Custody	12.0	10.9	N/A	16.7	6.1	12.0
Rehabilitation and Case Management *	4.5	4.0	N/A	1.3	3.6	1.4
Total Non- Responsible Revenues (3)	16.5	14.9	N/A	18.0	9.7	13.4

* includes CORCAN Revolving Fund

1. Main Estimates plus Governor General Special Warrants and other authorities
2. The source of this revenue is the CORCAN Revolving Fund. Revenues are mainly from the sale of products made by inmates.
3. The main sources of these revenues are: offender canteen sales, revenues such as contracted offender temporary detention; offender board and lodgings; and miscellaneous revenues such as fines, telephone, commissions, etc.



Financial Table 7- Revolving Fund
CORCAN Revolving Fund (\$ millions)
Statement of Operations

(\$ millions)	Actual 2003-2004	Actual 2004-2005	2005-2006			
			Main Estimates	Planned Spending	Total Authorities	Actual
Respendable Revenue	72.4	77.6	74.4	74.4	74.4	69.9
Expenses						
Operating						
Salaries & employee benefits	25.7	28.3	26.8	26.8	26.8	34.2
Depreciation	1.3	1.1	1.3	1.3	1.3	1.3
Repairs & maintenance	1.3	1.9	1.1	1.1	1.1	1.3
Administrative and support services	9.4	14.8	6.4	6.4	6.4	8.9
Utilities, materials & supplies	32.4	27.9	38.8	38.8	38.8	25.1
	70.1	74.0	74.4	74.4	74.4	70.8
Surplus (Deficit)	2.3	3.6	0.0	0.0	0.0	(0.9)

Since the table above refers to the Revolving Fund's operating surplus or deficit and not to cash requirements, the Fund has been calculated through accrual accounting. Therefore, the cash expenditures in the estimates do not affect the operating balance, and other items that must be considered when calculating the surplus or deficit do not require a direct cash outlay. The two can be reconciled as follows:

a) Statement of Cash Flows

(\$ millions)	Actual 2003-2004	Actual 2004-2005	2005-2006			
			Main Estimates	Planned Spending	Total Authorized	Actual
Surplus (Deficit)	2.3	3.6	0.0	0.0	0.0	(0.9)
Add non-cash items						
Provision for termination benefits	0.5	0.9	0.6	0.6	0.6	0.6
Amortization	1.4	1.1	1.2	1.2	1.2	1.3
Other	0.0	(0.1)	0.0	0.0	0.0	0.1
Accounts receivable	(0.7)	2.4	(1.0)	(1.0)	(1.0)	1.0
Inventories	1.5	1.2	0.6	0.6	0.6	(2.4)
Employee termination benefits payouts	(0.3)	(0.3)	0.6	0.6	0.6	(0.4)
Accounts payable	(5.0)	(2.4)	2.0	2.0	2.0	3.4
Vacation pay and salary accrual	0.3	2.7	0.0	0.0	0.0	(2.1)
Investing activities:						
Acquisition of depreciable assets	(1.7)	(2.9)	(4.0)	(4.0)	(4.0)	(2.2)
Increase (decrease) in accumulated net charge against the Fund's authority (ANCAFA)	(1.7)	6.2	0.0	0.0	0.0	(1.6)

b) Projected Use of Authority

(\$ millions)	Actual 2003-2004	Actual 2004-2005	2005-2006			
			Main Estimates	Planned Spending	Total Authorities	Actual
Authority	5.0	5.0	5.0	5.0	5.0	5.0
Drawdown:						
ANCAFA balance as at April 1	8.8	7.1	(0.1)	(0.1)	(0.1)	13.3
Increase (decrease) in ANCAFA	(1.7)	6.2	0.0	0.0	0.0	(1.6)
ANCAFA balance as at March 31	7.1	13.3	(0.2)	(0.2)	(0.2)	11.6
Net PAYE/RAYE adjustment to authority	(2.2)	(4.3)	0.0	0.0	0.0	(4.4)
	4.9	9.0	(0.2)	(0.2)	(0.2)	7.2
Unused authorities carried forward	9.9	14.0	4.8	4.8	4.8	12.2



Financial Table 8 – Resource Requirement by Branch or Sector (Sub-Activities)

2005-2006	(\$M)
CARE AND CUSTODY	
○ SECURITY	
Planned Spending	565.2
Actual Spending	604.1
○ HEALTH	
Planned Spending	128.8
Actual Spending	147.6
○ INSTITUTIONAL SERVICES	
Planned Spending	108.0
Actual Spending	101.4
○ ACCOMMODATION	
Planned Spending	368.7
Actual Spending	344.3
REHABILITATION AND CASE MANAGEMENT	
○ CASE MANAGEMENT	
Planned Spending	258.2
Actual Spending	261.6
○ PROGRAM DEVELOPMENT AND DELIVERY	
Planned Spending	162.4
Actual Spending	170.1
○ INMATE PAY	
Planned Spending	26.9
Actual Spending	21.2
○ CORCAN (Revolving Fund)	
Planned Spending	0.0
Actual Spending	1.8
<p><i>Note: For Security, Health and Program Development and Delivery, the difference between planned and actual spending is due to the in-year adjustments such as signed collective agreements and other new initiatives.</i></p>	

Financial Table 9-a - User Fees Act

A. User Fee	Fee Type	Fee Setting Authority	Date Last Modified	2005-2006			Planning Years		
				Forecast Revenue (\$000)	Actual Revenue (\$000)	Full Cost (\$000)	Fiscal Year	Forecasted Revenue (\$000)	Estimated Full Cost (\$000)
Fees charged for the processing of access requests filed under the Access to Information Act (ATIA)	Regulatory Service (R)	Access to Information Act – CSC ATIP Compliance Manual	April 2004	2.8	3.6	819.2	2006/07	3.4	735
							2007/08	3.4	740
							2008/09	3.4	740
			Sub-Total (0)	0.0	0.0	0.0	2006/07	3.4	735.0
			Sub-Total (R)	2.8	3.6	819.2	2007/08	3.4	740.0
			Total	2.8	3.6	819.2	2008/09	3.4	740.0
							Total	10.2	2,215.0
B. Date Last Modified: N/A									
C. Other information: N/A									
<p>Performance Standard: Response provided within 30 days following receipt of request; the response time may be extended pursuant to section 9 of the Access to Information Act. Notice of extension to be sent within 30 days after receipt of request. The Access to Information Act provides fuller details: http://laws.justice.gc.ca/en/a-1/text.html</p>									
<p>Performance Result: In 2005/06 CSC completed 97.5% of requests on time (in accordance with Service Standard), compared to the previous year, which was at 95.0%.</p>									



Table 9-b - Policy on Service Standards for External Fees

A. External Fee	Service Standard	Performance Result	Stakeholder Consultation
Fees charged for the processing of access requests filed under the Access to Information Act (ATIA)	Response provided within 30 days following receipt of request; the response time may be extended pursuant to section 9 of the ATIA. Notice of extension to be sent within 30 days after receipt of request.	In 2005/06, CSC completed 97.5% of requests on time (in accordance with Service Standard), compared to previous year which was at 95.0%.	The service standard is established by the Access to Information Act and the Access to Information Regulations. Consultations with stakeholders were undertaken by the Department of Justice and the Treasury Board Secretariat for amendments done in 1986 and 1992.
B. Other Information: N/A			

Table 10 – Major Regulatory Initiatives

Not Applicable

Financial Table 11 – Details on Project Spending

Capital Projects by Program Activity (\$ millions) (1)

Program Activity And Project Phase	Current Estimated Total Cost	Actual 2003- 2004	Actual 2004- 2005	2005-2006			
				Main Estimates	Planned Spending	Total Authority (2)	Actual

Care and Custody

**A. New Accommodation
Projects**RHC Pacific Expansion – Project
close-out

71.5 11.5 4.0 0.0 0.0 0.0 0.1

Archambault New CRSM &
Redevelopment – Project
Definition

50.3 0.5 0.6 12.0 12.0 12.0 0.4

B. Major Asset Preservation

Springhill Institution

Refurbish/Replace – Project
Implementation

30.5 7.0 2.4 7.9 7.9 7.9 7.9

Collins Bay Refurbish/Replace -
Project Implementation

57.6 2.0 2.0 14.0 11.2 14.0 22.0

Cowansville Refurbish/Replace -
Project Implementation

49.5 0.3 1.1 8.0 4.7 8.0 0.6

Saskatchewan Pen

Refurbish/Replace - Project
Definition

180.0 0.6 0.6 5.0 5.2 5.0 1.2

(1) CSC's delegation authority level is \$18 million according to TB decision of December 14, 1995; therefore, only capital projects with total estimated value of \$18 million or above have been individually listed.

(2) Main Estimates plus Governor General Special Warrants and other authorities.

(3) Supplementary information on Project Spending can be found at http://www.tbs-sct.gc.ca/rma/dpr1/05-06/index_e.asp

Financial Table 12 – Status Report on major Crown Projects

Not Applicable

Financial Table 13 – Details on Transfer Payment Programs (TPPs)

Not Applicable

Financial Table 14 – Foundations (Conditional Grants)

Not Applicable

Financial Table 15 - Alternative Service Delivery

The following table outlines Exchange of Services Agreement (ESA) negotiations with the Provinces and Territories in 2005/06.



Province/Territory	ESA ¹ /CSCA ² Negotiations
Alberta	A new ESA was signed in the summer of 2006 to replace the existing Agreement.. The Agreement will continue to provide for the transfer of offenders and for the temporary detention of offenders.
Ontario	Negotiations to enter into a new CSCA with the Province were concluded. The Agreement includes provisions for the transfer of offenders as well as collaboration in the areas of: community corrections, staff training and research. The new Agreement is expected to be in place by the fall of 2006.
Yukon	Negotiations to enter into a new CSCA with the Territory were concluded. The Agreement includes provisions for the transfer of offenders as well as collaboration in the areas of: Aboriginal corrections, female offenders, and ageing offenders. The new Agreement is expected to be in place by the fall of 2006.
Nova Scotia	Negotiations to enter into a new CSCA with the Province have commenced. A new ESA is expected to be in place by the fall of 2006.

¹**Exchange of Services Agreements (ESA):** ESAs facilitate the temporary detention of federal offenders as well as provide for the reciprocal custody and community supervision between jurisdictions. These Agreements provide flexibility in accommodating offenders. Such transfers take place in order to realize a number of objectives, including: to permit flexibility in the provision of services and programs; to ensure the most advantageous utilization of available correctional facilities by each jurisdiction thereby improving efficiency and effectiveness; to provide an appropriate level of security and protection; and to effectively respond to the particular needs of any offender, for example, proximity to home, community or cultural milieu; and, to facilitate the reintegration of the offender as a law-abiding citizen.

²**Correctional Services Co-ordination Agreements (CSCA):** CSCAs are a type of ESA that builds on the basic ESA structure while encouraging increased partnership within federal-provincial-territorial (FPT) correctional systems. These Agreements enable governments to build on their respective strengths such as programming, research and training, thereby ensuring safer communities and better value for money for all Canadians by reducing duplication in services.

Section 81 of the CCRA allows the Minister, or a person authorized by the Minister, to enter into an agreement with an Aboriginal community for the provision of correctional services to Aboriginal offenders. It also allows CSC to transfer federal offenders to the care and custody of an Aboriginal community, with the consent of the offender and of the Aboriginal community. Under these provisions, "Aboriginal community" means a first

nation, tribal council, band, community, organization or other group with a predominantly aboriginal leadership; and "Aboriginal" means Indian, Inuit or Métis.”

The following table shows the active Section 81 Agreements for 2005/06.

Section 81			
Name of ASD Initiative	Current Status	Start Date	Community
Prince Albert Grand Council Healing Centre	Expires Mar. 31, 2009	1997	Wahpeton Dakota Nation Prince Albert, Saskatchewan
Stan Daniels Healing Centre	Expires Dec. 26, 2006	1999	Native Counselling Services of Alberta Edmonton, Alberta
Ochi-chak-ko-si pi Healing Lodge	Expires Feb 8, 2008	2000	Ojibway First Nation Manitoba
Waseskun Healing Centre	Expires Jul. 31, 2011	2001	St. Alphonse, Quebec

Financial Table 16 - Horizontal Initiatives

CSC participates actively in many horizontal initiatives but does not lead any.

A *horizontal initiative* occurs when partners from two or more organizations have established a formal funding agreement to work toward the achievement of shared outcomes. CSC does not lead any “major horizontal initiatives” as defined by Treasury Board Secretariat. The following table shows the major horizontal initiatives in which CSC has participated in 2005/06, and the respective lead departments or agencies:

Horizontal Initiative Lead Department/Agency

Canada Firearms Program	Canada Firearms Centre
Federal Healthcare Partnership	Veteran Affairs
Federal Contaminated Sites Accelerated Action Plan	Environment Canada
Canada’s Drug Strategy	Health Canada
Federal Initiative to Address HIV/AIDS in Canada	Canadian Public Health Agency

Supplementary information on Horizontal Initiatives can be found at:

http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-rhbd/profil_e.asp



Financial Table 17 (a) – Financial Statements of Departmental Corporations and Agencies (including Agents of Parliament)

Statement of Management Responsibility

Correctional Service Canada

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2006 and all information contained in these statements rests with departmental management. These financial statements have been prepared by management in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment and gives due consideration to materiality. To fulfil its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the department's financial transactions. Financial information submitted to the *Public Accounts of Canada* and included in Correctional Service Canada's *Departmental Performance Report* is consistent with these financial statements.

Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the *Financial Administration Act*, are executed in accordance with prescribed regulations, within Parliamentary authorities, and are properly recorded to maintain accountability of Government funds. Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout the department.

The financial statements of the department have not been audited.

Keith Coulter, Commissioner
Ottawa, Canada
October 5, 2006

Louise St-Laurent, CA, Senior Financial Officer

Statement of Operations (unaudited)

Correctional Service Canada

For the year-ended March 31*(in thousands of dollars)*

	2006		2005	
	Care and Custody	Rehabilitation and Case Management	Total	Total
Transfer payments				
Individuals	252	-	252	167
Other countries and international organizations	55	25	80	260
Non-profit organizations	1,145	815	1,960	2,566
Other	-	-	-	75
<i>Total transfer payments</i>	1,452	840	2,292	3,068
Operating expenses				
Salaries and employee benefits	835,261	364,440	1,199,701	1,142,209
Professional and special services	133,169	89,611	222,780	215,659
Utilities	108,000	11,776	119,776	116,314
Amortization	72,772	1,298	74,070	74,564
Travel & relocation	22,493	17,862	40,355	36,365
Land, building and works	25,686	-	25,686	29,201
Machinery and equipment	12,971	12,375	25,346	26,943
Repairs	15,112	6,080	21,192	23,277
Accommodation	3,495	6,648	10,143	12,878
Loss on disposal of tangible capital assets	3,285	112	3,397	2,331
Other	22,431	6,509	28,940	29,681
<i>Total operating expenses</i>	1,254,675	516,711	1,771,386	1,709,422
Total Expenses	1,256,127	517,551	1,773,678	1,712,490
Revenues				
Sales of goods and services	2,898	29,729	32,627	52,374



Gains on sales of tangible capital assets	777	46	823	738
Other	3,768	400	4,168	4,544
Total Revenues	7,443	30,175	37,618	57,656
Net Cost of Operations	1,248,684	487,376	1,736,060	1,654,834

The accompanying notes form an integral part of these financial statements

Statement of Financial Position (unaudited)

Correctional Service Canada

At March 31*(in thousands of dollars)*

	2006	2005
Assets		
<i>Financial Assets</i>		
Cash, accounts receivable, loans and advances (Note 4)	11,684	31,158
Inventory held for resale	9,860	7,411
<i>Total financial assets</i>	21,544	38,569
<i>Non-financial Assets</i>		
Prepaid expenses	2,316	2,379
Inventory not for resale	18,539	17,835
Tangible capital assets (Note 5)	1,268,356	1,252,797
<i>Total non-financial assets</i>	1,289,211	1,273,011
Total	1,310,755	1,311,580
Liabilities and Equity of Canada		
Liabilities		
Accounts payable and accrued liabilities	142,912	177,061
Vacation pay and compensatory leave	52,248	47,967
Employee severance benefits (Note 6)	118,960	103,824
Lease obligation for tangible capital asset (Note 7)	-	24
Other liabilities (Note 8)	28,283	28,324
	342,403	357,200
Equity of Canada	968,352	954,380
Total	1,310,755	1,311,580

Contingent liabilities (Note 9)

Contractual obligations (Note 10)

The accompanying notes form an integral part of these financial statements



Statement of Equity of Canada (unaudited)

Correctional Service Canada

For the year ended March 31

(in thousands of dollars)

	2006	2005
Equity of Canada, beginning of year	954,380	966,553
Net cost of operations	(1,736,060)	(1,654,834)
Current year appropriations used (Note 3)	1,652,095	1,582,562
Revenue not available for spending	(10,680)	(14,781)
Change in net position in the Consolidated Revenue Fund (Note 3)	17,389	(16,189)
Services received without charge from other government departments (Note 11)	91,228	91,069
Equity of Canada, end of year	968,352	954,380

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flow (unaudited)

Correctional Service Canada

For the year ended March 31

(in thousands of dollars)

	2006	2005
Operating activities		
Net cost of operations	1,736,060	1,654,834
Non Cash items:		
Amortization of tangible capital assets	(74,070)	(74,564)
Loss on disposal and write-down of tangible capital assets	(2,574)	(1,593)
Services provided without	(91,228)	(91,069)
Capital asset adjustments	(1,648)	(4,872)
Variations in Statement of Financial Position:		
(Decrease) increase in accounts receivable and advances	(19,484)	17,072
(Decrease) increase in prepaid expenses	(63)	2,354
Increase in inventories	3,153	16,607

Decrease (increase) in liabilities	14,797	(43,491)
Cash used by operating activities	1,564,943	1,475,278
Capital investment activities		
Acquisitions of tangible capital assets	94,628	76,905
Proceeds from disposal of tangible capital assets	(777)	(592)
Cash used by capital investment activities	93,851	76,313
Financing activities		
Net Cash Provided by Government of Canada	(1,658,804)	(1,551,592)

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements (unaudited)

Correctional Service Canada

1. Authority and Objectives

The constitutional and legislative framework that guides the Correctional Service of Canada (CSC) is set out by the *Constitution Act 1982* and the *Corrections and Conditional Release Act*. (CCRA).

The Correctional Service of Canada (CSC), as part of the criminal justice system and respecting the rule of law, contributes to public safety by actively encouraging and assisting offenders to become law-abiding citizens, while exercising reasonable, safe, secure and humane control. It delivers its mandate under two major program activities:

- Care and Custody: Administering a sentence through reasonable, safe and humane custody;
- Rehabilitation and Case Management: Assisting in the safe rehabilitation and reintegration of offenders into communities.

Starting in fiscal year 2007, CSC will deliver its mandate under three major program activities.

2. Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Significant accounting policies are as follows:

a) Parliamentary appropriations



CSC is financed by the Government of Canada through Parliamentary appropriations. Appropriations provided to the department do not parallel financial reporting according to generally accepted accounting principles since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the statement of operations and the statement of financial position are not necessarily the same as those provided through appropriations from Parliament. Note 3 provides a high-level reconciliation between the bases of reporting.

b) Consolidation

These financial statements include the accounts of CSC including its revolving fund CORCAN. All of the accounts of this sub-entity have been consolidated with those of CSC and all inter-organizational balances and transactions have been eliminated.

c) Net Cash Provided by Government

CSC operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by the department is deposited to the CRF and all cash disbursements made by the department are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal government.

d) Change in Net Position in the Consolidated Revenue Fund (CRF)

Change in net position in the Consolidated Revenue Fund is the difference between the net cash provided by Government and appropriations used in a year, excluding the amount of non spendable revenue recorded by the department. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.

e) Revenues

Revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenues.

f) Expenses

Expenses are recorded on the accrual basis:

- √ Grants are recognized in the year in which the conditions for payment are met. In the case of grants which do not form part of an existing program, the expense is recognized when the Government announces a decision to make a non-recurring transfer, provided the enabling legislation or authorization for payment receives parliamentary approval prior to the completion of the financial statements;
- √ Contributions are recognized in the year in which the recipient has met the eligibility criteria or fulfilled the terms of a contractual transfer agreement;
- √ Vacation pay and compensatory leave are expensed as the benefits accrue to

employees under their respective terms of employment;
√ Services provided without charge by other government departments for accommodation, the employer's contribution to the health and dental insurance plans, worker's compensation coverage and legal services are recorded as operating expenses at their estimated cost.

g) *Employee future benefits*

√ Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multi-employer plan administered by the Government of Canada. CSC's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. Current legislation does not require CSC to make contributions for any actuarial deficiencies of the Plan.

√ Severance benefits: Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

h) *Accounts and loans receivables from external parties*

Accounts and loans receivables are stated at amounts expected to be ultimately realized; a provision is made for receivables where recovery is considered uncertain.

i) *Contingent liabilities*

Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

j) *Environmental liabilities*

Environmental liabilities reflect the estimated costs related to the management and remediation of environmentally contaminated sites. Based on management's best estimates, a liability is accrued and an expense recorded when the contamination occurs or when the department becomes aware of the contamination and is obligated, or is likely to be obligated to incur such costs. If the likelihood of the department's obligation to incur these costs is not determinable, or if an amount cannot be reasonably estimated, the costs are disclosed as contingent liabilities in the notes to the financial statements.

k) *Inventories*

√ Inventories held for resale include raw materials, finished goods and work-



in-progress. They belong to the CORCAN revolving fund and are valued at the lower of cost and net realizable value.

√ Inventories not for resale consist of material and supplies held for future program delivery. They are valued at cost. If they no longer have service potential, they are written-off.

l) Tangible capital assets

All tangible capital assets and leasehold improvements having an initial cost of \$10,000 or more are recorded at their acquisition cost. CSC does not capitalize intangibles, works of art and historical treasures that have cultural, aesthetic or historical value, assets located on Indian Reserves and museum collections.

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

Asset Class	Sub-asset class	Amortization Period
Buildings	Buildings	25 to 40 years
Works and infrastructure	Works and infrastructure	20 to 25 years
Machinery & equipment	Machinery & equipment	10 years
	Informatics hardware	3 to 5 years
	Informatics software	3 to 5 years
	Arms and weapons for defence	10 years
	Other equipment	10 years
Vehicles	Motor vehicles (non-military)	5 years
	Other vehicles	10 years
Leasehold improvements	Leasehold improvements	Term of lease
Assets under construction	Buildings	Once in service, 25 to 40 years
	Informatics software	Once in service, 3 to 5 years
Assets under capital leases	Assets under capital leases	In accordance with asset type

m) Measurement uncertainty

The preparation of these financial statements in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are contingent liabilities, environmental liabilities, the liability for employee severance benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in

the financial statements in the year they become known.

3. Parliamentary Appropriations

The Department receives most of its funding through annual Parliamentary appropriations. Items recognized in the statement of operations and the statement of financial position in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, the Department has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

a) Reconciliation to net cost of operations to current year appropriations used:

<i>(in thousands of dollars)</i>	2006	2005
Net cost of operations	1,736,060	1,654,834
<i>Adjustments for items affecting net cost of operations but not affecting appropriations :</i>		
<i>Add (Less):</i>		
Amortization	(74,070)	(74,564)
Vacation pay and compensatory leave	(4,095)	(1,663)
Prepaid expenses	(63)	-
Environmental liabilities and other provisions	760	1,153
Employee severance benefits	(15,136)	(1,179)
Loss on disposal and write-down of tangible capital assets	(2,574)	(1,593)
Inventory adjustments	704	17,835
Services provided without charge	(91,228)	(91,069)
Revenue not available for spending	10,680	14,781
Other	(3,924)	(14,028)
	(178,946)	(150,327)
<i>Adjustments for items not affecting net cost of operations but affecting appropriations :</i>		
<i>Add (Less):</i>		
Acquisitions of tangible capital assets	94,628	76,904
Inventory	353	(1,228)
Prepaid expenses	-	2,379
	94,981	78,055
Current year appropriations used	1,652,095	1,582,562

b) Appropriations provided and used:

<i>(in thousands of dollars)</i>	2006	2005
Vote 40 (35) - Operating expenditures	1,388,791	1,340,976



Vote 45 (40) - Capital expenditures	138,217	130,766
Statutory amounts	177,386	164,955
Less:		
Authorities available for future years	12,423	14,251
Lapsed appropriations: Operating	18,502	14,698
Lapsed appropriations: Capital	21,374	25,186
Current year appropriations used	1,652,095	1,582,562

c) Reconciliation of net cash provided by Government to current year appropriations used:

<i>(in thousands of dollars)</i>	2006	2005
Net cash provided by Government	1,658,804	1,551,592
Revenue not available for spending	10,680	14,781
Change in net position in the Consolidated Revenue Fund		
Variation in accounts receivable and advances	19,484	(17,072)
Variation in accounts payable and accrued liabilities	(34,149)	40,384
Other adjustments	(2,724)	(7,123)
	(17,389)	16,189
Current year appropriations used	1,652,095	1,582,562

4. Cash, Accounts Receivable, Loans and Advances

The following table presents details of cash, accounts receivable, loans and advances:

<i>(in thousands of dollars)</i>	2006	2005
Cash in transit	13	3
Receivables from other Federal Government departments and agencies	5,519	25,697
Receivables from external parties	6,304	5,632
Employee advances	336	338
Parolee loans	5	7
	12,177	31,677
Less: allowance for doubtful accounts on external receivables and parolee loans	(493)	(519)
Total	11,684	31,158

5. Tangible Capital Assets

(in thousands of dollars)

Capital asset class	Cost					Accumulated amortization				2006 Net book Value	2005 Net book value
	Opening Balance	Acquisitions	Disposals and write-offs	Transfer of assets under construction and adjustments	Closing Balance	Opening Balance	Amortization	Disposals, write-offs and adjustments	Closing Balance		
Land	12,989	-	-	135	13,124	-	-	-	-	13,124	12,989
Buildings	1,366,110	-	2,061	20,362	1,384,411	465,895	41,130	1,477	505,548	878,863	900,215
Works and infrastructure	383,881	-	-	13,919	397,800	220,059	17,362	-	237,421	160,379	163,822
Machinery and equipment	167,172	20,734	16,094	(2,479)	169,333	115,659	11,429	17,014	110,074	59,259	51,513
Vehicles	38,817	4,987	4,457	3,874	43,221	23,941	4,054	2,200	25,795	17,426	14,876
Leasehold improvements	1,322	-	-	70	1,392	177	95	-	272	1,120	1,145
Assets under construction	108,173	68,907	-	(38,895)	138,185	-	-	-	-	138,185	108,173
Assets under capital leases	111	-	-	(111)	-	47	-	47	-	-	64
Total	2,078,575	94,628	22,612	(3,125)	2,147,466	825,778	74,070	20,738	879,110	1,268,356	1,252,797

Amortization expense for year ended March 31, 2006 is \$74,070,000 (2005 - \$74,564,000).

6. Employee Benefits

a) Pension benefits:

CSC's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plans benefits and they are indexed to inflation.

Both the employees and the department contribute to the cost of the Plan. The 2005/06 expense amounts to \$123,760,134 (\$112,816,501 in 2004-05), which represents approximately 2.6 time the contributions by employees.

The department's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

b) Severance benefits:

CSC provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future appropriations. Information about the severance benefits, measured as of March 31, is as follows:

(in thousands of dollars)	2006	2005
Accrued benefit obligation, beginning of year	103,824	102,645
Expenses for the year	30,073	14,237
Benefits paid during the year	(14,937)	(13,058)
Accrued benefit obligation, end of year	118,960	103,824



7. Lease Obligation for Tangible Capital Assets

CORCAN entered into a five-year capital lease agreement to rent manufacturing equipment in fiscal year 2001. Final payment under the lease agreement was made in fiscal year 2005-06. As at March 31, 2006, there is no capital lease obligation (\$24,018 at March 31st, 2005).

8. Other Liabilities

(in thousands of dollars)

	2006	2005
Environmental liabilities	12,964	13,380
Inmate trust fund	11,459	10,740
Other liabilities	3,860	4,204
Total	28,283	28,324

Pursuant to section 111 of the *Corrections and Conditional Release Act*, the Inmate Trust Fund is credited with moneys received from inmates at the time of incarceration, net of earnings of inmates from employment inside institutions, moneys received for inmates while in custody, moneys received from sales of hobbycraft, money earned through work while on day parole, and interest. Payments to assist in the rehabilitation of inmates are also charged to this account. Receipts to the Inmate Trust Fund totalled to \$36,312,608 in 2006 (\$23,123,871 in 2005), while payments totalled \$35,593,251 (\$22,451,634 in 2005).

9. Contingent Liabilities

a) Contaminated sites

Liabilities are accrued to record the estimated costs related to the management and remediation of contaminated sites where the department is obligated or likely to be obligated to incur such costs. The department has identified approximately 67 sites (60 sites in 2005) where such action is possible and for which a liability of \$12,964,000 (\$13,380,000 in 2005) has been recorded. CSC has estimated additional clean-up costs of \$24,239,000 (\$20,535,000 in 2005) that are not accrued, as these are not considered likely to be incurred at this time. CSC's ongoing efforts to assess contaminated sites may result in additional environmental liabilities related to newly identified sites, or changes in the assessments or intended use of existing sites. These liabilities will be accrued by the department in the year in which they become known.

b) Claims and litigations

Claims have been made against the department in the normal course of operations. Legal proceedings for claims totalling approximately \$3,859,500 (\$4,203,548 in 2005) were still pending at March 31, 2006. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded in the financial statements.

CSC was found liable in a case involving an inmate for which damages were not addressed as part of the judgement. The claim is for a maximum amount of \$1,000,000. Since a reasonable estimate of the damages to be paid could not be established, no liability has been accrued in the financial statements.

10. Contractual Obligations

The nature of the department's activities can result in some large multi-year contracts and obligations whereby the department will be obligated to make future payments when the services/goods are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

<i>(in thousands of dollars)</i>	2007	2008	2009	2010	2011 and thereafter	Total
Acquisition of other goods and services	2,790	2,942	2,942	2,942	2,316	13,932
Total	2,790	2,942	2,942	2,942	2,316	13,932

11. Related Party Transactions

CSC is related as a result of common ownership to all Government of Canada departments, agencies, and Crown corporations. CSC enters into transactions with these entities in the normal course of business and on normal trade terms. Also, during the year, CSC received services which were obtained without charge from other Government departments as presented in part a).

a) Services provided without charge:

During the year CSC received without charge from other departments services such as accommodation, legal fees, employer's contribution to the health and dental insurance plans and worker's compensation coverage. These services without charge have been recognized in CSC's Statement of Operations as follows:

<i>(in thousands of dollars)</i>	2006	2005
Accommodation	10,143	12,878
Employer's contribution to the health and dental insurance plans	72,894	70,695
Legal services	1,973	1,723
Worker's compensation	6,218	5,773
Total	91,228	91,069

The Government has structured some of its administrative activities for efficiency and cost-effectiveness purposes so that one department performs these on behalf of all without charge. The costs of these services, which include payroll and cheque issuance services provided by Public Works and Government Services Canada, are not included as



an expense in CSC's Statement of Operations.

b) Payables and receivables outstanding at year-end with related parties:

<i>(in thousands of dollars)</i>	2006	2005
Accounts receivable from other government departments and agencies	5,519	25,697
Accounts payable to other government departments and agencies	(16,107)	(19,846)

Financial Table 17 (b) – Financial Statements of Departmental Corporations and Agencies (including Agents of Parliament)

CORCAN Revolving Fund

Year ended March 31

STATEMENT OF FINANCIAL POSITION

[In thousands of dollars]

	2006	2005
	\$	\$
ASSETS		
Current		
Accounts receivable <i>[note 4]</i>	4,753	5,795
Inventories <i>[note 5]</i>	9,861	7,412
Other	2	4
	14,616	13,211
Capital assets <i>[note 6]</i>	8,571	7,718
	23,187	20,929
LIABILITIES		
Current		
Accounts payable <i>[note 7]</i>	8,091	4,716
Vacation pay and salary accrual	2,306	4,375
	10,397	9,091
Long-term		
Employee termination benefits <i>[note 8]</i>	3,602	3,339
	3,602	3,339
Commitments and contingencies <i>[notes 9 and 12]</i>		
Net assets <i>[note 10]</i>	9,188	8,499
	23,187	20,929

The accompanying notes are an integral part of the financial statements



CORCAN Revolving Fund**STATEMENT OF OPERATIONS AND NET ASSETS (LIABILITIES)***[In thousands of dollars]*

Year ended March 31

	2006	2005
	\$	\$
Revenues <i>[note 11]</i>	46,727	53,527
Cost of goods sold <i>[note 11]</i>	56,740	62,443
Gross margin	(10,013)	(8,916)
OTHER REVENUES		
Training and correctional fees <i>[note 3]</i>	22,598	23,631
Miscellaneous	581	445
	23,179	24,076
EXPENSES		
National/regional headquarters	9,008	8,012
Employment and employability programs	3,105	1,802
Selling and marketing	1,961	1,783
	14,074	11,597
Net results	(908)	3,563
Net assets, beginning of year	8,499	11,158
Net financial resources used (provided) and in the ANCAFA account during the year	1,597	(6,222)
Net assets, end of year <i>[note 10]</i>	9,188	8,499

The accompanying notes are an integral part of the financial statements

CORCAN Revolving Fund

STATEMENT OF CASH FLOWS

[In thousands of dollars]

Year ended March 31

	2006	2005
	\$	\$
OPERATING ACTIVITIES		
Net results	(908)	3,563
Adjustments for non-cash items:		
Provision for termination benefits	638	879
Amortization	1,298	1,141
Other	16	(137)
	1,044	5,446
Changes in non-cash working capital:		
Accounts receivable	1,042	2,381
Inventories	(2,449)	1,227
Other	2	30
Employee termination benefits	(375)	(313)
Accounts payable	3,375	(2,409)
Current portion of capital lease		(18)
Vacation pay and salary accrual	(2,069)	2,700
Net financial resources provided (used) by operating activities	570	9,044
INVESTING ACTIVITIES		
Capital asset acquisitions	(2,201)	(2,904)
Proceeds on disposal of capital assets	34	106
Net financial resources used by investing activities	(2,167)	(2,798)
FINANCING ACTIVITIES		
Capital lease obligations	—	(24)
Net financial resources used by financing activities		(24)
Net financial resources provided (used) and change in accumulated net charge against the Fund's authority	(1,597)	6,222
Accumulated net charge against the Fund's authority, beginning of year	13,304	7,082
Accumulated net charge against the Fund's authority, end of year	11,707	13,304

The accompanying notes are an integral part of the financial statements



1. AUTHORITY AND PURPOSE

CORCAN Revolving Fund is a special operating agency within Correctional Service Canada financed by way of a Revolving Fund. The CORCAN Revolving Fund [“CORCAN” or “the Fund”] was established under Appropriation Act No. 4, 1991-92, which authorized the operation of the Fund effective April 1, 1992 in accordance with terms and conditions prescribed by Treasury Board. CORCAN Revolving Fund’s purpose is to aid in the safe reintegration of offenders into Canadian society by providing employment and training opportunities to offenders incarcerated in federal penitentiaries and, for brief periods of time, after they are released into the community. The Fund has a continuing non-lapsing authority from Parliament to make payments out of the Consolidated Revenue Fund for working capital, capital acquisitions and temporary financing of accumulated operating deficits, the total of which is not to exceed \$5,000,000 at any time. An amount of \$15,218,000 representing net assets assumed by the Fund was charged to this authority when the Fund became operative on April 1, 1992. The Fund is a non-taxable entity.

2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with the reporting requirements for revolving funds as prescribed by Treasury Board. Preparation requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates. The basis of accounting used in these financial statements differs from Canadian generally accepted accounting principles as follows: [1] The obligation for employee termination benefits is based on management’s estimate of the liability and not an actuarial valuation and [2] The liability for employee termination benefits earned prior to the creation of the Fund will not to be recorded until 2008, the fifteenth anniversary of the Fund [see note 8].

The significant accounting policies are as follows:

Recognition of revenue and expense

Except as noted below, the Fund recognizes revenue when persuasive evidence of a final agreement exists, delivery has occurred and services have been rendered, the selling price is fixed or determinable and collectibility is reasonably assured.

For multi-year construction contracts in excess of \$100,000, the percentage of completion method of accounting is used. Degree of completion is determined by comparing direct costs incurred to date to the total direct costs anticipated for the entire contract. The effect of changes to the total estimated income for each contract is recognized in the period in which the determination is made and losses, if any, are recognized fully when anticipated. Profits on construction contracts of up to \$100,000 are recognized when the contract has been substantially completed.

Expenses are recorded in the period they are incurred.

Inventories

Raw materials are valued at their standard cost. Finished Goods and Work in Process inventories are valued at the lower of cost and net realizable value. The Fund makes provisions for excess and obsolete inventory on a site by site basis.

Capital assets

Capital assets with an initial cost of \$10,000 or greater are recorded at cost and are amortized on a straight line basis over their estimated useful lives commencing on the month after they are put in service, as follows:

Equipment	10 years
Office furniture and equipment	10 years
Vehicle fleet	5 years
Computer equipment	3 years

The Fund reviews its long-lived assets for impairment when events or changes in circumstances indicate the carrying amount of an asset may not be recoverable in accordance with Canadian Institute of Chartered Accountants [CICA] handbook section 3063.

Pension plan

Employees of CORCAN Revolving Fund are covered by the Public Service Superannuation Act and the Supplementary Retirement Benefits Act. The Government of Canada's portion of the pension cost is included in the employee benefits assessed against the Fund. The actual payment of the pension is made from the Public Service Superannuation and Supplementary Retirement Benefits accounts. Pension plan expense is recognized when it is paid.

Employee future benefits

Employees of CORCAN Revolving Fund are entitled to specified termination benefits based on salary levels in effect at the time of termination as provided for under collective agreements and conditions of employment. Employee termination benefits earned by employees of CORCAN Revolving Fund prior to April 1, 1992 are considered a liability of the Treasury Board and, accordingly, have not been recorded in the accounts of the Fund. The financial statements of CORCAN Revolving Fund include the termination benefits earned by the employees of CORCAN since the inception of the Fund. The employee future benefits are recognized when they are earned.



Sick leave

Employees are permitted to accumulate unused sick leave. However, such leave entitlements may only be used in the event of an illness. As per current Government practice, unused sick leave upon employee termination is not payable to the employee. Accordingly, no amount has been accrued in these financial statements.

Warranty provision

Potential warranty costs associated with products are recorded when the products are sold.

Financial instruments

The fair value of the financial instruments approximates costs unless otherwise specified. The Fund's financial instruments consist of accounts receivable, accounts payable, accrued liabilities and long-term debt. It is management's opinion that the Fund is not exposed to significant interest, currency or credit risks arising from those instruments.

3. RELATED PARTY TRANSACTIONS

CORCAN Revolving Fund entered into the following transactions with the Correctional Service Canada ["CSC"], its parent organization:

	2006	2005
	\$	\$
	<i>[In thousands of dollars]</i>	
Trade revenues	12,470	8,471
Training, correctional and other fees	22,572	23,631
	35,042	32,102

As at March 31, 2006, CORCAN Revolving Fund has \$262,000 [2005 - \$2,065,000] receivable from CSC.

Correctional Service Canada has provided and is to continue to provide CORCAN Revolving Fund with the use of existing infrastructure including buildings, shops and farms as well as maintenance of said facilities and human resource services, free of charge.

4. ACCOUNTS RECEIVABLE

	2006	2005
	\$	\$
	<i>[In thousands of dollars]</i>	
Government of Canada	2,120	3,371
Outside parties	2,911	2,838
	5,031	6,209
Allowance for doubtful accounts	(278)	(414)
	4,753	5,795

5. INVENTORIES

Inventories consist of the following:

	2006	2005
	\$	\$
	<i>[In thousands of dollars]</i>	
Raw materials	4,399	3,940
Work-in-progress	545	4
Finished goods	4,099	3,076
Agribusiness inventory	1,322	1,129
	10,365	8,149
Provision for obsolete inventory	(504)	(737)
	9,861	7,412

6. CAPITAL ASSETS AND ACCUMULATED AMORTIZATION

Capital assets consist of the following:

	2006		2005	
	Cost	Accumulated	Cost	Accumulated
	\$	\$	\$	\$
	<i>[In thousands of dollars]</i>			
Equipment	25,591	17,738	23,893	16,689
Vehicle fleet	1,375	667	1,045	611
Other	158	148	269	189
	27,124	18,553	25,207	17,489
Accumulated amortization	(18,553)		(17,489)	
Net book value	8,571		7,718	

The amortization expense for the year was \$1,298,000 [2005 – 1,141,000].



7. ACCOUNTS PAYABLE

	2006	2005
	\$	\$
	<i>[In thousands of dollars]</i>	
Government of Canada	1,298	783
Outside parties	6,793	3,933
	8,091	4,716

8. EMPLOYEE FUTURE BENEFITS

Termination benefits

Termination benefits earned by employees prior to the creation of CORCAN on April 1, 1992 are considered a liability of the Treasury Board and are therefore not recorded in the accounts of the Fund. As at March 31, 2006, the Treasury Board liability for benefits earned by CORCAN employees prior to April 1, 1992 is \$1,335,000 [2005 - \$1,453,000]. The Treasury Board will fund the payout of these benefits for a period of up to 15 years from the establishment date of CORCAN. CORCAN will therefore become liable for these benefits starting in fiscal 2008.

The liability for benefits earned after April 1, 1992 is recorded in the accounts as the Employee Termination Benefits. As at March 31, 2006, CORCAN's liability is \$3,602,000 [2005 - \$3,339,000].

CORCAN expensed \$638,000 [2005 - \$879,000] related to Employee Termination Benefits in 2005/06.

Pension plan

During the year CORCAN has expensed \$3,680,000 [2005 - \$3,016,000] for contributions to the Public Service Pension Plan.

9. COMMITMENTS

CORCAN Revolving Fund is committed under the terms of various lease agreements. The lease commitments include an amount of \$200,000 relating to the Kingston warehouse. This lease was renewed in 2003 and expires September 30, 2006.

The minimum annual payments over the next five years are as follows:

	\$
	<i>[In thousands of dollars]</i>
2007	341
2008	121
2009	27
2010	16
2011	4
	509

10. NET ASSETS

The net assets consist of the following:

	2006	2005
	\$	\$
	<i>[In thousands of dollars]</i>	
Contributed capital	30,542	30,542
Accumulated Net Charge Against the Fund's Authority	(11,707)	(13,304)
Accumulated deficit	(9,647)	(8,739)
Net assets, end of year	9,188	8,499

11. REVENUES AND COST OF GOODS SOLD

Year ended March 31, 2006

	Revenues	Cost of Goods Sold	Gross Margin
	\$	\$	\$
	<i>[In thousands of dollars]</i>		
Agribusiness and forestry	6,674	10,140	(3,466)
Services	5,123	4,728	395
Textile	3,836	5,180	(1,344)
Manufacturing	22,750	27,755	(5,005)
Construction	8,344	8,937	(593)
	46,727	56,740	(10,013)



Year ended March 31, 2005

	Revenues	Cost of Goods Sold	Gross Margin
	\$	\$	\$
<i>[In thousands of dollars]</i>			
Agribusiness and forestry	6,448	9,779	(3,331)
Services	5,773	5,515	258
Textile	3,472	4,952	(1,480)
Manufacturing	25,273	29,706	(4,433)
Construction	12,561	12,491	70
	53,527	62,443	(8,916)

12. CONTINGENCIES

In the normal course of operations, CORCAN Revolving Fund becomes involved in various claims and legal proceedings. While the final outcome with respect to claims and legal proceedings pending at March 31, 2006 cannot be predicted with certainty, it is the opinion of management that their resolution will not have a material adverse effect on the Fund's financial position or results of operations.

AUDITORS' REPORT

To the Commissioner of Correctional Services Canada

We have audited the statement of financial position of **CORCAN Revolving Fund** as at March 31, 2006 and the statements of operations, net assets and cash flows for the year then ended. These financial statements have been prepared to comply with Section 6.4 of the Treasury Board of Canada's policy on special revenue spending authorities. These financial statements are the responsibility of **CORCAN's Revolving Fund** management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of **CORCAN Revolving Fund** as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with the basis of accounting as described in note 2 to the financial statements.

These financial statements, which have not been, and were not intended to be, prepared in accordance with Canadian generally accepted accounting principles, are solely for the information and use of the management of the Revolving Fund and the Treasury Board. The financial statements are not intended to be and should not be used by anyone other than the specified users or for any other purpose.

Ottawa, Canada,
May 25, 2006

ERNST & YOUNG

Chartered Accountants



Financial Table 18 - Response to Parliamentary Committees, Audits and Evaluations for Fiscal Year 2005/06

1. Responses to Parliamentary Committees

There were no parliamentary committee reports, or reports of the Auditor General (including the Commissioner of the Environment and Sustainable Development), to which CSC formally responded in 2005/06.

2. Internal Audits⁶⁶

- Accommodation of Offenders with Disabilities
- Fire Safety Program
- Administration of Compensation and Benefits
- Drug Interdiction Activities
- Occupational Health and Safety Program

3. Evaluations Completed

- Canada-New Brunswick Initiative (2004)
- National Contribution Program/National Aboriginal Contribution Program
- Effective Corrections: Aboriginal Initiatives (2004)
- Effective Corrections: Volunteers in CSC
- Effective Corrections, Employment Centres
- Stan Daniels Healing Centre
- Evaluation of CSC's Communication Strategy

4. Completed RMAFs

- Education Cost-Benefit Analysis
- Implementation Uniforms in Women facilities (new version)
- Safer Tattooing (new version)
- Class of Grants
- Community Mental Health Initiative
- Police/Parole Liaison Initiative
- Pacific Vocational Program
- Integrated Correctional Intervention Strategy
- Staff Grievance System
- Segregation Advisory Committee

⁶⁶ CSC's internal Audit reports are available at: www.csc-scc.gc.ca/text/pblct/pa/toc_e.shtml

Financial Table 19 - Sustainable Development Strategies (SDS)

SUSTAINABLE DEVELOPMENT STRATEGIES	
Department/Agency:	Correctional Service Canada
Points to address	Departmental Input
1. What are the key goals, objectives, and/or long-term targets of the SDS?	Through the implementation of activities focused on minimizing CSC's contribution to climate change; smog; water pollution; and the depletion of individual physical resources from its institutional operations, CSC aims at making progress towards the achievement of three Key goals: Protect the atmosphere; Protect the hydrosphere; and Maintain availability of natural resources.
2. How do your key goals, objectives and/or long-term targets help achieve your department's/agencies' strategic outcomes?	CSC's goals, objectives and targets are both measurable and time bound. The Service views strategic outcomes as long-term milestones that it may reasonably predict will have yielded a significant, lasting, contribution to Canada's social, economic and environmental performance. SDS Revision 2003 describes some of those expected outcomes for most of its goals and targets.
3. What were your targets for the reporting period?	The 9 targets established in support of CSC's long-term objectives and key goals are detailed in the agency's Sustainable Development Strategy revision 2003 that can be found at www.csc-scc.gc.ca/text/pblct/sustain/sds04_e.pdf . All targets sunset in either 2007 or 2010.



SUSTAINABLE DEVELOPMENT STRATEGIES

Department/Agency:	Correctional Service Canada
Points to address	Departmental Input
4. What is your progress to date?	<p>The focus during this first implementation year of Revision 2003 was on establishing the structure to support the initiative through the development of a result-based accountability framework. The framework is currently being tested and a first result-based report will be produced for FY 05-06 this coming fall and twice a year thereafter. Efforts were also directed towards realizing a number of initiatives as follows. These initiatives resulted in some progress towards achieving the targets.</p> <p>In an effort to better protect the atmosphere, a series of institutional projects supporting the reduction of energy consumption/Carbon Dioxide (CO₂) Emissions including the use of alternate fuels (Ethanol 85) yielded a reduction of 127 metric tons of CO₂ Emissions in FY 04-05 and 247 metric tons in FY 05-06. Cost-benefit analysis studies conducted at some sites supported acquisition of wind generators for two sites, namely Dorchester and Drumheller institutions. Final discussions with the winning bidder are progressing and a Contract will be awarded shortly. Actual installation and commissioning will occur in the spring \ summer of 2007.</p> <p>CSC's efforts to track smog and acid rain producing nitrogen oxides paid off in FY 05-06 as final detailed measurements became available. CSC had established successive 10% NO_x reduction targets in SDS 2000 and SDS 2003. CSC is pleased to report that between 2001 and 2005 it was able to reduce its NO_x emissions from central heating plants in the Quebec-Windsor and Fraser Valley corridors by 21%. Since undertaking its NO_x reduction program in 1998, it is estimated that CSC has realized a cumulative reduction of 29% for central heating plants located in the Quebec-Windsor and Fraser Valley corridors.</p> <p>Reduction of smog-producing volatile organic compounds was noted through the installation of recovery equipment at four sites in the Quebec region.</p>

SUSTAINABLE DEVELOPMENT STRATEGIES	
Department/Agency:	Correctional Service Canada
Points to address	Departmental Input
5. What adjustments have you made, if any?	<p>CSC will continue to monitor progress through the Environmental Accountability Framework in FY 06-07 and beyond. An added benefit to accountability is that it clarifies roles and responsibilities of the various organizational levels vis-à-vis SDS implementation.</p> <p>In addition to those activities, CSC continued to work horizontally within the interdepartmental community, contributing to key issues of sustainable development initiatives and/or programs including Greening Government Operations.</p>



Financial Table 20 –Procurement and Contracting (2005/06)

PROCUREMENT AND CONTRACTING (2005-2006)	
Department / Agency: Correctional Service Canada	
Points to address:	Organizations input:
1. Role played by procurement and contracting in delivering programs	<p>Contracting and Materiel Services (CMS) division plays an important role in CSC’s day to day operations. Their responsibilities are many and varied.</p> <p>The Service's Contract Review Boards (CRB) and the trained and dedicated Personnel from the CMS division are the front-line review experts who ensure that contracting and materiel management policies and delegated authorities are properly administered.</p>
2. Overview of how the department manages its contracting function.	<p>CSC operates in a decentralized environment with procurement personnel not only at Headquarters, but also in regional and institutional offices. Contracting authority, in most cases, is delegated to purchasing managers across CSC for the purchase of goods and services up to \$5,000 and for call ups against Standing Offer Agreements (SOA).</p> <p>CSC’s contracting functional authority awards most contracts above this amount and, in addition, provides advice, guidance and training to managers on policy and procedures. This reflects the department's aim to put into place the delegations necessary for managers to deliver quality services and programs to our clients within a reasonable time frame.</p> <p>All significant requests for contracts are reviewed by a national or regional CRB, our challenge mechanisms and decision making bodies to oversee our contracting processes.</p>
3. Progress and new initiatives enabling effective and efficient procurement practices.	<p>CSC continues to use the tools developed by CMS to monitor and heighten the visibility of contracting activities and emphasize the use of good contracting practices. Examples of these are:</p> <ul style="list-style-type: none"> • The promulgation of a National Standard Procurement and Contracting delegation instrument with a checklist (questions to be asked) used to review contract requests. • The development of new procedures and practices for “Elders” and “Chaplains” including new national standard contract templates for these types of services and the continuous updating and use of standard contract clauses.

<p>4. Key Accomplishments</p>	<p>As part of the Treasury Board “Proactive Contract Disclosure Initiative”, CSC identified and posted, on its web site, over 2,000 contracts above \$10,000 that were awarded in 2005/06 fiscal year.</p> <p>CSC promulgated two standard training courses for applicable managers and administrative staff; a contract delegation course and a one day “Overview of Contracting/Procurement” followed by an exam at the end of the day. Managers must complete both CSC courses and pass an exam to obtain a delegation to sign service contracts.</p> <p>CSC asserted its approval of the ‘Professional Development and Certification Program’ for members of the Procurement and Materiel Management community. CSC identified positions across the service that believed required certification at Level II and identified funding for this exercise for 2006/07 and 2007/08.</p> <p>CSC introduced the “Oracle” cluster group solution to the use of the acquisition card purchases and includes the details in its Integrated Financial and Materiel Management System (IFMMS). CSC now issues one monthly cheque to the Bank of Montreal (BMO) for all its cards users and purchases. CSC has approximately 1000 credit card users.</p> <p>In order to reinforce its mandate of supporting CORCAN, a special operating agency within CSC that provides employment to federal inmates, the department is strengthening its policy to ensure that CORCAN is designated as a primary supplier for the goods and services that CORCAN provides CSC by using offender labour.</p>
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Financial Table 21– Service Improvement

Not Applicable – CSC delivers indirect services to Canadians



Financial Table 22 - Travel Policy

Correctional Service Canada follows the Treasury Board Secretariat Travel Directive, Rates and Allowances. For more information on CSC's travel and hospitality proactive disclosures see www.csc-scc.gc.ca/text/travel/travel_e.shtml

Financial Table 23– Storage Tanks

Not Applicable

SECTION 4 OTHER ITEMS OF INTEREST

4.1 Management Priorities

Public Service modernization

Under the new Public Service Labour Relations Act, CSC is required to establish an Informal Conflict Management System (ICMS). The development of an ICMS will improve access to informal conflict management services within CSC. During 2005-06, CSC undertook a series of consultations with key stakeholders, including an ICMS design workshop with representatives from management, human resource management and CSC's bargaining agents. As a result, CSC decided to place the responsibility for the development and implementation of ICMS within the newly established Values and Ethics Branch and a Senior ICMS Officer was appointed. Work is now proceeding on the development of a policy and accountability framework which will guide implementation of the ICMS.

When the new Public Service Employment Act (PSEA) came into force on December 31, 2005 it was the final phase in the implementation of the Public Service Modernization Act. In line with the new PSEA, CSC consulted with bargaining agent representatives as it developed new staffing policies and processes. These policies, as well as an amended CSC Instrument of Delegation of HR Authorities, came into effect along with the PSEA. Ninety percent of delegated managers were trained and 60 percent of staffing had passed the knowledge validation test before the PSEA came into force. CSC is developing a staffing monitoring framework to reinforce legislative obligations and its ability to track, monitor and report on the PSEA.

In addition, CSC held a national conference, Strengthening Human Resources Management Practices, which brought together CSC human resources practitioners and bargaining agent representatives from across Canada to increase understanding of the new PSEA and how it was being implemented at CSC. CSC continues to work with its bargaining agents as it develops and delivers training on Public Service Modernization and to equip employees with skills to resolve conflict at the lowest level possible.

Representation of EE designated groups

As of March 31, 2006 CSC representation of employment equity designated groups was as follows: women 44.4 %, Aboriginal 6.7%, Visible Minorities 5.1% and Persons with disabilities 3.9%. CSC's representation of Aboriginal People and Visible Minorities is above the Labour Market Availability.

Each year, CSC allocates \$700,000 to support regional employment equity initiatives related to the recruitment, retention and development of designated group members. Included in this allocation is a fund of \$50,000 to accommodate the special needs of



employees; for example, those with disabilities, or returning to work after illness or injury.

Continuous learning

CSC is involved in a partnership in the Pacific region with the RCMP, the Canada Border Services Agency and two local police forces to develop training standards in law enforcement. CSC is working with the Canada School of Public Service to provide the new training programs to managers at all levels and new employees.

CSC is in the process of modifying its Correctional Training Program. Students will be able to complete the first month of this program online. CSC believes that the use of technology will help with recruitment since candidates will no longer have to be away from home for an 11-week period. This new program is to be implemented by the end of the fiscal year.

4.2 Research Reports⁶⁷

The following research reports were completed in 2005/06:

SR-7 The Safe Return of Offenders to the Community - Statistical Overview
(April 2005)

SR-6 The Safe Return of Offenders to the Community - Statistical Overview
(April 2004)

http://www.csc-scc.gc.ca/text/faits/safe-return2004/safe-return-2004_e.pdf

Compendium 2000 on Effective Correctional Programming

http://www.csc-scc.gc.ca/text/rsrch/compendium/2000/index_e.shtml

FORUM - on Corrections Research Vol. 17, No. 1 Offender Employment

http://www.csc-scc.gc.ca/text/pblct/forum/Vol17No1/v17n1index_e.shtml

R-180 A Study of Offenders Readmitted While on Conditional Release

R-179 Correctional Officers and Their First Year: An Empirical Investigation

R-178 An Examination of the Effectiveness of the Violence Prevention Program

R-177 Estimating Risk of Dropout and Expulsion from Correctional Programs

R-176 Heterogeneity of Treatment Non Completers

R-175 A Profile of Incarcerated Female Perpetrators of Intimate Partner Violence:
Implications for Treatment

⁶⁷ CSC's published Research reports available at: www.csc-scc.gc.ca/text/research_e.shtml

- R-173 The Computerized Assessment of Substance Abuse (CASA): Results from the Demonstration Project
- R-172 The “In Search of Your Warrior” Program for Aboriginal Offenders: A Preliminary Evaluation
- R-171 The Women Offender Substance Abuse Program: Interim Evaluation
- R-170 Pê Sâkâstêw Centre: An In-Depth Examination of a Healing Lodge for Federally Incarcerated Offenders
- R-169 A Review of the Recidivism Rates of Adult Female Sexual Offenders
http://www.csc-scc.gc.ca/text/rsrch/reports/r169/r169_e.pdf
- R-168 Circles of Support & Accountability: An Evaluation of the Pilot Project in South-Central Ontario
http://www.csc-scc.gc.ca/text/rsrch/reports/r168/r168_e.pdf
- R-167 Development and Field-Test of a Gender-Informed Security Reclassification Scale for Women Offenders
http://www.csc-scc.gc.ca/text/rsrch/reports/r167/r167_e.pdf
- R-166 Employment Needs, Interests, and Programming for Women Offenders
http://www.csc-scc.gc.ca/text/rsrch/reports/r166/r166_e.pdf
- R-165 Correctional Officer Recruits During the Training Period: An Examination
- R-164 The Dynamic Factor Identification and Analysis (DFIA) Component of the Offender Intake Assessment (OIA) Process: A Meta-Analytic, Psychometric and Consultative Review
- R-163 Evaluation of Psychosocial Rehabilitation within the Women’s Structured Living Environments
http://www.csc-scc.gc.ca/text/rsrch/reports/r163/r163_e.pdf
- R-162 Increasing Employability Related Skills Among Federal Male Offenders: A Preliminary Analysis of the National Employability Skills Program
http://www.csc-scc.gc.ca/text/rsrch/reports/r162/r162_e.pdf
- R-161 Street Gangs: A Review of Theory, Interventions, and Implications for Corrections
http://www.csc-scc.gc.ca/text/rsrch/reports/r161/r161_e.pdf
- R-159 Predicting Community Employment for Federal Offenders on Conditional Release
http://www.csc-scc.gc.ca/text/rsrch/reports/r159/r159_e.pdf



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- R-158 Federally Sentenced Women in Administrative Segregation: A Descriptive Analysis
http://www.csc-ccc.gc.ca/text/rsrch/reports/r158/r158_e.pdf
- R-157 Community Residential Facilities in Canada: A Descriptive Profile of Residents
http://www.csc-ccc.gc.ca/text/rsrch/reports/r157/r157_e.pdf
- R-156 A Needs Assessment of Federal Aboriginal Women Offenders
http://www.csc-ccc.gc.ca/text/rsrch/reports/r156/r156_e.pdf
- R-155 Program and Service Needs of Federally-Incarcerated Métis Offenders in Saskatchewan
http://www.csc-ccc.gc.ca/text/rsrch/reports/r155/r155_e.pdf
- B-38 Federal Offenders with Criminal Organization Offences: A Profile
http://www.csc-ccc.gc.ca/text/rsrch/briefs/b38/b38_e.pdf
- B-37 Homicide, Sex, Robbery and Drug Offenders in Federal Corrections: An End-of-2004 Review
http://www.csc-ccc.gc.ca/text/rsrch/briefs/b37/b37_e.pdf
- B-36 Selected Annotated Bibliography: Evaluations of Gang Intervention Programs
http://www.csc-ccc.gc.ca/text/rsrch/briefs/b36/b36_e.pdf
- B-35 Homicide, Sex, Robbery and Drug Offenders in Federal Corrections: An End-of-2003 Review
http://www.csc-ccc.gc.ca/text/rsrch/briefs/b35/b35_e.pdf

4.3 Incident Investigations

CSC's investigations process includes national and local investigations of incidents and issues affecting its operations. Investigations into inmate deaths or serious bodily injury are convened under section 19 of the CCRA, at either the national or the local level. CSC's Commissioner can also convene investigations under section 20 of the CCRA to report on any matter relating to the operations of CSC.

Other than investigations convened under section 19 and section 20 of the CCRA, the Director General, Incident Investigations and heads of operational units may convene investigations under *Commissioner's Directive 041, Incident Reports*, to report on incidents and issues affecting CSC's operations.

During fiscal year 2005/06, CSC convened 96 national investigations, including 47 investigations under section 19 of the CCRA (death or serious bodily injury). 73

investigations involved institution-related incidents and 23 investigations related to community incidents, as indicated in the following tables:

Investigations into institution-related incidents (2005/06)

Type of Incident Investigated	Number
Assault on Inmate	17
Death Natural Causes	11*
Suicide	9
Escape ETA	6
Hostage Taking	5
Inmate Murder	4
Death Overdose	3
Death Unknown Causes	3
Escape	3
Attempted Suicide	2
Self-Inflicted Injury	2
Assault on Staff	1
Attempted Hostage Taking	1
Forcible Confinement & Sexual Assault	1
Inmate Intoxication	1
Major Disturbance / Inmate Injury	1
Medical Emergency	1
Minor Disturbance / Breach of Security	1
Sexual Assault on Inmate	1
TOTAL	73

* Although 11 investigations were convened, one file review looked into 30 deaths by natural cause.

Investigations into community-related incidents:

Incident Type	Number
Murder	7
Sexual Offence	4
Offender Death Overdose	3
Assault	2
Offender Suicide	2
Offender Death Suspected Overdose	1
Offender Death Unknown Causes	1
Shoot Police Officer	1
Utter Threats / Attempted Murder	1
Various Charges	1
TOTAL	23



4.4 Glossary

Aboriginal

First Nation, Métis or Inuit.

Aboriginal community

Aboriginal community is a First Nation, tribal council, band, community, organization or other group with a predominantly Aboriginal leadership.

Administrative segregation

Administrative segregation is confinement to keep the offender from associating with other inmates in order to maintain the security of the institution. Inmates may be segregated involuntarily or voluntarily.

Circles of Support and Accountability

A Circle of Support and Accountability (CoSA) is a community-based group of professionally supported volunteers, often drawn from the local faith communities. Their task is to assist men convicted of sexual offences who are released from prison at the end of their sentences to reintegrate into society. This is meant to enhance public safety when there is a perceived increased element of risk.

Community-based Residential Facilities (CRF)

Facilities contracted from outside agencies or organizations to house federal offenders in the community.

Community Correctional Centre (CCC)

CCCs primarily house offenders on day parole and are designated as minimum-security institutions. In these, the director, parole officers and support staff work as a team, often in co-operation with community partners, to supervise and provide programs for offenders and prepare them for full parole.

Conditional Release

Conditional release helps inmates make a gradual, supervised return to society while serving their sentence. Regardless of the type of conditional release, all offenders are supervised until their Warrant Expiry Date.

- Temporary Absences (TAs)

Temporary Absences may be granted to offenders for medical, administrative, community service, family contact, and personal development reasons.

Escorted temporary absence (ETA) may be granted at any time during the sentence.

Unescorted temporary absence (UTA) may be granted after an offender has served one-sixth of the sentence or six months, whichever is greater.

- **Work Release (WR)**

Work release allows an offender, classified as minimum or medium security and who is judged not to pose an undue risk, to do paid or voluntary work in the community under supervision.
- **Day Parole (DP)**

Day parole allows an offender to participate in community-based activities to prepare for release on full parole or statutory release.
- **Full Parole (FP)**

Inmates are normally eligible to be considered for full parole by the National Parole Board, after serving one-third of their sentence, or seven years, whichever is less.
- **Statutory Release (SR)**

By law, most offenders who are serving sentences of fixed length, and who have not been granted parole or had their parole revoked, must be released on statutory release after serving two-thirds of their sentence.

CORCAN

A Special Operating Agency (SOA) that employs federal offenders for its workforce and, in doing so, provides them with working skills and working habits necessary to compete in the workforce.

Correctional Programs

Correctional programs are designed to improve offenders' current knowledge and skill level, improving the likelihood of successful reintegration into the community upon release.

Double-bunking

The placement of two offenders in a cell designed for one.

Healing Lodge

These types of facilities may or may not be located on First Nations' reservation land. There are two distinct types of Healing Lodges available to offenders under the care and custody of CSC.

A Section 81 Healing Lodge is an Aboriginal community based correctional facility where the community has entered into an agreement with the Minister of Public Safety and Emergency Preparedness Canada for the provision of correctional care and custody to Aboriginal and non-Aboriginal offenders. The second type is located on CSC property and run by the Service with the assistance of community Aboriginal people.



Maximum Security Institutions

House offenders who pose a serious risk to staff, other offenders and the community. The perimeter of a maximum-security institution is well defined, highly secure and controlled. Offender movement and association are strictly regulated and directly supervised.

Medium Security Institutions

House offenders who pose a risk to the safety of the community. The perimeter of a medium-security institution is well defined, secure and controlled. Offender movement and association is regulated and generally supervised.

Minimum Security Institutions

House offenders who pose a limited risk to the safety of the community. The perimeter of a minimum-security institution is defined but not directly controlled. Offender movement and association within the institution are regulated under minimal supervision.

Multi-level Institutions

House offenders of different security classifications in different secure areas of the institution.

Ion scanner

An ion scanner is an electronic device that has the ability to detect residual amounts of particular drugs on personal items such as money or credit cards.

Methadone

Methadone is an addictive, synthetic, long-acting drug form, which blocks the euphoric effects of heroin. According to numerous scientific studies, methadone minimizes adverse physical, psychological, social and criminal effects associated with heroin addiction. It can be prescribed only by a qualified physician.

Offender Management System (OMS)

The automated information system used by the Service as its main database for offender information.

Revocation

If parolees violate the conditions of their conditional release, or have been charged with a criminal offence, their conditional release (day parole, full parole) is suspended and they are re-incarcerated. Upon reviewing the case at a formal hearing, the National Parole Board may then decide to revoke parole and have the offender remain incarcerated. If the offender is not revoked the conditional release is reinstated.

Section 81 Agreement

Agreements with an Aboriginal community for the provision of correctional services to Aboriginal offenders. These agreements permit CSC, with the consent of the offender and the Aboriginal community, to transfer the care and custody of the offender to an Aboriginal community.

Security classification

Each offender is reviewed initially on admission and then periodically throughout their sentence and is classified as a maximum, medium or minimum security risk and normally placed in an institution of the same classification. The security risk level is based on an assessment of factors related to public safety, escape risk and institutional adjustment.

Warrant Expiry Date (WED)

The date the sentence imposed by the courts officially ends.



4.5 Further information

Correctional Service of Canada Internet site: <http://www.csc-scc.gc.ca>

Jennifer Wheatley
Director General
Performance Assurance
340 Laurier Avenue West
Ottawa, Ontario
K1A 0P9
Telephone: (613) 992-8723
Facsimile: (613) 995-5064
Email: WheatleyJM@csc-scc.gc.ca

Lynn Garrow
Assistant Commissioner
Performance Assurance
340 Laurier Avenue West
Ottawa, Ontario
K1A 0P9
Telephone: (613) 996-1710
Facsimile: (613) 943-9292
Email: GarrowLY@csc-scc.gc.ca