



Canada Revenue  
Agency

Agence du revenu  
du Canada

Canada

# summary of the corporate business plan

2014-2015 to 2016-2017





# [a message from the Minister]

“Our ongoing challenge is to effectively and efficiently support government without over-burdening taxpayers.”

— Kerry-Lynne D. Findlay



The Canada Revenue Agency (CRA) plays an essential role in our country's economy, administering taxes, benefits, and related programs and ensuring compliance on behalf of governments across Canada. Our ongoing challenge is to effectively and efficiently support government without over-burdening taxpayers.

Last year, the CRA delivered approximately \$22 billion in benefit and credit payments and processed approximately \$436 billion in revenues for federal, provincial, and territorial governments. Of equal importance, we advanced several Red Tape Reduction (RTR) initiatives, and amended the Taxpayers' Bill of Rights to reaffirm the CRA's commitment to both service and compliance.

Our commitment to reducing red tape and improving services for taxpayers is an important indicator of the CRA's continuing focus on government priorities, particularly the high importance our government places on supporting small businesses. Small businesses are fundamental to Canada's economy, and the CRA is reducing the red tape associated with taxes so small businesses can focus more of their time and resources on what they do best — growing their businesses and creating jobs.

The CRA is refining and enhancing its approach to compliance through better risk assessment and tailored approaches that provide more support for taxpayers, to achieve better outcomes. We are engaging internationally and domestically to create the legislative and regulatory tools needed to deal with threats to our tax base, such as those represented by the underground economy and international aggressive tax planning. Finally, we are strengthening the CRA's integrity framework to make sure taxpayer information is protected and the integrity of the CRA, its employees and Canada's tax system remains beyond reproach.

I invite you to read on to find out more about what we are doing to better serve Canadians. As Minister of National Revenue, I am proud to present the *Summary of the Corporate Business Plan 2014–2015 to 2016–2017* for the Canada Revenue Agency.

**The Honourable Kerry-Lynne D. Findlay, P.C., Q.C., M.P.**  
Minister of National Revenue



# [foreword from the Commissioner]

“We are building the foundation for future success upon the pillars of service, compliance, and integrity.”

— Andrew Treusch



At the CRA, we approach our business with a view to providing the best possible service today, while looking forward and laying the foundation to deliver service excellence to Canadians in the future. Service excellence is driving changes in the way we do business across the CRA, from program delivery to our back-office functions. The *Summary of the Corporate Business Plan 2014–2015 to 2016–2017* outlines the course that we are charting for the CRA.

It is an exciting time to be at the CRA. We have come through a period of significant change and we are now firmly looking toward the future. We are building the foundation for future success upon the pillars of service, compliance, and integrity. We are improving service by providing new opportunities for individuals, businesses, and tax preparers to self-serve and get access to the information they need on their own terms, at any time and from any geographic location. I am pleased to report that 76% of taxpayers are now filing electronically.

We are supporting businesses and individuals and reducing the compliance burden by eliminating unnecessary red tape and by streamlining our processes. The CRA has consulted with small business owners who provide valuable insight into what would make running their businesses easier and what improvements to our services they want to see. We will conduct our next Red Tape Reduction consultations in 2014 and again in 2016. The feedback that we have received to date has allowed us to plan and implement significant enhancements to our services. At the same time as providing better help to those who want to comply, we are improving our ability to identify and correct non-compliance issues, such as Aggressive Tax Planning and the Underground Economy, that threaten our tax base and create an unfair business environment.

As we embark on these next steps in our corporate journey, I am confident that we have the right people and the right plan to move forward. Through innovation, good planning, and wise investments, we are charting a course that will deliver unparalleled service excellence, vigorous protection of the revenue base, and increased program delivery efficiency.

## **Andrew Treusch**

Commissioner of Revenue and  
Chief Executive Officer of the CRA





it's  
about  
integrity,  
service,  
and  
compliance

# [overview of the CRA's strategic priorities]

## [introduction]

The Canada Revenue Agency (CRA) delivers tax and benefits administration with integrity and security. We collect tax to finance public programs and services. Last year, we processed \$436 billion in taxes and duties and issued \$22 billion in benefit and credit payments. Our work touches the lives of Canada's 29 million individual and corporate taxpayers. For that reason, three pillars – **integrity, service, and compliance** – are at the heart of our organization.

To achieve our strategic objectives, we will focus on three pillars of effective tax administration: integrity, service, and compliance. This summary of the corporate business plan sets out our plan to deliver the highest levels of integrity and security, achieve excellence and continual improvement in service to Canadians, including reducing red tape.

## [the road ahead]

We are proud to offer unparalleled service and value to Canadians and to government. Our goal is to continue to be one of the best tax and benefit administrations in the world. Achieving this goal means keeping pace with the trends that are shaping our environment. Our future is one where:

- **compliance with tax laws is recognized as good citizenship and an integral element of corporate responsibility**
- **individuals and businesses find it simple and quick to comply**
- **most Canadians deal with their tax matters online, when and how they choose**

- **sophisticated analytics allow us to take prompt and decisive action on non-compliance**

The CRA has identified the long-term strategic directions it must follow to succeed. We call this Vision 2020 and have provided more information on page 80. Below are some of the short and medium term actions the CRA will take to advance excellence in integrity, service, and compliance.

## [integrity and security]

The vast majority of Canadians comply voluntarily with Canada's tax laws. In 2012–2013, 92% of Canadians filed their taxes on time and 95% paid their reported taxes in full. Paying taxes contributes to Canada's social and economic well-being. We place great value on the high rate of voluntary compliance and are dedicated to maintaining and improving it.

We are committed to safeguarding the trust Canadians place in our organization, and to meeting their expectations that we have the right checks and balances in place to secure the information entrusted to us.



The CRA is committed to fostering responsible employee conduct, and we make sure employees know they are fully accountable for their actions. We recently completed a full review and revision of our Conflict of Interest Policy, and the revised policy will come into effect in March 2014.

Our priority initiatives to ensure the highest level of integrity and security are:

- implementing the new Conflict of Interest Policy to ensure clarity and rigour around the prevention, identification, disclosure, and management of conflicts of interest; to update and expand post-employment provisions; and to increase employee awareness of our high standards and expectations.
- advancing our identity and access management initiative for the purpose of tightening controls over employee access to sensitive CRA information.
- strengthening the guidance, training, and tools we provide to our employees. We have developed an online decision-making guide that will shortly be released to

staff. This new guide will strengthen responsible, integrity-based decision making and accountability across the CRA.

- strengthening our personnel screening measures. We are introducing a new level of security screening which requires more verifications for individuals holding or applying to positions identified as requiring a high degree of public trust.
- enhancing our approach to managing breaches of integrity and security. We take all allegations of employee misconduct seriously, and we are committed to ensuring that employees are accountable for their actions.

Protecting privacy and confidentiality rights is central to the integrity of the CRA. Canadians trust that their information is only accessed or disclosed on a need-to-know basis for authorized purposes, and that it is handled with the utmost regard for security. Our priority initiatives to ensure we keep information safe are:





- drawing on the leadership of our Chief Privacy Officer who has a broad mandate for privacy oversight at the CRA and implementing further measures to make sure privacy accountabilities, responsibilities, and activities are reinforced and understood across the CRA.
- using technology to tighten controls over employee access to sensitive information and making sure taxpayer information is accessed and used only for its intended purpose.
- making sure our operational procedures are transparent, and that they are supported by strong internal controls to limit opportunity for employee misconduct.

## [service]

With the right tools and information, most Canadians will comply with tax laws. Making it easy for taxpayers to comply means reducing burden and red tape and providing easy access to clear, accurate information, and timely services. Online services are essential, particularly for businesses and representatives looking for ways to quickly and easily manage their tax affairs. Making it easy to comply also means providing alternatives to e-services like telephone services and paper copies of publications, and helping businesses get it right from the start.

Many of our transaction services are now available online. We continue to expand the range of these services as well as the account-specific information available to taxpayers and

## Reducing Red Tape

During Red Tape Reduction consultations with small businesses and their representatives, we learned what improvements were needed to make it easier for them to comply with tax filing requirements. Based on that feedback, the CRA developed 12 action plans to reduce or eliminate the compliance burden. Five of these focus on improving our interactions with small businesses, including:

### “Timely information availability and clarity”

The CRA is improving ease of access to information on the CRA website, and is simplifying some of the key guides and forms.

### “Effective communication to satisfy taxpayer requirements”

Our taxpayer service agents now provide their names and ID numbers when they greet callers, and have better tools to access the information they need to respond to caller questions. We are also streamlining our Interactive Voice Response system to make it easier for business callers to connect with an agent.

### “Timeliness of decisions related to rulings”

We have committed to providing timely responses to written requests for GST/HST rulings and interpretations, and will meet the published service standard of responding within 45 working days, excluding precedent and/or policy-setting rulings and interpretations.

### “Reporting requirements”

We will identify opportunities to simplify and reduce reporting obligations, such as combining reporting for different programs or eliminating the need to report specific data.

### “Auditors knowledge, training and professionalism”

We will improve our interactions with small businesses when conducting audits by providing required training to help auditors become more sensitive to the needs and realities of small businesses.

representatives. Our priority initiatives for providing convenient, secure online services are:

- Increase the number of secure online services available in **My Account**, **My Business Account**, and Represent a Client, including allowing taxpayers and benefit recipients to send us documents and receive correspondence electronically.
- Use new technologies, including mobile devices, to expand the ways taxpayers can interact with us online.

Our move to a more tailored approach to service delivery will focus not just on meeting taxpayers' needs and preferences, but also on identifying and addressing taxpayer behaviour that could lead to non-compliance. Our priority initiatives for providing tailored help for those who need it are:

- providing more direct assistance and information to businesses at key points in their life cycle, for example, at business start-up and when employees are first hired.
- making sure new claimants have the right support when they apply for Scientific Research and Experimental Development (SR&ED) investment tax credits, including

in-person support, web-based information videos, and an online self-assessment and learning tool.

- exploring ways to better service seniors, new Canadians, and first-time filers.

The CRA recognizes that it is sometimes more effective and efficient to work with partners like tax preparers, software developers, and financial institutions to achieve our strategic objectives. Our priority initiatives for helping others help Canadians include:

- strengthening partnerships with the community organizations to offer the Community Volunteer Income Tax Program (CVITP). During the 2013 filing season, volunteers helped fill out 565,621 returns for fellow Canadians as part of this program.
- continuing to work with tax preparers to promote good compliance practices and strengthen our support for the services they provide to their clients. About 70% of the Small Medium Enterprises that file T1 returns get help from tax preparers. They are important partners in sustaining compliance.

## [compliance]

95% of Canadians pay their reported tax as required by Canada's tax laws. A small percentage of taxpayers do not. Our approach is to address non-compliance as early as possible with the least intrusive involvement. However, as a responsible administrator, we must actively enforce compliance in cases where taxpayers, through neglect, avoidance, or fraud, do not meet these obligations.

Our priority initiatives for targeted and connected compliance are:

- conducting compliance campaigns based on advanced analytics. Technology now allows us to use advanced predictive analytics to more precisely and rapidly address non-compliance. We continue to expand the use of our predictive models to better understand taxpayer decisions and actions with respect to tax debt.
- using technology to predict employer non-compliance and address it early through the most effective and efficient tool. In Canada,



we rely on the collaboration of 1.6 million businesses and employers to deduct their employees source deductions and remit the payroll deductions to us throughout the year.

- strengthening our support to tax practitioners for the services they provide to their clients.
- using new measures to counter the use of electronic suppression of sales software. This software selectively deletes or changes sales transactions from a business' point-of-sale system without leaving a record of those changes.

The CRA continues to work with Canadian and international partners to share information and best practices. Our priority initiatives for combatting international tax evasion are:

- establishing a program to reward individuals who provide information about major international tax non-compliance.
- requiring banks and other financial intermediaries to report international electronic funds transfers of \$10,000 or more, starting in 2015.
- requiring Canadian taxpayers with foreign income or properties to give us more detailed information.







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**about**  
providing  
**tools** for  
**Canadians**

# [taxpayer and business assistance]

## description

program

The CRA is committed to providing taxpayers with accurate and timely information so that they can comply with Canada's tax laws and access the benefits available to them. To achieve this, we maintain a website that contains information about our programs and services, including self-serve options, and we communicate with Canadians through videos, webinars, and social media. When taxpayers seek more support, we offer expertise and guidance through our telephone services, our technical interpretations, and our advance rulings services. We protect the interests of donors and contributors by monitoring charities and administering registered plans to make sure they respect legislative requirements.

<b>Budgetary financial resources</b> (dollars)				
	<b>2014-15 Main Estimates</b>	<b>2014-15 Planned Spending<sup>1</sup></b>	<b>2015-16 Planned Spending<sup>1</sup></b>	<b>2016-17 Planned Spending<sup>1</sup></b>
Base spending	265,509,013	<b>266,396,556</b>	262,583,960	256,179,956
Charities – public safety and anti-terrorism	4,508,669	<b>4,508,669</b>	4,509,929	4,516,764
Disbursements to the provinces for <i>Softwood Lumber Products Export Charge Act, 2006</i>	80,000,000	<b>80,000,000</b>	-	-
<b>Total</b>	<b>350,017,682</b>	<b>350,905,225</b>	267,093,889	260,696,720

<sup>1</sup> Planned spending:

- a) refers to those amounts for which a Treasury Board submission approval has been received by no later than February 1, 2014. This cut-off date differs from the Main Estimates process. Therefore, planned spending may include amounts incremental to planned expenditure levels presented in the 2014-15 Main Estimates; and
- b) does not include a forecast of disbursements to the provinces for *Softwood Lumber Products Export Charge Act, 2006*, in 2015-16 and subsequent years which is not yet available.

<b>Human resources</b> (full-time equivalents)		
<b>2014-15<sup>1</sup></b>	<b>2015-16<sup>1</sup></b>	<b>2016-17<sup>1</sup></b>
<b>3,676</b>	3,638	3,575

<sup>1</sup> Human resources includes full-time equivalents for Charities – public safety and anti-terrorism (41 in 2014-15, 41 in 2015-16, and 41 in 2016-17).

## [what we want to achieve]

To provide timely, accessible, and accurate information that meets the needs of taxpayers, from individuals who file their taxes once a year to businesses who file many times throughout the year. To offer guidance, technical interpretation, and early certainty to help taxpayers manage their tax affairs with confidence.

## [strategic context]

The upfront information and guidance we provide to taxpayers is a critical part of red tape reduction and continuous improvement in service to Canadians. Our consultations with small businesses identified that easy access to clear, accurate information is a priority for them. For this reason, our red tape reduction action plans will improve our telephone agent's ability to respond to business enquiries. Many taxpayers prefer to first look for information online. Our website is a comprehensive source of information and is being expanded through the use of online tools like twitter, videos, and webinars, which provide cost-effective and easy-to-use help for taxpayers. Our goal is to provide the information taxpayers need to self-serve and comply with their tax obligations without CRA intervention. We are updating our tax interpretation bulletins so that taxpayers can find online help with more complex tax questions. Our call centres and rulings service provide tailored, account specific advice when a taxpayer needs further help.

Not all Canadians prefer electronic options. For this reason, we continue to expand our ability to support taxpayers by working with partners like community associations who help thousands of taxpayers prepare their tax returns each year.

## [taxpayer services – enquiries and information products]

Budgetary financial resources (dollars)		
2014–15 planned spending	2015–16 planned spending	2016–17 planned spending
152,960,455	150,790,093	147,937,758

Human resources (full-time equivalents)		
2014–15	2015–16	2016–17
2,111	2,083	2,082

Taxpayers' information needs vary widely and can depend on factors ranging from their level of income and where

they reside, to the complexity of their tax affairs. To meet this broad spectrum of needs, the CRA will provide current information and respond to enquiries through several channels.

## [CRA website]

The CRA website contains a full range of information, from general facts to more complex reference material, as well as a variety of educational and tax-related tools designed to help taxpayers voluntarily comply. The website also provides secure portal services enabling them to complete transactions online. The CRA website has more than 138,000 pages of information and in 2012–2013 attracted more than 105.9 million visits. In the first half of fiscal year 2013-2014, visits to the CRA website reached more than 58 million, on track to exceed 110 million visits for the year.

The CRA supports the Government of Canada's Web Renewal effort and was designated as the lead for taxes on the new Canada.ca website launched in December 2013. The goal of the Government's Web Renewal effort is to consolidate more than 1,500 Government of Canada websites into one by 2016, ultimately making it easier for Canadians to deal with the government.

## [social media, videos, webinars]

Although social media is a relatively new communications tool for us, our reach via Twitter is steadily growing year over year. By the end of 2013 we had 28,000 followers, five times more than the previous year. The CRA is building Twitter into its strategic communications planning as a way to draw attention to important issues and information in real time, and it is encouraging access to the CRA website and other information channels for detailed information.

The CRA is expanding its use of videos and webinars to cost-effectively provide information to taxpayers. In 2012-2013, the CRA delivered 152 webinars to about 10,525 participants. During the 2013 filing season, 40 videos posted on the CRA YouTube channel received more than a half million views. The most frequently viewed videos were those that offered help with tax filing and the CRA's online services. During the planning period, we will:

- update and increase the number of online videos available on our website to reflect up-to-date information about our programs and initiatives
- conduct webinars for specific initiatives as appropriate





## [telephone services]

Our telephone services complement our online information services. All taxpayer services agents are trained in providing taxpayers with the information they need and providing explanations related to tax and benefit enquiries.

Taxpayers and benefit recipients who want to understand how tax laws apply to their specific circumstances will be able to rely on the knowledge and assistance of our taxpayer services agents. Through these centres we handle millions of enquiries each year, many of which are highly complex. To expand the function of our telephone services to meet other requirements, during the planning period we will:

- continue to implement the Red Tape Reduction Action Plans
- promote the use of direct deposit by accepting direct deposit registration by telephone

## [community volunteer income tax program]

The CRA's Community Volunteer Income Tax Program (CVITP) is a community-based outreach program to help thousands of Canadians during tax-filing season. In 2013, the CVITP had more than 18,000 volunteers in over 2,000 community organizations across Canada working for it. They filed more than 565,000 tax returns, representing a 3% increase over last year.

We rely on partner organizations to host tax preparation clinics and arrange for volunteers to prepare tax returns for individuals with low to modest income and a simple tax situation. The CRA's role is to offer training and tax software to community organizations, allowing them to guide their volunteers in completing returns. To further enhance the service, during the planning period we will:

- offer a dedicated toll-free line for CVITP volunteers to answer their queries
- engage further support from national organizations

## [policy, rulings and interpretations]

Budgetary financial resources <sup>1</sup> (dollars)			
	2014-15 planned spending	2015-16 planned spending	2016-17 planned spending
Base spending	68,030,914	67,484,740	64,290,088
Disbursements to the provinces for <i>Softwood Lumber Products Export Charge Act, 2006</i>	80,000,000	-	-
Total	148,030,914	67,484,740	64,290,088

<sup>1</sup> The planned spending in 2015-16 and subsequent years does not include a forecast of disbursements to the provinces for *Softwood Lumber Products Export Charge Act, 2006*, which is not yet available.

Human resources (full-time equivalents)		
2014-15	2015-16	2016-17
1,013	1,010	951

## [taxpayer services for complex information needs]

Taxpayers and tax professionals with more complex tax information requirements rely on the CRA to provide technical interpretations of tax legislation, which ultimately helps prevent errors and promote compliance.

To ensure faster, easier access to current information, the CRA introduced income tax folios, a new technical publication series which will progressively replace our income tax interpretation bulletins and provide hyperlinks to improve web functionality. To make the folios easy to navigate, they are divided into seven series, each aimed at a different audience: individuals, employers and employees, property, investments and savings plans, businesses, international and residency, trusts, and charities and non-profit organizations. Folios are expected to save time and give taxpayers current technical income tax information.

During the planning period, we will:

- continue to develop and expand our online income tax folios



## RED TAPE REDUCTION: Clear and accessible information

In response to feedback from small businesses, we are improving our online services by adding more options to **My Business Account**, including providing written answers to account-specific enquiries.

To make sure businesses have quicker and easier access to these services, we are creating a new page on our website that will take users to the appropriate online business service based on the task that they want to complete, for example, File, Pay, Review, Change Request, Calculate, and Register.

These measures will help businesses by:

- allowing them to electronically file more types of information returns, which will save time and cost
- providing faster, easier access to online services
- offering greater confidence and certainty by providing written responses to inquiries, which will lessen the need to make follow-up calls to verify information
- enabling immediate changes of address, which will reduce delays in receiving mail from the CRA

- phase out income tax interpretation bulletins and income tax technical news as appropriate
- where possible, make GST/HST technical information available on the CRA website in advance of the effective date of new legislation

The CRA also provides written non-binding income tax and GST/HST interpretations of specific provisions of tax law. Taxpayers can also request binding advance income tax or binding GST/HST rulings related to how legislation applies to a clearly defined situation.

During the planning period, we will:

- develop a GST/HST rulings e-service so clients can send and receive requests for rulings and interpretations electronically
- strengthen business intelligence based on analysis of calls, written requests, and stakeholder engagement to inform program priorities

## [registered plans]

Budgetary financial resources (dollars)		
2014-15 planned spending	2015-16 planned spending	2016-17 planned spending
16,250,754	16,026,409	15,945,901

Human resources (full-time equivalents)		
2014-15	2015-16	2016-17
178	173	172

Registered plans are one of the most effective savings and retirement tools available to Canadians. The CRA is responsible for registering and administering deferred income and savings plans like employee pension plans, retirement savings plans, education savings plans, disability savings plans, tax-free savings accounts, and pooled registered pension plans. We oversee deferred income and savings plans that hold more than \$1 trillion in assets. We ensure the integrity of the deferred income and savings plans sector in Canada by promoting compliance with legislation, and we focus our efforts on areas at greater risk of non-compliance.



During the planning period, we will:

- further develop the registered plans application suite -- a comprehensive IT system designed to track compliance results and reviews -- so we can provide more timely analysis of results.

## [charities]

Budgetary financial resources (dollars)		
2014-15 planned spending	2015-16 planned spending	2016-17 planned spending
29,154,434	28,282,718	28,006,209

Human resources (full-time equivalents)		
2014-15	2015-16	2016-17
333	331	329

To qualify for registration as a charity under the *Income Tax Act*, an organization must operate according to specific guidelines, and the CRA is responsible for monitoring the organization's compliance. We support and encourage compliance with income tax legislation and regulations for registered charities through our enquiries services and outreach activities, and by providing a thorough and timely application process. We offer in-person sessions, webinars,

and webcasts on topics like the tax deductibility of donations, filing requirements, record keeping, tax planning schemes, preparing for an audit, and the implications of non-compliance.

We conduct audits and, when charities are found to be non-compliant with the requirements of the *Income Tax Act*, we take appropriate action. This action ranges from helping the charity understand the rules through education and



### SERVICE EXCELLENCE: Making information accessible

The CRA is committed to transforming the way we provide information to taxpayers and businesses. To keep pace with evolving demands, we are taking advantage of technology that expands our reach, and developing ways to make information more user-friendly.

We are successfully adapting to faster, more efficient communications channels as shown by our rapidly-expanding number of followers on Twitter, the popularity of our webinars, and the growing number of visitors accessing our videos posted on the CRA's YouTube channel.

The CRA recognizes that populating our website and telling taxpayers that information is available is the first step. The second step is helping to ensure that taxpayers can quickly find what they need and readily understand it, especially when it comes to complex information. For example, we are updating the way we present information on tax interpretation. Tax interpretation bulletins have long been an important resource for taxpayers and tax professionals, but navigating through them to answer specific questions was difficult. The CRA has introduced a new technical publication to update the information currently found in the income tax interpretation bulletins and to introduce improved web functionality.

outreach activities, to suspending its charitable status, or to revoking its registered status. During the planning period, we will:

- audit all charities known to participate in gifting tax shelters
- continue to educate charities about their compliance obligations

## [conclusion]

Our service to Canadians, and our high rate of voluntary compliance, depend on the information we provide through our website, call centres and rulings services. This chapter sets out our commitment to excellence in the delivery of these services, with important improvements that will reduce red tape for small businesses when they call our telephone agents, make it easier to find information to answer complex tax questions, and provide a wider range of online help.

## [strategic outcome: taxpayers meet their obligations and Canada's revenue base is protected]

We use the following expected results and performance indicators to assess whether we are meeting our overall strategic outcome.

Expected results	Performance indicators	Targets	Date to be achieved
Compliance with applicable legislation by organizations and businesses administering and/or producing registered plans, charities, and excise-dutiable products is improved	Percentage of charities, registered plans, and commodity audits completed compared to planned	100%	March 2015
Individual taxpayers have access to timely and accurate responses to their tax enquiries	Caller accessibility – Percentage of individual callers who succeed in reaching the CRA telephone service (tax filing season)	85%	March 2015
	Caller accessibility – Percentage of individual callers who succeed in reaching the CRA telephone service (non-tax filing season)	80%	March 2015
	Individual inquiries – telephone service level - respond to calls in the agent queue within two minutes	80%	March 2015
	Percentage of accurately updated internal reference materials for taxpayer services agents (individual)	100%	March 2015
Businesses have access to timely and accurate responses to their tax enquiries	Caller accessibility – Percentage of business callers who succeed in reaching the CRA telephone service	85%	March 2015
	Business inquiries - telephone service level – respond to calls in the agent queue within two minutes	80%	March 2015
	Percentage of accurately updated internal reference materials for taxpayer services agents (business)	100%	March 2015
Registered plan administrators and their agents receive timely service in response to applications	Percentage of registered plan applications reviewed within the established time frames (180 days)	85%	March 2015
Non-compliance by registered plan administrators and their agents with legislation and regulations pertaining to registered plans is detected and addressed	Percentage of registered plan audits completed compared to planned	100%	March 2015



Expected results	Performance indicators	Targets	Date to be achieved
Taxpayers and businesses receive timely rulings and interpretations under the <i>Income Tax Act</i> , the <i>Excise Tax Act</i> , and various other federal legislation	Advance income tax rulings issued within 90 business days	85%	March 2015
	Technical interpretations issued within 90 business days	85%	March 2015
	GST/HST rulings and interpretations – respond to calls in the queue within two minutes	80%	March 2015
	GST/HST rulings and interpretations – respond to written requests within 45 business days. This excludes highly technical and precedent and/or policy-setting rulings and interpretations.	80%	March 2015
Non-compliance with the <i>Excise Act</i> and the <i>Excise Act, 2001</i> with respect to dutiable products is detected and addressed	Percentage of planned excise regulatory reviews and excise compliance activities that are completed	100%	March 2015
Service to registered charities and applicants for charitable status is enhanced	Charities – responding to telephone enquiries in agent queue within two minutes	80%	March 2015
	Charities – responding to simple applications for charitable registration within two months	80%	March 2015
	Charities – responding to regular applications for charitable registration within six months	80%	March 2015
Compliance in the charitable sector is improved	Percentage of charities that are audited, that are known to be participating in gifting tax shelters	100%	March 2015
	Percentage of charities that file an annual information return on time	80%	March 2015



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**about**  
making it  
**easy** for  
**taxpayers**

# [assessment of returns and payment processing]

## description

program

Our activities in assessment of returns and payment processing make it easier for individuals and businesses to meet their filing, reporting, and payment obligations. We assess, process, and adjust tax returns for individuals and businesses. We review the information provided for correctness. We detect non-compliance through risk assessment and third-party data matching.

<b>Budgetary financial resources</b> (dollars)			
2014-15 Main Estimates	2014-15 planned spending <sup>1</sup>	2015-16 planned spending <sup>1</sup>	2016-17 planned spending <sup>1</sup>
597,018,261	598,411,852	619,375,174	613,033,592

<sup>1</sup> Planned spending refers to those amounts for which a Treasury Board submission approval has been received by no later than February 1, 2014. This cut-off date differs from the Main Estimates process. Therefore, planned spending may include amounts incremental to planned expenditure levels presented in the 2014-15 Main Estimates.

<b>Human resources</b> (full-time equivalents)		
2014-15	2015-16	2016-17
6,671	6,735	6,679



## [what we want to achieve]

To provide online services with a view to making it easier for individuals and businesses to file their tax returns, make payments, and apply for benefits online, accurately, and on a timely basis. To deliver efficient and effective high-volume assessment and processing of individual and business tax returns and payments.

## [strategic context]

An increasing number of Canadians choose to file returns and make payments online. In 2013, 76% of individuals filed their T1 tax return electronically, and 70% of corporations used online filing for their corporate tax returns. In the same period, **My Business Account**, our secure online portal for business transactions, registered a 76% increase in annual transactions. Our online filing and payment services are essential to reducing red tape for business and continual improvement in services to Canadians. Canadians want services to be easy to access and use, and they want online services to be comprehensive so that they can self-serve when and where they choose. We are responding to the

### Expanding e-services

The CRA is committed to modernizing the way it delivers services. We recognize that Canadians want to interact with us through secure and electronically-enabled delivery channels that respect their privacy. By expanding our suite of flexible and convenient online services, we are giving taxpayers more opportunities to interact with us when and where it is convenient for them to do so.

Over the planning period, we will redesign our **My Business Account** portal to make it easy for businesses to use, provide more flexible payment options, and enable taxpayers and businesses to provide documentation electronically.

need to design online services that are convenient and simple to use, while maintaining the high level of security and reliability that has always been the CRA's top priority.

Online services help the CRA to meet its efficiency objectives while responding to taxpayers' expectations. We are able to process electronic returns and payments faster, and at less cost, than traditional paper options. Often, electronic services result in fewer errors because there are fewer manual steps. However, we recognize that not all Canadians prefer online service options. It is our responsibility to make sure that taxpayers have the services they need to comply. We will maintain traditional alternatives for those who choose to use them, and develop tailored support for groups like seniors, first time filers and new Canadians, who may have unique needs.

## [individual returns and payment processing]

Budgetary financial resources (dollars)		
2014-15 planned spending	2015-16 planned spending	2016-17 planned spending
315,235,616	338,539,478	335,694,604

Human resources (full-time equivalents)		
2014-15	2015-16	2016-17
4,329	4,425	4,430

Each year, the CRA assesses more than 27 million income tax and benefit returns for individuals. We process these returns and enter the information into our systems to update taxpayer accounts and determine the current status of their tax obligations. We then store the returns for future reference. We carry out activities to detect non-compliance both before and after tax returns are assessed. When we find errors on tax returns, we correct them. Our goal is to process returns and payments as quickly and accurately as possible so that Canadians maintain confidence in the integrity of Canada's self-assessment tax system and Canada's revenue base is protected.

## SERVICE EXCELLENCE: Going mobile

New technologies are changing the way Canadians interact, seek information, and do business. As a result, the CRA must be ready to deliver and receive digital information and services anytime, anywhere, and on any device. We must also do so safely, securely, and efficiently.

We are responding to this evolving environment by testing new mobile applications. In the future, we expect our mobile applications to be a vital component of our e-service portfolio. We believe the movement to mobile services has the potential to improve our service accessibility, availability, and responsiveness.

### [e-services]

The CRA has established a strong foundation in e-services and will continue to expand the range of functions which taxpayers and representatives can do online. We also work to make these services as simple and intuitive as possible. Secure online services offer taxpayers the convenient option of filing tax returns and making payments electronically. These improvements respond to taxpayers needs and are key to delivering services in a cost-effective way.

For taxpayers who interact with us frequently, our current **My Account** portals work best, and their use continues to grow. We are carrying out plans to e-enable a number of services not available online at this time so that taxpayers can view more of their account information and conduct more transactions online.

Improving our online services is not only about making existing information and transactions available online but also about envisioning new services to make it easier and faster for taxpayers to meet their tax obligations. For example, we will improve our secure online portals by adding new and innovative electronic options for people to submit documents, to receive notices and information, and to make payments.

Over the planning period, we will:

- introduce Visa Debit electronic payment options in My Payment e-service
- remove electronic filing exclusions for individual returns, such as prior-year returns

### [income tax systems renewal]

Our systems are essential for the assessment, processing and matching of the millions of personal income tax returns received each year. Our activities provide Canada, the provinces, and the territories with their principal source of revenue, representing approximately \$160 billion in administered revenues annually.

The CRA's personal income tax systems will be redesigned and updated to unify the 30-year old income tax assessing and accounting systems. The project will create a strong, flexible, and resilient foundation for the personal income tax program and position the CRA to achieve its longer term goals (for example, expanding e-services).

Over the planning period, we will:

- redesign the matching of personal income tax returns
- create foundational components for initial assessments and reassessments
- redesign individual tax accounting

### [detect and correct]

Although quality service helps to promote compliance, there are some instances where individuals and businesses either unintentionally or intentionally fail to fully comply. Our robust system of checks and controls includes both prevention and detection.

We analyze tax returns to find common errors, like an amount placed on the wrong line, and to detect gaps in information or services. We also catch inadmissible claims through an initial review of tax credits and amounts claimed. Finding and fixing errors as part of our early intervention program helps us resolve non-compliance in the least

intrusive way and minimizes the risk of taxpayers paying penalties and interest. We also identify unclaimed tax credits and overpayments for taxpayers, and adjust income tax returns to reflect the benefits in their favour.

We continue our review of income tax and benefit returns after notices of assessment are sent. We select files and contact taxpayers to request further information to verify claims made on tax returns. We also compare the information we have from third parties with the information reported on tax returns. We review corporation income tax returns to ensure the accuracy and validity of corporation income tax assessments. If we can address non-compliance before the behaviour escalates or becomes habitual, we can reduce the need for subsequent enforcement actions.

Over the planning period, we will:

- continue to optimize our compliance activities on individual tax returns to ensure comprehensive review coverage at an affordable cost
- explore new methodologies such as analytics, which combines business expertise with advanced technologies

## INTEGRITY AND SECURITY: Controlling employee access

Protecting privacy and confidentiality rights is central to the integrity of the CRA. To meet their tax obligations, Canadians must give us personal and financial information, and trust that their information is only accessed or disclosed on a need-to-know basis for authorized purposes. We operate under an ever-improving rigorous system of checks and controls to make sure this trust is well-founded. We are introducing new technologies to tighten controls over employee access to sensitive information to ensure the CRA's reputation as a trusted tax administration is maintained.

to identify underlying relationships between data and areas of risk

- enhance our use of analytical tools to identify new risk criteria for all individual compliance programs

## [business returns and payment processing]

Budgetary financial resources (dollars)		
2014-15 planned spending	2015-16 planned spending	2016-17 planned spending
283,176,236	280,835,696	277,338,988

Human resources (full-time equivalents)		
2014-15	2015-16	2016-17
2,342	2,310	2,249

We process about 2.1 million corporate income tax returns and over seven million GST/HST returns. Revenu Québec is responsible for administering the GST/HST in Quebec in return for financial compensation from the Government of Canada. We will continue to ensure that the administration of the GST/HST in Quebec complies with the terms of the agreement and that GST/HST funds are identified and collected.

Our **My Business Account** is a secure online portal for business owners to have immediate access to their information and to manage various business accounts including GST/HST, payroll, corporation income taxes, excise taxes, and excise duties.

This portal is important for business owners who want to monitor their tax affairs closely. For instance, businesses can now sign up to receive their notice of assessment and reassessment through **My Business Account**. We are also opening up new avenues to pay taxes, for example, through electronic pre-authorized debit.

**My Business Account** is at the centre of our strategy to empower business owners and to reduce the cost, time, and effort which goes into complying with Canada's tax laws. We are making service improvements to this portal to deliver on the needs and expectations of business owners.





Over the planning period, we will:

- introduce e-delivery to Represent a Client
- release a CRA mobile application for Small and Medium Enterprises (SMEs)
- redesign the **My Business Account** welcome page to highlight available options
- implement pre-authorized debits for businesses

## [business number]

Voluntary compliance and self-assessment form the basis of the CRA tax administration and are facilitated by helping businesses to comply with their registration requirements. Introduced in 1994 to simplify business interaction with the CRA for its core tax programs, the Business Number (BN) is now voluntarily used as the common business identifier for multiple levels of government. A common business identifier is a critical enabler for tailored service access, a single electronic account, and enhanced service delivery for business.

Over the planning period, we will:

- continue to work with other federal departments, provinces, territories, and municipalities in the BN partnership to improve its online business registration service and to enhance the business representative authorization process

## [conclusion]

We will improve service to Canadians and reduce red tape by making our e-services easier to use, and by introducing new e-services that allow individuals and businesses to self-serve when and where they choose. We will ensure that we respond to the needs of all Canadians by maintaining traditional alternatives to e-services and developing tailored support for taxpayer segments that need it. We will improve the ability of our compliance activities to detect and correct errors early in the reporting process, helping taxpayers to get it right from the start and reducing the need for subsequent, often more costly, enforcement actions.

## [strategic outcome: taxpayers meet their obligations and Canada's revenue base is protected]

We use the following expected results and performance indicators to assess whether we are meeting our overall strategic outcome.

Expected results	Performance indicators	Targets	Date to be achieved
Individuals, businesses and registrants are provided timely and accurate tax assessment notices and tax payment processing	Processing T1 individual income tax returns (paper) within an average of four to six weeks	100%	March 2015
	Processing T1 individual income tax returns (electronic) within an average of two weeks of receipt	100%	March 2015
	Processing T3 trust returns within four months	95%	March 2015
	Responding to taxpayer-requested adjustments (T1) within an average of two weeks (electronic)	100%	March 2015
	Responding to taxpayer-requested adjustments (T1) within an average of eight weeks (paper)	100%	March 2015
	Processing T2 corporation income tax returns (paper) in 90 calendar days or less	90%	March 2015
	Processing T2 corporation income tax returns (electronic) in 45 calendar days or less	90%	March 2015
	Processing GST/HST returns within 30 calendar days of receipt	95%	March 2015
	Processing excise tax, excise duty, softwood lumber returns, and air travellers' security charge returns in 60 calendar days or less of receipt	95%	March 2015
Individual taxfilers receive timely and accurate assessment notices	Percentage of individual (T1) returns processed accurately	98%	March 2015
	Percentage of individual (T1) returns received on time processed by mid-June	98%	March 2015
Individuals file electronically	Individual (T1) electronic filing rates	80%	March 2015
Validation activities detect and address non-compliance by individuals with the reporting requirements of the acts	Percentage of planned validation reviews of individual returns (T1) completed	100%	March 2015
	Ratio of average dollar value assessed for targeted vs. random reviews	Minimum ratio of 2:1	March 2015

Expected results	Performance indicators	Targets	Date to be achieved
Business taxfilers receive timely and accurate assessment notices and payment processing	Percentage of T2 returns processed accurately	98%	March 2015
Remittances of payments to the Receiver General are processed on time	Percentage of payments to the Receiver General deposited within 24 hours of receipt	96%	March 2015





it's  
**about**  
**strengthening**  
and enforcing  
**compliance**

# [reporting compliance]

## description

program

The CRA's reporting compliance activities identify and address the segment of the population that does not report or under-reports. Our compliance interventions take a graduated approach that moves from influencing compliance to enforcement. We seek to influence compliance behaviour and attitudes through the audit of returns, by increasing taxpayers' understanding of their tax obligations, and through targeted outreach activities, client service, and education. Our examinations, audits, and investigations at the domestic and international level ensure and enforce compliance with Canada's tax laws.

<b>Budgetary financial resources</b> (dollars)			
2014-15 Main Estimates	2014-15 planned spending <sup>1</sup>	2015-16 planned spending <sup>1</sup>	2016-17 planned spending <sup>1</sup>
1,054,502,522	1,062,102,673	1,052,259,656	1,041,278,958

<sup>1</sup> Planned spending refers to those amounts for which a Treasury Board submission approval has been received by no later than February 1, 2014. This cut-off date differs from the Main Estimates process. Therefore, planned spending may include amounts incremental to planned expenditure levels presented in the 2014-2015 Main Estimates.

<b>Human resources</b> (full-time equivalents)		
2014-15	2015-16	2016-17
9,942	9,729	9,602

## [what we want to achieve]

To provide direct assistance to taxpayers and businesses to make sure they get it right from the start. To conduct examinations, audits, and investigations in order to identify and correct non-compliance.

## [strategic context]

Our reporting compliance programs check that taxpayers have correctly reported information that determines their tax obligations. Audit of taxpayers' books and records is one of the main tools we use to detect non-compliance. To reduce red tape for small business and continually improve service to Canadians, we are introducing services to help taxpayers get it right from the start and minimize the need for more costly follow-up audits. By introducing new tools and support, like the Liaison Officer Initiative, we will provide all taxpayers with the information and help they need to report accurately. By building our understanding of why and when taxpayers are most likely not to comply, we will be able to proactively support compliance through tailored communications with taxpayers and to focus our

audit and review efforts on those instances where non-compliance is most likely.

Aggressive tax planning poses a risk to Canada's revenue base. We are implementing new tools, like the Offshore Tax Informant Program, that will provide us with more information to identify and combat aggressive tax planning schemes and uphold offshore compliance. We are aligning our workforce so that we have specialist auditors with the high level skills necessary to deal with complex international business transactions.

## [small and medium enterprises]

Budgetary financial resources (dollars)		
2014-15 planned spending	2015-16 planned spending	2016-17 planned spending
572,394,171	563,377,058	554,132,079

Human resources (full-time equivalents)		
2014-15	2015-16	2016-17
5,916	5,699	5,590

### **INTEGRITY: Audit quality assurance**

The integrity of CRA audit programs is assured by maintaining a system of strong internal controls. We continually monitor and review our audits and review processes to assure quality, reduce the burden we place on taxpayers and improve our processes.

The integrity of our small and medium enterprise and GST/HST audits are assured by our Business Intelligence and Quality Assurance (BIQA) review process. This process randomly selects completed audit files for review. The continuous and random nature of our quality assurance reviews ensures audit steps are fully documented and conducted in conformity with legislation, and national policies and procedures. The BIQA process also delivers timely and valuable feedback on the quality of completed audits to senior management, field offices, and individual auditors, as well as, helping to identify training needs and emerging compliance issues.

Our Continuous Program Integrity Review (CPIR) process is used to strengthen the integrity of our international and large business audits. The CPIR process reviews completed audits to assess general quality and adherence with legislation, policy, procedures and program quality objectives. These reviews often identify opportunities for program improvement and the individual results are communicated back to senior management in the programs and regions for follow-up. On an annual basis, the findings and general trends identified by the CPIR process are summarized and discussed in a comprehensive report that recommends best practices and identifies opportunities for program improvement.



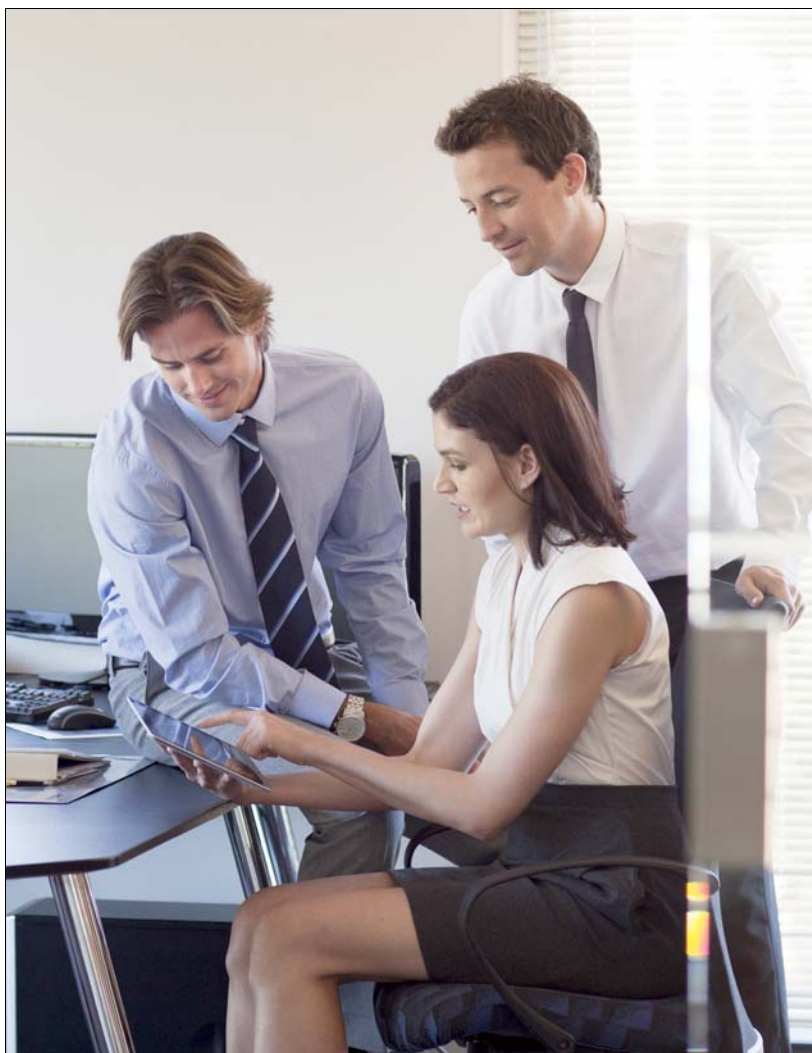
## SERVICE EXCELLENCE: Getting it right from the start

The best way to ensure reporting compliance is to help taxpayers get it right from the start. This is why we are moving forward with our liaison officer initiative pilot. This initiative will provide one-on-one assistance to businesses at critical points in their life cycle, such as when they start-up or when employees are hired for the first time. This provides an opportunity to engage with taxpayers and correct potential errors before they occur. It will also create a unique opportunity to better understand the needs of small businesses. We hope to use these insights to improve the services and information we provide.

This approach will be complemented with tailored online assistance through videos and webinars. This more graduated approach to ensuring reporting compliance should deliver long-term program savings by reducing the need for audit-based compliance interventions.

The use of audits will always be an important component in the CRA's approach to enforcing the reporting compliance of small and medium enterprises (SME). We are enhancing the effectiveness of our SME audits in a number of

important ways. Advanced analytics are increasingly being used to guide our file selection and help to identify and select the files and taxpayer segments at the highest risk of reporting non-compliance.



Audits are powerful and effective compliance tools, but we realize they need to be complemented by other tools that reach out to a greater number of taxpayers at an earlier point in the reporting process. The use of these more tailored approaches is the most cost-effective way to reduce the compliance burden on taxpayers. It is about using the right tool at the right time to reach out to larger groups of taxpayers and effectively manage moderate reporting non-compliance risks and reduce the need for audits. By finding the right mix of compliance enforcement tools we will be able to improve reporting compliance outcomes and meet our program efficiency objectives.

Canada has a large population of SMEs. Approximately 3 million individual filers and 2 million corporate filers are considered SMEs. Many of these businesses are very small operations and may require assistance to meet their reporting requirements. Our Liaison Officer Initiative pilot is one example of how we are actively working to support small business compliance at key stages in the life cycle of these businesses.

We are pursuing and developing more graduated compliance interventions, such as tailored taxpayer messaging. Over the planning period we will expand our use of these more graduated



approaches to better support, promote and encourage self-correction when moderate compliance risks have been identified.

Over the planning period, the CRA will:

- use tailored messaging to prompt taxpayers with a poor compliance

## EFFECTIVE COMPLIANCE:

### Dealing with the Underground Economy

The Underground Economy (UE) includes any business activity that is unreported and/or under-reported for tax purposes. To address this significant risk to Canada's revenue base, we dedicate specific audit resources. We are engaged in compliance research, education, and outreach. The CRA participates in international forums and organizations to share best practices, conduct research and coordinate international UE initiatives. Domestically, we are working with other levels of government to coordinate efforts to deal with the UE.

Working with our partners in the Department of Finance and the Department of Justice, we are making recommendations to strengthen legislation and craft new administrative tools to deal with emerging UE threats. For example, the 2013 federal budget included proposals for new sanctions to address those who use, possess, and acquire suppression of sales software, including fines of up to \$1,000,000 and jail terms of up to five years. These proposals will allow the CRA to take strong action against those who develop, manufacture, and make available suppression of sales software.

Over the planning period, the CRA will:

- conduct research on the regional and economic factors that increase the risk of UE activity
- increase our focus on emerging UE risks through the increased use of UE specialized teams
- launch an awareness campaign to make Canadians aware of the new measures to counter the use of suppression of sales software introduced in Budget 2013

record or business performance that is out of step with industry norms to reconsider what they have reported and filed

- engage industry associations to help guide our compliance messaging and outreach activities
- strengthen audit quality and identify training needs and best practices
- pilot one to many approaches such as focused messaging, benchmarking, industry engagement, and remote reviews to educate and encourage individuals and businesses to comply with their tax obligations
- focus on “soft” skills development to ensure we communicate effectively with taxpayers at every stage of the audit process
- support small businesses at key points in their life cycle through our Liaison Officer Initiative

## [GST/HST]

The GST/HST is a significant source of revenue for the federal and participating provincial governments. The priorities for the GST/HST Program include mitigating risks such as, the underground economy, registrations of false entities to obtain refunds, and identifying new GST/HST schemes.

We will improve our file selection capability through better risk-assessment and by implementing a team audit approach using subject matter experts from across the country.

We are strengthening our Aggressive GST/HST Planning Program by improving our ability to identify false claims and persons participating in suspicious patterns of behaviour.



In our Refund Integrity Program, we will continue to enhance and modify our risk management model to detect and prevent the overpayment of GST/HST refunds.

Over the planning period, the CRA will:

- develop new risk assessment models in the SME segment to improve the selection of high-risk files
- implement a regional inventory approach to the non-resident workload and explore initiatives to allocate workloads based on industry sectors
- strengthen audit quality and identify training needs and best practices
- further optimize the use of existing and new technology in the Refund Integrity Program
- detect and mitigate abusive tax arrangements and tax shelters through our new Aggressive GST/HST Planning Program

## [international and large business]

Budgetary financial resources (dollars)		
2014-15 planned spending	2015-16 planned spending	2016-17 planned spending
320,135,923	319,547,809	317,848,859

Human resources (full-time equivalents)		
2014-15	2015-16	2016-17
2,630	2,630	2,614

The CRA is responsible for auditing the largest and most complex corporate taxpayers to ensure they comply with their reporting requirements. This includes taking measures to prevent Aggressive Tax Planning.

Ongoing improvements to audit selection are allowing us to focus on the businesses and industry segments most likely to be non-compliant.

By 2015-2016, our goal is to be able to conduct audits sooner after the filing date. This will provide earlier tax certainty for businesses, reduce the compliance burden and provide the CRA with better insights on emerging

trends and issues. In addition, the CRA is looking at ways to make better use of our existing audit resources based on risk, work plans, and by leveraging technical capacity at the national level.

Over the planning period these measures will allow the CRA to deliver on its Economic Action Plan commitments by generating additional revenues and deliver greater program efficiencies.

Over the planning period, the CRA will:

- automate its National Risk Assessment Model to enhance the risk assessment of files and develop national work plans
- refine our automated National Basic File Risk Assessment Template to better target the highest risk files

## [aggressive tax planning]

Aggressive tax planning arrangements can involve either domestic or international complex elements and are designed for the sole purpose of avoiding the payment of tax. Like the Underground Economy, Aggressive Tax Planning represents a significant threat to the tax base of industrialized countries around the globe, and the CRA has identified it as a key enterprise risk.

The maintenance of a strong legislative framework is a key element in our long-term strategy to protect the tax base.

The CRA works with the Department of Finance Canada and the Department of Justice Canada. For example, Budget 2013 contained a number of proposals designed to address these arrangements. The measures announced in Budget 2013 will protect over \$4 billion of tax revenues over the next 5 years, starting in 2013–2014. Moreover, these measures will help provide crucial and timely business intelligence and enrich our Aggressive Tax Planning risk assessment and workload selection processes.

Among our top priorities is the Related Party Initiative, which involves using the new rules on non-resident trusts and foreign investment entities to better address the compliance risk posed by high-risk taxpayer segments, including high net worth individuals. The CRA is able to learn more about these arrangements through our auditors and through our specialized compliance programs and to gain valuable insights into the evolving nature of Aggressive Tax Planning schemes. We are developing a more systematic approach to collecting and disseminating this intelligence to our audit community. In addition, these insights help us develop recommendations for new tools to mitigate emerging risks.

The CRA will continue to participate in international forums, such as the Organization for Economic Cooperation and Development (OECD), and work closely with our tax treaty partners to identify emerging international and aggressive tax planning risks, promote best practices, and develop policy recommendations. The CRA is playing an important role in the global effort to counter the threat of aggressive

## EFFECTIVE COMPLIANCE: International engagement

The CRA's international engagement helps ensure the integrity and fairness of Canada's tax system and improve the efficiency and effectiveness of its administration. The global context in which tax administrations operate has been changing at an unprecedented pace, creating an environment that presents both challenges and opportunities for tax policy experts and tax administrators.

Over the planning period, the CRA will continue to strengthen strategic partnerships with individual countries and international organizations and extend our network of influence with developing and emerging economies to:

- promote and influence the development and application of international tax rules and standards to strengthen bilateral economic relationships, reduce tax barriers, create enhanced opportunities for Canadian businesses, and increase transparency
- collaborate and coordinate actions with other tax administrations to promote compliance and address issues of non-compliance such as, international tax evasion, aggressive international tax planning/tax avoidance, and offshore compliance

## EFFECTIVE COMPLIANCE: Addressing offshore compliance

The Economic Action Plan 2013 (EAP) introduced new measures to help the CRA combat international tax evasion and aggressive tax avoidance. The Canadian government has committed \$30 million over five years to support the implementation of these measures, which include:

- the Offshore Tax Informant Program (OTIP)
- the mandatory reporting of international electronic funds transfers over \$10,000 to the CRA by certain financial intermediaries effective January 1, 2015
- a streamlined process for the CRA to obtain information concerning unnamed persons from third parties, such as banks
- revising the Foreign Income Verification Statement (Form T1135) to require reporting of more detailed information and extending the reassessment period for taxpayers who have failed to report income from a specified foreign property on their annual income tax return and failed to properly file a T1135

The CRA has established the Offshore Compliance Program to ensure the successful implementation of these important EAP measures. The program will identify, select and coordinate high-risk offshore non-compliance cases for audit, and implement a robust accountability framework and performance measurement system for CRA offshore compliance activities.

international tax planning schemes through its support of important initiatives like the OECD's Action Plan on Base Erosion and Profit Shifting, and the Joint International Tax Shelter Information Centre. As well, we will continue to explore new ways of enforcing compliance, such as the use of joint audits. Our first joint audit with the Internal Revenue Service was completed in 2013.

### [criminal investigations program]

Budgetary financial resources (dollars)		
2014-15 planned spending	2015-16 planned spending	2016-17 planned spending
79,239,560	79,177,161	79,122,543

Human resources (full-time equivalents)		
2014-15	2015-16	2016-17
598	601	601

Our Criminal Investigations Program represents the extreme end of the compliance enforcement continuum. Its mandate is to conduct criminal investigations into suspected cases of tax evasion and fraud with respect to the various tax Acts administered by the CRA. When sufficient evidence is obtained to support a conviction for tax evasion or fraud, the case is referred to the Public Prosecution Service of Canada (PPSC) for criminal prosecution.

The program has been transformed to focus more specifically on gathering evidence to support criminal charges. We have consolidated the program into six offices physically located close to our key partners, the RCMP and PPSC, to further improve our ability to address complex cases of tax evasion and fraud. This new approach will provide us with the critical mass of investigators needed to effectively tackle the growing complexity of these files and support our effort to deliver better outcomes.

Deterrence will continue to play a crucial role and the CRA will seek publicity on all tax evasion and fraud convictions to



maintain confidence in the integrity of our self-assessment tax system and to increase compliance.

Over the planning period, the CRA will:

- use a new national workload selection process to improve file selection
- promote a more cohesive approach to criminal investigations through the creation of liaison positions to enhance cooperation with internal and external partners
- implement a National Criminal Investigations Quality Assurance Program

## [scientific research and experimental development]

Budgetary financial resources (dollars)		
2014-15 planned spending	2015-16 planned spending	2016-17 planned spending
83,838,508	83,667,112	83,688,896

Human resources (full-time equivalents)		
2014-15	2015-16	2016-17
721	721	721

The Scientific Research and Experimental Development (SR&ED) Program is the largest single source of federal government support for industrial research and development, providing more than \$3.6 billion in tax assistance in 2012. Industrial research and development

helps drive innovation and allows Canadian businesses to successfully compete in the global marketplace. We are taking steps to make it easier for businesses to access the SR&ED program and meet its requirements.

The main objectives of our strategy are to simplify the SR&ED program to increase accessibility, improve predictability for those claiming SR&ED tax incentives, and quickly address overly aggressive positions being taken by some tax preparers and claimants. We want our SR&ED program to be more cost-effective and to provide faster access to tax incentives for claimants.

In September 2012, we launched a feasibility study, which included a pilot of a Formal Pre-approval Process. This process provides greater certainty to claimants on the eligibility of their research and development work and expenditures for SR&ED tax incentives. Our pre-approval service will help businesses make informed investment decisions. It will also help them determine what supporting evidence they should keep as work progresses. This service is intended to allow businesses to receive a determination on the eligibility of their proposed SR&ED claim before it is filed. By eliminating the need for the CRA to conduct an on-site review after the claim is filed, businesses with pre-approved claims will get their tax incentives faster and we will increase the cost effectiveness of our administration of these claims.

Over the planning period, the CRA will:

- launch the Self-Assessment and Learning Tool for SR&ED applicants
- monitor the results of our Formal Pre-approval Process pilot for SR&ED claims

### **SERVICE EXCELLENCE: Making sure SR&ED claimants get the right support when they need it**

The CRA is working to ensure new SR&ED claimants have the right support, when they need it most. We will implement a new direct outreach service to make sure new claimants have access to information about the SR&ED program eligibility requirements. Our in-person support will be complemented by Web-based information videos, which will be available in 2014. Businesses, and the tax practitioners who help them, will also soon be able to access a new online self-assessment and learning tool. This new tool will contain tips to help businesses complete their SR&ED claim form. We expect the learning tool to reduce the need for audit-based compliance interventions, which will save costs over time.



## [voluntary disclosures program]

Budgetary financial resources (dollars)		
2014-15 planned spending	2015-16 planned spending	2016-17 planned spending
6,494,511	6,490,516	6,486,581

Human resources (full-time equivalents)		
2014-15	2015-16	2016-17
77	77	78

The Voluntary Disclosures Program (VDP) is a cost-effective way for the CRA to obtain compliance. It supports voluntary compliance by allowing taxpayers to come forward and self-correct inaccurate or incomplete information and disclose new information not previously reported to the CRA. The VDP is not intended to serve as a vehicle for taxpayers to intentionally avoid their obligations. Taxpayers who make valid disclosures must still pay the taxes they owe with interest. However, by accessing the program, taxpayers may avoid penalties on the information accepted under the program's criteria and possible prosecution.

The program is now administered through two tax centres. The creation of these centres should provide greater quality assurance and increase the cost effectiveness of our administration of these disclosures.

Over the planning period, the CRA will:

- improve our risk management of the VDP workload and promote greater awareness of the program

## [conclusion]

Making sure taxpayers correctly report their tax obligations is central to the fairness and integrity of our tax system. We will reduce red tape and improve service to Canadians by introducing new tools and approaches that help taxpayers to get it right from the start. Audit will continue to be our core tool for checking that taxpayers have correctly reported. Increased use of compliance research and advanced data analysis will help us to more precisely identify and address taxpayers who may be at higher risk of non-compliance and select the best tool, including audit, to address the risk.

Through our active participation in international forums, the CRA will continue to share knowledge and develop new solutions for shared challenges like the Underground Economy and Aggressive Tax Planning. We will work with federal and provincial government partners to develop and implement effective responses to reporting compliance issues.

It is essential that the CRA's compliance activities are seen as fair and our reassessments, when we find reporting non-compliance, are of the highest quality and defensible. Our rigorous quality assurance processes will make sure that our reporting compliance activities demonstrate the highest integrity and quality.



## [strategic outcome: taxpayers meet their obligations and Canada's revenue base is protected]

We use the following expected results and performance indicators to assess whether we are meeting our overall strategic outcome.

Expected results	Performance indicators	Targets	Date to be achieved
Reporting non-compliance is detected and corrected by better targeting of compliance actions through effective risk assessment	Change rate (percentage of risk-assessed audit activities that result in detecting non-compliance by individuals and corporations)	75%	March 2015
Reporting non-compliance is detected and corrected by better targeting of compliance actions through effective risk assessment on the largest and most complex tax filers	Change rate for ILB audits – income tax (percentage of risk-assessed audit activities that result in detecting non-compliance)	75%	March 2015
Reporting non-compliance is detected and corrected by better targeting of compliance actions through effective risk assessment on the individuals, small and medium businesses and non-residents	Change rate for SME audits – income tax (percentage of risk-assessed audit activities that result in detecting non-compliance)	75%	March 2015
Reporting non-compliance is detected and corrected by better targeting of compliance actions through effective risk assessment on GST/HST registrants	Change rate for GST/HST audits (percentage of risk assessed audit activities that result in detecting non-compliance)	75%	March 2015
Eligible claimants receive timely SR&ED tax incentives	Claims – SR&ED tax incentives - refundable claims processed within 120 calendar days	90%	March 2015
	Claims – SR&ED tax incentives – non-refundable claims processed within 365 calendar days	90%	March 2015
	Claims – SR&ED tax incentives – claimant-requested adjustments to refundable claims processed within 240 calendar days	90%	March 2015
	Claims – SR&ED tax incentives – claimant-requested adjustments to non-refundable claims processed within 365 calendar days	90%	March 2015
Reporting non-compliance is detected and corrected by better targeting of compliance actions through effective risk assessment on SR&ED claimants	Change rate for SR&ED audits (percentage of risk-assessed audit activities that result in detecting non-compliance)	75%	March 2015
Suspected cases of evasion or fraud are detected and addressed through referrals to PPSC	Percentage of files accepted by the PPSC that result in a conviction	80%	March 2015
Timely and effective processing of voluntary disclosures submissions	Percentage of files completed vs. intake	80%	March 2015





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**about**  
everyone paying  
**their share**

# [collections and returns compliance]

## description

program

The Collections and Returns Compliance Program is committed to protecting the integrity of Canada's tax laws and supporting taxpayer compliance with tax obligations by identifying, addressing, and preventing non-compliance, as well as ensuring tax debt is resolved on a timely basis. We undertake a range of activities to promote and enforce compliance with Canada's tax laws for filing, withholding, registering, and meeting debt obligations, including amounts collected or withheld in trust for the Government of Canada. This is achieved through educational campaigns, automated strategies, a national call centre, and field operations. These activities are carried out on behalf of the Federal Government, provinces, territories, and certain First Nations governments.

<b>Budgetary financial resources</b> (dollars)			
2014-15 Main Estimates	2014-15 planned spending <sup>1</sup>	2015-16 planned spending <sup>1</sup>	2016-17 planned spending <sup>1</sup>
440,164,211	440,670,268	441,295,370	445,886,632

<sup>1</sup> Planned spending refers to those amounts for which a Treasury Board submission approval has been received by no later than February 1, 2014. This cut-off date differs from the Main Estimates process. Therefore, planned spending may include amounts incremental to planned expenditure levels presented in the 2014-2015 Main Estimates.

<b>Human resources</b> (full-time equivalents)		
2014-15	2015-16	2016-17
6,983	7,005	7,162

## [what we want to achieve]

To protect and ensure the integrity of Canada's tax base by preventing debts from occurring, resolving outstanding debts in a timely manner, and by making sure filing and registration requirements are enforced and respected.

## [strategic context]

The majority of Canadian taxpayers support Canada's self-assessment system by filing their taxes on time and paying their taxes in full: in 2012-2013, 95% of individual taxpayers paid their taxes on time. These results should be celebrated and speak well of our tax administration and Canadians' participation in the self-assessment system. However, there will always be a small minority who are non-compliant for various reasons. Our success in ensuring that taxpayers register, file and pay their tax debt, and that employers remit source deductions, depends on a mix of service and compliance measures. We have invested significantly in state-of-the-art predictive analytics solutions and a dedicated research capacity to better understand compliance challenges and design strategies to respond as efficiently and promptly as possible. Our analytics capacity allows us to expand the use of automated approaches, like reminder messages, that provide tailored help to taxpayers at a low cost.

We are reducing red tape and improving service to Canadians by reaching out early to taxpayers and reminding them of upcoming payments due or, for new GST/HST

registrants, to file returns. We are improving our online information about the tax debt collections process to make it easier for debtors to approach the CRA to enter repayment discussions.

When the CRA identifies missing revenue from aggressive tax planning and international activities, we follow up with effective and up-to-date tools and strategies. Through international benchmarking and collaboration, and information exchange based on tax treaties, we can address emerging international compliance risks.

Integrity continues to be a priority. A continued strong focus on quality will be complemented by new approaches to file selection in key programs, to ensure the CRA can learn from its decisions and continually improve results.

## [trust accounts – compliance]

Budgetary financial resources <sup>1</sup> (dollars)		
2014-15 planned spending	2015-16 planned spending	2016-17 planned spending
70,092,188	69,897,488	71,514,257

<sup>1</sup> The variance between planned spending from 2014-15 to 2016-17 is mainly the result of the recovery of costs related to the parts of CPP & EI legislation that CRA administers.

Human resources (full-time equivalents)		
2014-15	2015-16	2016-17
1,746	1,747	1,716

Employers are obliged to collect and remit money considered to be held in trust for their employees to the

### **EFFECTIVE COMPLIANCE: Managing the level of tax debt**

The CRA continues to focus on preventing debts from occurring and resolving outstanding debts in a timely manner by closely monitoring debt aging trends and implementing strategies to mitigate the risks represented by aging debt. Aged debt trends are influenced by a number of factors beyond our control, such as economic uncertainty, rising levels of insolvency, or influxes of previously disputed debt, such as those arising out of the resolution of major Aggressive Tax Planning cases. We are responsively managing debt levels and mitigating known risks by:

- developing new forecasting models to better predict the intake of future tax debt
- modifying and tailoring customized strategies for various taxpayer segments
- increasing our capacity to communicate with taxpayers in order to encourage payment compliance
- prioritizing our efforts to collect debt based on risk and responsibly writing off those accounts that are no longer collectable





Government of Canada. Our role as tax administrators is to protect the integrity of this source deduction system.

The efficient collection of personal income tax revenue through source deductions represents one of the greatest strengths of the Canadian tax system. Employers are responsible for calculating and remitting the required contributions to their employee's individual Canada Pension Plan and employment insurance accounts. We support trust account compliance by working with employers to make sure they understand their obligations. This is done by providing employers with the information they need in our publications and innovative online information products, like our Payroll Information for a New Small Business Webinar series. We enforce trust compliance through payroll account reviews and exams and employer compliance audits.

The CRA is improving the information systems it uses to control and track trust account compliance activities. This system enhancement and migration project is a multi-year initiative to modernize and integrate the management of payroll

compliance activities with the collection activities of other business lines. In addition, we are completing the renewal of the Employer Compliance Audit Program (ECA). This renewal initiative is improving our risk assessment capacity and will set national strategic objectives for the program.

For the source deductions system to function well, employees must be able to trust employers are properly calculating the amounts to be held at source and faithfully remitting these amounts on their behalf. Our support, oversight, and enforcement activities ensure the integrity of this system.

Over the planning period, the CRA will:

- improve our internal quality assurance processes
- expand our use of the Automated Dialling Announcement Device to remind new registrants and employers of their filing and remitting obligations





- develop tools and risk management techniques to improve workload management and optimize compliance

## [non-filer – compliance]

<b>Budgetary financial resources</b> (dollars)		
2014–15 planned spending	2015–16 planned spending	2016–17 planned spending
62,262,599	62,700,482	63,145,639

<b>Human resources</b> (full-time equivalents)		
2014–15	2015–16	2016–17
876	883	891

The CRA identifies non-filers mainly through the use of automated systems that match information received against information filed. When non-filers are identified, the Non-filer Program uses a number of strategies to promote and enforce compliance, including the use of automated letters requesting taxpayers to file, call centre contact, field calls, and in some cases even prosecution.

The CRA is improving the efficiency of the Non-filer Program by developing its capacity to identify taxpayer segments at risk through the expanded use of advanced analytics and the development of more refined risk models. As well, the program is expanding its use of the Debt Management Call Centre (DMCC) to resolve low-risk, low-complexity files not requiring an in-depth review or face-to-face contact. The expanded use of debt management call centre agents to address high volume, low-risk accounts will allow the program to generate savings by quickly processing high volumes of accounts that can originate from any region of the country.

Over the planning period, the CRA will:

- expand the integration of its non-filer workload into the Debt Management Call Centre
- move forward with the Non-filer Renewal Initiative to improve workload management resource utilization and processes

- implement new non-filer risk assessment models to better identify specific segments and individual files of highest risk

## [collections – tax and government programs]

Budgetary financial resources (dollars)		
2014–15	2015–16	2016–17
planned spending	planned spending	planned spending
308,315,481	308,697,400	311,226,736

Human resources (full-time equivalents)		
2014–15	2015–16	2016–17
4,361	4,375	4,555

CRA investments in compliance research, business analytics, and the infrastructure required to support the use of advanced workload automation allow us to intervene more effectively and earlier in the accounts receivable life-cycle. We use predictive analytics to evaluate, refine, and enhance our debt collections approaches in an ongoing fashion. This ability to more precisely identify and segregate workloads helps us implement tailored approaches that are more efficient and effective.

Our graduated approach can range from a simple automated phone call to remind taxpayers of their filing or payment obligations to more intensive interventions like face-to-face interviews and legal actions. The CRA is

deploying innovative technological solutions to improve our case file management and implement new telephony solutions to improve compliance and increase efficiencies.

We are using research and analytics to guide the steady and incremental improvement of our Collections Program. However, we recognize there are opportunities to do even better. As a result of a recent Office of the Auditor General (OAG) recommendation, we conducted a comprehensive review of how we incorporate research findings into our debt management strategies. We will use the results of this study to create a new framework for the use of research findings in future collection program planning and reporting processes.

The level of outstanding debt is often influenced by factors beyond the control of the CRA, such as economic downturns, changes in tax policy, or the inflows of debts resulting from the resolution of tax disputes before the courts. The job of the Collections Program is to identify trends and mitigate the risks they represent. This is done by adapting and tailoring our strategies, responsibly managing the debt levels, and increasing the efficiency and timeliness of our collections actions.

The CRA is also taking steps to deal more effectively with aged debt affected by the legal limitation on the collection of tax debt. We have started to develop a permanent automated solution to address limitation periods for tax debts. This system solution will be developed during the planning period.

### **SERVICE EXCELLENCE: Communicating directly with taxpayers to support compliance**

Historically, the CRA has only dealt directly with taxpayers to address filing and payment issues after non-compliance has occurred. Typically our contact with taxpayers only began after they had failed to file their return on time or when their payment or remittance was late. The CRA is developing new service-oriented approaches to deliver support to taxpayers to stop non-compliance before it occurs.

One new service-oriented approach is to provide automated filing and remitting due date reminder messages to new GST/HST registrants and new employers before returns are filed and payments are due. The CRA is providing this support through the innovative use of our Automated Dialling-Announcing Device. This is a powerful communication tool that allows the CRA to help taxpayers meet their filing, remittance, and payment obligations.

Over the planning period, the CRA will:

- support the launch of a new electronic pre-authorized debit payment option
- work with financial institutions to reduce barriers and increase electronic payment take up
- respond to an OAG recommendation by formalizing a framework for incorporating research findings into our planning and reporting process
- improve our ability to identify and take action in workload segments requiring special attention, such as Aggressive Tax Planning and Underground Economy files

## [conclusion]

The CRA's Collections and Returns Compliance Program continues to evolve into more data and analytics driven activities, positioning itself to adopt and improve on the best practices developed in the private and public sectors. The CRA will reduce red tape and improve service to Canadians by introducing innovative solutions to help taxpayers avoid compliance issues, and allowing CRA officers to focus on those who truly do not intend to comply. Our investment in business analytics and research will continue to yield results through better focusing of early interventions and expansion of automated, tailored communications with taxpayers.

## [strategic outcome: taxpayers meet their obligations and Canada's revenue base is protected]

We use the following expected results and performance indicators to assess whether we are meeting our overall strategic outcome.

Expected results	Performance indicators	Targets	Date to be achieved
Tax debt and government programs debt is resolved on a timely basis and is within targeted levels	Percentage of collections resolved compared to planned for tax programs	100%	March 2015
	Percentage of collections resolved compared to planned for government programs	100%	March 2015
Ensure compliance with registering, filing, and remitting requirements under the <i>Income Tax Act</i> , the <i>Canada Pension Plan</i> , the <i>Employment Insurance Act</i> , the <i>Excise Tax Act</i> , and other legislation	Percentage of cases resolved, returns obtained, and accounts registered compared to forecast	100%	March 2015

Expected results	Performance indicators	Targets	Date to be achieved
Ensure compliance with filing, remitting, and GST/HST registration requirements under the <i>Income Tax Act</i> , the <i>Canada Pension Plan</i> , the <i>Employment Insurance Act</i> , and the <i>Excise Tax Act</i>	Percentage of dollar value of assessments and estimated assessments related to employer, GST/HST, and Part XIII related compliance and non-registration activities compared to forecast	95%	March 2015
	Percentage of cases resolved and accounts registered directly associated to the value of assessments related to employer, GST/HST, and Part XIII related compliance activities compared to forecast	95%	March 2015
	Percentage of compliance activities completed that contribute to the value of assessments related to employer, GST/HST, and Part XIII related compliance activities compared to forecast	95%	March 2015
Ensure compliance of individuals, corporations, and trusts with filing requirements under the <i>Income Tax Act</i> and other legislation	Percentage of dollar value of returns assessed related to non-filer activities for individuals, trusts, and corporations compared to forecast	95%	March 2015
	Percentage of returns assessed related to non-filer activities for individuals, trusts, and corporations compared to forecast	95%	March 2015
	Percentage of supporting non-filer compliance activities for individuals, trusts, and corporations compared to forecast	95%	March 2015
The tax debt portfolio is managed for the federal, provincial and territorial governments	Percentage of tax services office tax accounts receivable aged inventory (>5 years) in dollars compared to closing tax services office inventory	18%	March 2015
	Percentage of assessed years that are eight years or older by fiscal year-end for T1,T2, and GST/HST accounts	10%	March 2015
	Percentage of assessed years that are five years or older by fiscal year-end for employer accounts	10%	March 2015
Tax debts are collected and resolved for the federal, provincial and territorial governments on a timely basis and within targeted levels	Percentage of accounts receivable dollars resolved (production) in the fiscal year compared to the dollar value of accounts receivable received (intake) in the fiscal year	90%	March 2015
	Percentage of accounts receivable under one year as a percentage of gross receipts	4%	March 2015



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# [appeals]

## description

program

The CRA's redress process provides a fair and impartial means of resolving disputes, service complaints, and requests for relief arising from decisions made by the CRA.

<b>Budgetary financial resources</b> (dollars)			
2014-15 Main Estimates	2014-15 planned spending <sup>1</sup>	2015-16 planned spending <sup>1</sup>	2016-17 planned spending <sup>1</sup>
194,334,428	194,675,861	191,002,004	189,591,545

<sup>1</sup> Planned spending refers to those amounts for which a Treasury Board submission approval has been received by no later than February 1, 2014. This cut-off date differs from the Main Estimates process. Therefore, planned spending may include amounts incremental to planned expenditure levels presented in the 2014-15 Main Estimates.

<b>Human resources</b> (full-time equivalents)		
2014-15	2015-16	2016-17
1,680	1,645	1,622

## [what we want to achieve]

To have a responsive redress process that promotes voluntary compliance and fosters trust in the integrity of the CRA. To conduct fair and impartial reviews by actively engaging in dialogue and using alternative processes when appropriate.

## [strategic context]

The CRA's Appeals Program provides an important redress service for taxpayers and benefit recipients who feel that the CRA's assessment decision was incorrect, who wish to claim taxpayer relief of penalties and interest because of exceptional circumstances, and who are unhappy with the CRA's services. The demand for these services depends on a range of factors; for example, the introduction of new legislative sanctions can lead to objections against the imposition of these sanctions, and the CRA's decision to challenge an aggressive tax planning scheme may lead to objections from those who participated in the scheme. Our Appeals workload has grown in recent years and we expect this growth to continue due to the increasing number of taxpayers who participate in aggressive tax planning schemes and the CRA's consequent compliance activities to combat these risks to the revenue base.

Improving the timeliness of our appeals process is a red tape reduction priority for the Agency, with a particular focus on improving the turn-around time of low complexity objections not related to an aggressive tax planning scheme.



## [income and commodity tax objections]

<b>Budgetary financial resources<sup>1</sup> (dollars)</b>		
2014-15 planned spending	2015-16 planned spending	2016-17 planned spending
163,731,968	160,247,582	157,849,572

<b>Human resources<sup>1</sup> (full-time equivalents)</b>		
2014-15	2015-16	2016-17
1,240	1,211	1,211

<sup>1</sup> Budgetary financial and human resources include: income tax objections, determinations, and appeals to the courts and commodity tax objections, determinations, and appeals to the courts.



## RED TAPE REDUCTION:

### Reducing turn-around time on appeals

To reduce the turn-around time required to resolve low-complexity, non-related objections, the CRA has reorganized to:

- have its two national intake centres screen, categorize, and distribute most of the income tax and GST/HST objections workload to the CRA Appeals offices across the country
- centralize large case workloads in specific offices, allowing all other offices to focus on resolving lower-complexity workloads, which generally require less time to resolve
- assign low-complexity workloads to any office in the country with capacity, thereby increasing efficiency

In recent years, there has been an increase in the number of income tax objections and subsequent appeals to the courts, specifically relating to tax avoidance and aggressive tax planning schemes.

To handle the increase in the Appeals workload while maintaining our commitment to reducing costs, the CRA is introducing innovative ways to increase efficiency. For example, as part of our red tape reduction efforts, we have streamlined the way we process less complex objections, which frees up resources to focus on more complex cases.

Over the planning period, we will:

- work closely with our field operations to pilot various processing initiatives, so we can introduce more cost-effective and efficient ways of doing business
- explore ways to expand our use of technology both internally and in our interactions with taxpayers
- establish work plans for addressing large groups of aggressive tax planning files

### [litigation]

If a tax matter is not resolved by the CRA to the taxpayer's satisfaction, the taxpayer can appeal to the Tax Court of Canada and subsequently to the Federal Court of Appeal, and, with leave, to the Supreme Court of Canada. When litigation becomes necessary, the CRA collaborates with the Department of Justice Canada in handling the court cases.

A recent amendment to the *Income Tax Act* will allow the Tax Court to hear a question arising out of substantially similar transactions or occurrences. The Tax Court decision may now be binding on all other taxpayers named in the application to an appeal of another taxpayer if, for example, their income tax filings raise issues that arise from transactions that are identical or substantially similar to those relevant to the appeal. We expect this change to provide efficiencies for future litigation and help reduce the cost of legal services. Over the planning period, we will:

- use the new legislative tool to improve the CRA's ability to efficiently manage and resolve large groups of objections involving similar issues, resulting in reduced litigation costs
- work with the Department of Justice to achieve additional efficiencies in litigation

### [Canada pension plan/ employment insurance]

Budgetary financial resources <sup>1</sup> (dollars)		
2014-15 planned spending	2015-16 planned spending	2016-17 planned spending
3,569,815	3,840,443	4,795,436

<sup>1</sup> The variance between planned spending from 2014-15 to 2016-17 is mainly the result of the recovery of costs related to the parts of CPP & EI legislation that CRA administers.

Human resources (full-time equivalents)		
2014-15	2015-16	2016-17
168	171	148



The CRA is responsible for issuing rulings on the insurability and pensionability of a worker’s employment under the *Canada Pension Plan* and the *Employment Insurance Act*. Any affected party who disagrees with the ruling, or an employer who disagrees with the assessment, may file an appeal to the Minister. A decision will then be issued on behalf of the Minister, which may be appealed to the Tax Court, Federal Court of Appeal, and, with leave, to the Supreme Court of Canada.

## [service complaints]

Budgetary financial resources (dollars)		
2014–15 planned spending	2015–16 planned spending	2016–17 planned spending
7,800,798	7,815,876	7,925,260

Human resources (full-time equivalents)		
2014–15	2015–16	2016–17
95	96	96

The CRA’s Service Complaints Program offers taxpayers a redress mechanism when they are not satisfied with the service they received or when their issues have not been resolved through normal procedures. If taxpayers are not

satisfied with the service received, they have the right to make a complaint.

Over the planning period, we will:

- strengthen our business analytics capacity to better identify trends in service complaints and use the information to address service issues before they arise

## [taxpayer relief]

Budgetary financial resources (dollars)		
2014–15 planned spending	2015–16 planned spending	2016–17 planned spending
19,573,280	19,098,103	19,021,277

Human resources (full-time equivalents)		
2014–15	2015–16	2016–17
177	167	167

Taxpayer Relief Provisions allow the CRA to help taxpayers who are unable to meet their tax obligations because of circumstances beyond their control. The provisions may allow for: cancelling and/or waiving penalties and interest; accepting a late, amended, or revoked income tax election;



and issuing a refund or adjustment beyond the normal three-year period for individuals and testamentary trusts. Over the planning period, we will:

- work with our regional offices to reduce processing times for requests for taxpayer relief
- explore opportunities for taxpayers to send documents electronically

## **INTEGRITY: *Taxpayers' Bill of Rights* expanded to address fear of reprisal**

The *Taxpayers' Bill of Rights* outlines what taxpayers can expect from us, assuring them they will be treated fairly. These service rights are upheld by the CRA's service complaints program. To provide a final level of review when needed the Government also appointed a Taxpayers' Ombudsman.

In June 2013, the CRA announced the addition of the new Taxpayer Right 16 which states: **You have the right to lodge a service complaint and request a formal review without fear of reprisal.** Taxpayers may lodge a service complaint or request a formal review and still expect to be treated impartially. There is no impact on the benefits, credits, and refunds to which they are entitled and they pay no more and no less than what is required by law. The addition of Right 16 builds on the CRA's commitment to maintaining the integrity of the tax system and, in turn, the trust of Canadians. **For a complete copy of the *Taxpayers' Bill of Rights*, see page 81.**

## **[conclusion]**

Our red tape reduction priority is to reduce the time it takes to make a decision on low complexity objections not related to an aggressive tax planning scheme. By reorganizing our business processes, we expect to improve turn-around time for these objections. Implementing a recent change to the *Income Tax Act* will allow us to manage objections related to similar transactions, like an aggressive tax planning scheme, as a group linked to one appeal. We will continue to search for new cost-effective ways to do our business to help us manage the growth in the objections workload while improving turn-around times.

Our Service Complaints Program is an important source of information for continual improvement of our service to Canadians. We analyse service complaints to identify and address systemic issues. Building our business analytics capacity will enable quick, accurate feedback about service issues and help our services continue to evolve in response to taxpayer needs and expectations.

# [strategic outcome: taxpayers meet their obligations and Canada's revenue base is protected]

We use the following expected results and performance indicators to assess whether we are meeting our overall strategic outcome.

Expected results	Performance indicators	Targets	Date to be achieved
Taxpayers receive a timely review of contested decisions made under legislation administered by the CRA and the handling of service complaints is timely and consistent	Percentage of targeted levels of timeliness and consistency for income tax and commodity tax objections, CPP/EI appeals to the Minister, and service complaints that are met or mostly met	98%	March 2015
Taxpayers receive an impartial review of contested decisions made under legislation administered by the CRA	First contact letter for disputes within 30 calendar days	85%	March 2015
	Problem resolution program – acknowledge receipt within two business days	95%	March 2015
	Problem resolution program – resolve problem within 15 business days	95%	March 2015
Taxpayers receive an impartial and responsive review of contested decisions made under the <i>Income Tax Act</i>	Percentage of decisions on objections filed under the <i>Income Tax Act</i> completed within established time frames	85%	March 2015
	Percentage of decisions on objections filed under the <i>Income Tax Act</i> determined to meet or exceed consistency standards	90%	March 2015
	Percentage of decisions on objections filed under the <i>Income Tax Act</i> determined to be impartial meets or exceeds target	95%	March 2015
Taxpayers receive a timely review of contested decisions made under the <i>Excise and Excise Tax Acts</i>	Percentage of decisions on objections filed under the <i>Excise and Excise Tax Acts</i> completed within established timeframes	85%	March 2015
	Percentage of decisions on objections filed under the <i>Excise and Excise Tax Acts</i> determined to meet or exceed consistency standards	90%	March 2015
Taxpayers receive an impartial review of contested decisions made under the <i>Excise and Excise Tax Acts</i>	Percentage of decisions on objections filed under the <i>Excise and Excise Tax Acts</i> determined to be impartial meets or exceeds target	95%	March 2015
Taxpayers receive a timely review of contested decisions made under the <i>Canada Pension Plan</i> and the <i>Employment Insurance Act</i>	Percentage of reviews of appeals to the Minister filed under the <i>Canada Pension Plan</i> and the <i>Employment Insurance Act</i> completed within established time frames	85%	March 2015
Taxpayers receive an accurate review of contested decisions made under the <i>Canada Pension Plan</i> and the <i>Employment Insurance Act</i>	Percentage of decisions regarding CPP/EI appeals to the Minister determined to meet or exceed accuracy standards	90%	March 2015

Expected results	Performance indicators	Targets	Date to be achieved
Taxpayers receive an impartial review of contested decisions made under the <i>Canada Pension Plan</i> and the <i>Employment Insurance Act</i>	Percentage of decisions of CPP/EI appeals to the Minister determined to be impartial	95%	March 2015
Taxpayers are issued timely acknowledgements to their service complaints	Percentage of service complaints acknowledged within two business days	80%	March 2015
Taxpayers receive timely resolutions to their service complaints	Percentage of service complaints resolved within 30 business days	80%	March 2015
Taxpayers receive a timely response to requests for interest or penalty relief or both	Percentage of requests for taxpayer relief processed within established time frames	85%	March 2015
Taxpayers receive a consistent response to requests for interest or penalty relief or both	Percentage of taxpayer relief files that have all supporting documents	85%	March 2015





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people

# [benefit programs]

## description

program

The CRA's benefit programs provide Canadians with the benefits to which they are entitled. The CRA delivers a range of ongoing benefits and one-time payment programs on behalf of the provinces and territories, and other federal government departments (e.g. the Canada Child Tax Benefit, Goods and Services Tax/Harmonized Sales Tax Credit, Disability Tax Credit, and Universal Child Care Benefit). By providing accessible information and timely responses to benefit recipients via the mail, telephone and online services, we help ensure the right benefit payment is made to the right individual at the right time.

<b>Budgetary financial resources</b> (dollars)				
	<b>2014-15 Main Estimates</b>	<b>2014-15 planned spending<sup>1</sup></b>	<b>2015-16 planned spending<sup>1</sup></b>	<b>2016-17 planned spending<sup>1</sup></b>
Base spending	144,354,003	<b>144,442,143</b>	143,983,010	145,904,973
Statutory Children's Special Allowance	246,000,000	<b>246,000,000</b>	248,000,000	249,000,000
<b>Total</b>	<b>390,354,003</b>	<b>390,442,143</b>	<b>391,983,010</b>	<b>394,904,973</b>

<sup>1</sup> Planned spending refers to those amounts for which a Treasury Board submission approval has been received by no later than February 1, 2014. This cut-off date differs from the Main Estimates process. Therefore, planned spending may include amounts incremental to planned expenditure levels presented in the 2014-15 Main Estimates.

<b>Human resources</b> (full-time equivalents)		
<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
<b>1,568</b>	<b>1,567</b>	<b>1,577</b>



## [what we want to achieve]

To support the efforts of federal, provincial, and territorial governments in assisting families and children, low and moderate income households, and persons with disabilities. To provide benefit recipients with timely and accurate information so that Canadians receive the benefits and credits to which they are entitled in a timely fashion.

## [strategic context]

Canadians and our federal, provincial, and territorial government partners expect the CRA to provide reliable and accurate delivery of benefit payments and credits. Continuous improvement of our service to Canadians relies on modern processes, technologies, and systems that enable us to deliver benefits reliably to millions of Canadians. Modern technological platforms and business processes also contribute to red tape reduction. They support the integration of services across different levels of government, like automatic child benefit registration when a birth is registered, and the CRA's delivery of benefit programs on behalf of our government partners.

While we believe service excellence is founded on having the right infrastructure and processes in place, proactive and effective communications are essential to inform Canadians about the services available to them. Benefit recipients, like taxpayers, expect online services that are easy to access and use.

## [benefit enquiries]

Budgetary financial resources (dollars)		
2014-15 planned spending	2015-16 planned spending	2016-17 planned spending
36,072,252	36,079,035	36,089,035

Human resources (full-time equivalents)		
2014-15	2015-16	2016-17
519	519	517

Service is the cornerstone of our delivery of benefits and credits to Canadians. With a complex and ever-changing benefits system and an increasingly diverse benefit recipient population, the CRA works diligently to explain and interpret our regulations as clearly and concisely as possible.

Online information will not meet everyone's needs. In instances where benefit recipients require additional support or wish to discuss their needs, we continue to offer a telephone enquiry service. Information exchanged over the phone can sometimes be critical to timely account updates and accurate benefit and credit calculations.

Over the planning period, we will:

- promote the use of direct deposit by accepting direct deposit registration by telephone

## [benefit programs administration]

Budgetary financial resources (dollars)		
2014-15 planned spending	2015-16 planned spending	2016-17 planned spending
108,369,891	107,903,975	109,815,938

Human resources (full-time equivalents)		
2014-15	2015-16	2016-17
1,049	1,048	1,060

## [e-services]

The first stop for many benefit recipients looking for general information regarding benefit programs is our website. Through our website, we provide useful information related to application and eligibility criteria, answers to frequently asked questions, and payment schedules. We have integrated this information into external channels like the Service Canada and the Citizenship and Immigration Canada websites to make our benefit messaging broadly accessible to all Canadians and to offer it where Canadians access the majority of their services.

The CRA has adopted a client-focused approach to help minimize interaction and simplify the access to our information and services. This means making it easier for benefit recipients to access clear and accurate information and receive timely services. Our online self-service options will be essential in achieving this goal. For example, e-Documents will allow benefit recipients to submit all required documentation, such as, proof of birth or citizenship, to us completely electronically. E-delivery will also enable us to electronically notify recipients of the Canada Child Tax Benefit, the GST Tax credit, as well as all provincial and

## RED TAPE REDUCTION: partnering with the provinces to deliver benefits

The Automated Benefit Application service has eliminated the need for separate applications for credits that the CRA delivers, including federal and provincial or territorial benefits. By providing parents with the convenient option of applying for all child benefit programs when they register the birth of their newborn, the CRA is providing better service to Canadians in a more cost-effective manner.

territorial benefits programs of correspondence or action requests.

Over the planning period, we will:

- expand the use of the Automated Benefit Application to the other provinces and territories
- expand e-Documents functionality for benefit recipients

### [infrastructure]

Our systems must not only meet the needs of today, but also the needs of the future. The Benefits System Renewal Project is a multi-year undertaking to strengthen the benefits system. It will modernize benefits information technology to address infrastructure risks and improve service. The project includes infrastructure changes technical design changes, processing improvements, and supporting tools based on new technologies. These changes will support the CRA's goal of issuing timely and accurate benefit payments to the Canadians who depend on them. The project will also allow the CRA to align its efforts with those of its government partners, such as Service Canada and Citizenship and Immigration Canada. While also responding to new opportunities for growth in program and service delivery.





Over the planning period, we will:

- improve software collaboration to address opportunities for efficiencies and service improvements, and make the new system compliant
- implement efficiencies to enable us to take on new programs and business lines in the future
- enhance response times for adjustments to payment issuance

## [ensuring accurate payments]

Our goal is to pay the right benefit entitlement to the right individual. We accomplish this by conducting reviews to identify possible errors or non-compliance. Our reviews may

decrease or increase benefits and/or credits depending on the recipient's individual circumstances. The validation process is designed to maintain the integrity of child and family benefit and credit programs. It also helps to inform individuals about their eligibility for benefits and credits. Promoting public confidence in the fairness and integrity of the tax system and maintaining the integrity of these benefit programs is vital to ensuring we do not create undue hardship for individuals.

Over the planning period, we will:

- develop and implement strategies, tools, and processes to better prevent, respond to, and detect emerging risks and benefits non-compliance



## [partnerships]

We administer programs and provide benefits and credits on behalf of other governments, which reduces the need for separate calculation and delivery systems at the federal, provincial, and territorial levels. Building and maintaining effective partnerships between the CRA and client governments makes it easier for them to work with us and encourages them to use our delivery systems and exchange data whenever possible. By working co-operatively, the overall cost of governing is reduced.

Over the planning period, we will:

- starting April 2015, administer the new BC Early Childhood Tax Benefit, a monthly benefit program for the province of British Columbia
- beginning in July 2014, administer an enhancement to the Ontario Trillium Benefit program
- explore new data exchange opportunities with federal partners to optimize resources and streamline services

## [conclusion]

We provide accurate and timely payments so that individuals can get the benefits to which they are entitled. By working with federal, provincial, and territorial governments, to expand the number of benefit programs we deliver on their behalf, we will reduce red tape and the overall cost of benefit administration. As part of our commitment to continual improvement of service to Canadians, we will invest in technology and processes, and expand the range of online services available to benefit recipients.

## [strategic outcome: eligible families and individuals receive timely and accurate benefit payments]

We use the following expected results and performance indicators to assess whether we are meeting our overall strategic outcome.

Expected results	Performance indicators	Targets	Date to be achieved
Eligible families and individuals receive timely and accurate benefit payments	Percentage of benefits payments issued to benefit recipients on time	99%	March 2015
	Percentage of Canada Child Tax Benefit recipients who provide complete and accurate information and receive the proper entitlement	95%	March 2015
	Percentage of potentially entitled benefit recipients that receive the Canada Child Tax Benefit	95%	March 2015
Benefit recipients are provided timely and accurate eligibility determinations and payments, and have access to timely and accurate information	Canada Child Tax Benefit enquiries – respond to calls in the agent queue within two minutes	75%	March 2015
	GST/HST credit enquiries – respond to calls in the queue within two minutes	75%	March 2015
	Processing benefit applications and marital status change forms – timeliness – within 80 calendar days	98%	March 2015
	Processing benefit applications and marital status change forms – accuracy	98%	March 2015
	Respond to benefit and credit enquiries – timeliness – within 80 calendar days	98%	March 2015
	Respond to benefit and credit enquiries – accuracy	98%	March 2015
	Payment accuracy after application processing and account maintenance transaction	98%	March 2015
Benefit recipients have access to timely and accurate responses to their telephone enquiries	Caller accessibility – Percentage of Canada Child Tax Benefit (CCTB) callers who succeed in reaching the CRA telephone service	80%	March 2015
	Caller accessibility – Percentage of GST/HST credit callers who succeed in reaching the CRA telephone service	80%	March 2015
	Percentage of accurately updated internal reference materials for benefit services agents	100%	March 2015

Expected results	Performance indicators	Targets	Date to be achieved
Benefit and credit eligibility determination and payment processing are timely and accurate	Benefit validation and compliance – results of review within 45 calendar days	90%	March 2015
	Percentage of Canada Child Tax Benefit (CCTB) accounts targeted under validation programs that were adjusted (validation and compliance)	50%	March 2015
	Percentage of respondents satisfied with benefit application processing time	75%	March 2015
	Processing a request to authorize or cancel a representative (paper) – process your complete request in 20 business days or less of receipt by the CRA provided the request is complete	90%	March 2015
	Processing a request to authorize or cancel a representative (electronic) –process your complete electronic request in 5 business days or less of receipt by the CRA provided the request is complete	90%	March 2015



it's  
**about**  
delivering with  
**integrity**



# [internal services]

## description

program

The CRA's internal services are an important part of the overall effectiveness of its program delivery. Our success as an organization is built on a solid corporate foundation and is sustained by sound financial management, a secure and reliable information technology infrastructure, and a diverse and high-performing workforce. We are committed to integrating our internal services across the full spectrum of our tax and benefit programs as we modernize how we deliver services.

<b>Budgetary financial resources</b> (dollars)			
2014-15 Main Estimates	2014-15 planned spending <sup>1</sup>	2015-16 planned spending <sup>1</sup>	2016-17 planned spending <sup>1</sup>
831,697,636	<b>836,420,934</b>	809,161,401	800,490,087

<sup>1</sup> Planned spending refers to those amounts for which a Treasury Board submission approval has been received by no later than February 1, 2014. This cut-off date differs from the Main Estimates process. Therefore, planned spending may include amounts incremental to planned expenditure levels presented in the 2014-15 Main Estimates.

<b>Human resources</b> (full-time equivalents)		
2014-15	2015-16	2016-17
<b>7,700</b>	7,721	7,567



## [what we want to achieve]

To ensure cost-effective internal services that contribute to our ability to deliver, and continually improve, services to Canadians, achieve the highest levels of integrity and security and respond swiftly and effectively to those who do not comply.

## [strategic context]

Our internal services contribute directly to maintaining business sustainability and improving program delivery. The CRA shares the government-wide goal of providing world-class services in a cost-effective manner. The CRA is taking several measures to save on back-office functions that ultimately benefit Canadians by reducing costs and ensuring funding for other government spending priorities.

Employees in the public service are increasingly engaged to contribute ideas to help the federal public service continue to serve Canadians in a responsive, effective, and efficient manner.

### **Recruitment strategy for the future**

Preparing for the future while managing the present is our approach to maintaining a high-performing workforce. The demographics of our workforce, changing job requirements, and the current fiscal situation require us to refine our recruitment strategy. We have identified workforce capacity and capability as an enterprise risk, and we are working to mitigate that risk to ensure quality program delivery now and in the future.

To carry out this plan, we will:

- assess where we have skill gaps
- make increased use of postsecondary and targeted mid-career recruitment
- partner with various stakeholders for recruitment purposes
- improve our recruitment tools

## [blueprint 2020]

The CRA supports Blueprint 2020, which provides a long-term vision for Canada's federal public service. Through a dialogue about the future of the public service, CRA employees were asked to contribute their ideas to shape the Public Service of tomorrow.

Over the planning period, we will:

- create action plans around the nine priorities identified through Blueprint 2020
- support the Government of Canada's vision of a world-class public service

## [human resources]

The CRA and other federal organizations are undergoing changes which have significant implications for how they manage and organize their human resources function.

Through Blueprint 2020, the CRA identified nine key priorities, including three related to human resources: the competencies system, performance management, and the staffing process. Over the planning period, the CRA intends to find, implement, and monitor solutions to these priorities. We remain committed to maintaining a strong, performance-oriented human resources function.

Strong leaders will serve as catalysts in helping our workforce adapt to change and keep pace with the evolving external environment. As a result, enhancing our approach to developing and maintaining our leadership capacity will remain a priority over the planning period.

The CRA has several mechanisms in place to identify the next generation of leaders and to help employees get or improve their management competencies, including:

- succession planning for executives
- temporary or interim assignments
- training for managers and executives
- management development programs

Due to the rapid global expansion of information-based transactions, demand for knowledge workers is increasing. Over the next two years, we will develop and implement comprehensive human resources strategies to broaden our base of knowledge workers. We also have to ensure the

long-term sustainability of our programs and services, especially as changes occur, and possibly at a more accelerated rate. We intend to leverage the skills of knowledge workers like creative thinking and problem-solving to help us achieve our goal of continuing to be one of the best tax and benefit administrations in the world. Over the planning period, we will continue to develop a qualified and representative workforce of knowledge workers, striking a balance between recruiting new graduates and training existing employees.

Over the planning period, we will:

- develop agile leaders
- foster integrity-based leadership

## [information technology]

Our reliance on solid information technology is a function of increasing demand for data and information management. We manage our IT infrastructure today by anticipating tomorrow's needs: the demand to store, process, manage, and retrieve data continues to increase in our society.

Therefore, the CRA approaches information technology from a point of view of business sustainability.

The risk that information technology infrastructure, applications, and program support will not be agile or sufficiently responsive to meet current and future program requirements is taken very seriously by the CRA. One of our most important sustainability initiatives is the T1 Systems Redesign project, a multi-year initiative to enhance the T1 Individual Income Tax Program automated system. The T1 system is at the foundation of our taxpayer services. Therefore, it is critical to effectively manage the automation of the T1 suite of systems to prevent any problems with the technology, protect the integrity of the tax base, and ensure benefit program delivery.

The T1 Systems Redesign project is not only a CRA priority, but also a priority for all Canadians. As a result, the Government provided funding of \$251 million over a seven-year period so the CRA can update the T1 Systems. Now in its third year, the T1 Systems Redesign project is on its way to delivering a fully updated and highly effective T1 tax return processing system which supports the CRA's larger program and corporate

## Reducing internal Red Tape through Government-wide approaches

In addition to the government-wide initiatives presented in this summary of the corporate business plan, we are supporting the following initiatives to deliver services more effectively and efficiently:

- The Common Human Resources Business Process ensures consistency in delivering effective and efficient HR services, encourages the sharing of best practices between departments and agencies, and reduces the costs associated with human resources system configurations and maintenance.
- The new Financial Management Transformation initiative will implement a streamlined, consolidated, and integrated enterprise model for financial management. The CRA will play a leading role in the governance and implementation of this model by using the significant work done by the CRA and Canada Border Services Agency in its consolidated and integrated enterprise management system.
- GCDOCS is the new enterprise-wide content management solution to facilitate the storing and retrieving of information provided to government and to ensure standardized electronic document and record management across the public service.
- The Electronic Mail Transformation Initiative will move 43 departments and agencies from separate email services to a consolidated, secure, reliable, and cost-effective email platform for the Government of Canada. Additional benefits include reduced costs, increased security, and enhanced program delivery to Canadian citizens and businesses.



visions. T1 systems will be modernized and tax returns will be processed using common, contemporary tools.

## [integrity and security]

Security is a critical aspect of our business, and integrity is at the core of what we do - from fostering a culture of integrity to preventing, monitoring, detecting, and managing any potential integrity lapses. The CRA supports these obligations through the implementation of a strategic and integrated Agency Security Plan which describes how security is essential to the success of the CRA's core business and demonstrates the linkage between the business objectives and the management of security risks to achieve those objectives. It also details the controls currently in place, and initiatives to enhance those controls to further strengthen the CRA's security posture. More importantly, the plan includes a risk-based gap analysis to support the sound management of security risks and the implementation of key security priorities. The CRA maintains one of the government's largest repositories of personal and financial information about Canadians. As such, the protection of information has been identified as an enterprise risk. The CRA remains committed to making sure that information is not inappropriately accessed, handled,

used, or disclosed by the CRA. Canadians expect us to protect their personal and financial information, and we are taking the necessary steps to maintain this trust.

Over the planning period, we will:

- advance our identity and access management initiative for the purpose of tightening controls over employee access to sensitive CRA information
- strengthen our preparedness, response, and recovery capabilities during emergencies and the continuity of our services to Canadians
- enhance the security of its document transfer technology to offer more flexible payment options for taxpayers and businesses
- build a secure foundation to support mobile applications

## Integrity and security

Integrity and security are at the forefront of how CRA operates. In particular, the CRA has identified employee ethical conduct as a key enterprise risk, and our Code of Ethics and Conduct makes it clear that misconduct is not tolerated. We take all allegations of employee misconduct seriously, and we are committed to making employees accountable for their actions. If misconduct occurs, we use a corrective and progressive approach which can lead to termination of employment. Over the planning period, the CRA will strengthen:

- **the guidance, training, and tools we provide to our employees** — We want employees to know how integrity applies within the context of their specific duties. To address this need, we are strengthening our learning products and embedding a decision-making guide in our management and executive learning programs to ensure a common understanding of how integrity-based decisions are made at the CRA. Finally, we are developing a managers integrity handbook to help managers foster integrity as they carry out their role.
- **our personnel security screening measures** — We verify the trustworthiness and reliability of our employees to protect the CRA's interest. We are introducing a new level of security screening which requires more verifications for individuals holding or applying for positions identified as requiring a high degree of public trust.



## [public affairs]

Changing the behaviours of Canadians to encourage the take-up of online services is one of the CRA's key strategic priorities. To achieve this goal, we will execute our communications strategy for online services, which provides a roadmap for encouraging Canadians to interact with us online.

The CRA will also focus on making information available and easier to find on the new Government of Canada website ([canada.ca](http://canada.ca)). This will give taxpayers the information they need to comply with their tax obligations in the easiest, fastest way possible.

In 2013, the CRA established a Chief Privacy Officer (CPO) position to provide additional oversight to the protection of personal information and maintain the trust needed to sustain a voluntary income tax system.

Over the planning period, we will continue to:

- ensure that Canadians are aware of the CRA's safe, secure, easy-to-use electronic services
- support the Government of Canada's transition to a one-stop website where Canadians can easily access government information, including information on taxes
- raise awareness of how the CRA's Red Tape Reduction efforts are making it easier for businesses to meet their tax obligations
- enhance the protection of personal information held by the CRA

## [finance and administration]

We ensure an environment of sound comptrollership by providing advice, products, and services in diversified key functions: financial administration, resource management, security, internal affairs, administration, real property, and sustainable development.

Our internal controls and processes enable us to provide key financial management and administration information on a timely basis. These in turn allow for the prudent management of CRA resources, facilitating risk management as well as the adjustment of short- and long-term financial strategies.

Our effective internal control system supports the Commissioner's and Chief Financial Officer's annual signed Statement of Management Responsibility for financial reporting.

### Sustainable development

The CRA is a participant in the 2013–2016 Federal Sustainable Development Strategy and contributes to the Theme IV – Greening Government Operations targets through the internal services program.

The CRA plans to:

- reduce greenhouse gas emissions from its fleet by 17% below 2005 levels by 2020
- take further action to embed environmental considerations into Crown procurement
- update and adopt policies and practices to improve the sustainability of its workplace operations
- continue to reduce the environmental impact of its services

Additional details on CRA's activities can be found in the Greening Government Operations Supplementary Information Table.

The CRA has developed a three-year rotational and risk-based monitoring plan to assess the effectiveness of key controls which support financial reporting of our activities. We will also document and assess our key controls over financial reporting for our administered activities over the next few years, including those that fall under the Tax Collection Agreements with the provinces and territories and are audited by the Office of the Auditor General.

By the end of fiscal 2014–15, the CRA will have transformed the way its paper records are handled and stored. In addition to streamlining costs, the new state-of-the-art, service provider-managed facilities will help us continue to safe-guard the security and privacy of taxpayer information.

The CRA supports government-wide initiatives aimed at deficit reduction and remains on track to achieve future savings commitments related to Budget 2012 and 2013 restraint measures. The operating budget freeze announced in the October 2013 Speech from the Throne will compel continued diligence in the management and use of our financial resources.

A priority for the CRA during the planning period is Workplace 2.0, a government-wide strategy introduced and championed by Public Works and Government Services Canada to support the Clerk of the Privy Council's commitment to workplace renewal.

In July 2013, CRA management approved new Workplace 2.0 fit-up standards, including workspace allocations specific to the CRA. These standards help us identify the maximum allowance for personal workspace (offices and workstations) to accommodate our operational requirements. Our participation in this exercise is crucial as we want our real property accommodation investments to offer the best value for money, reflect industry best practices, and provide our employees with the optimum workspace for their operations.

Over the planning period, we will:

- implement the CRA's Workplace 2.0 standard

## Leading change in government

In 2013, the Clerk of the Privy Council launched Blueprint 2020, a government-wide engagement exercise designed to shape the public service of tomorrow.

The CRA's engagement process was launched through our first ever Agency-wide Webinar. Over 6,000 CRA employees took part in our Webinar, and several keynote speakers participated in the event, including the Honourable Kerry-Lynne D. Findlay, Minister of National Revenue. During the Webinar, employees engaged in a Twitter conversation that generated over 900 tweets.

CRA employees participated in record numbers in the engagement activities. More than 21,000 employees participated in face-to-face events about Blueprint 2020. Employees showed unparalleled enthusiasm for our own CRA social media tool: Destination 2020. Destination 2020 was accessed more than 430,000 times, a little over 3,000 ideas were posted, and 35,000 votes were cast, making Destination 2020 an instant hit.

Blueprint 2020 gave us more insight into what we need to do to maintain our status as a world-class tax administrator. The CRA has committed to creating an action plan for the nine key priorities identified through Blueprint 2020, and the actions we take will be reflected in our corporate commitments going forward to help shape the future of the Public Service of Canada.

## [conclusion]

The CRA will continue to take a strategic approach to human resources planning. Our key focus will be on developing a capable and confident workforce that can ensure compliance with Canada's tax laws and generate the innovative solutions necessary to meet the evolving service demands of Canadians. To make sure we continue to meet future challenges, we will continue to invest in infrastructure and technology platforms to support our core operations. These investments will be balanced and grounded in sound financial management practices and will continue to create efficiencies, ensure business sustainability, and support future innovations in the delivery of our programs and services.





# [a message from the Chair]

“ The Board of Management ... will focus on providing direction and advice to senior management on the key CRA initiatives of integrity, security, the reduction of red tape, and the CRA’s commitment to continual improvement in service to Canadians. ”

— *Richard (Rick) Thorpe*



The Board of Management is committed to providing oversight in all areas for which it has statutory responsibility. Over the planning period, the Board will focus on providing direction and advice to senior management on increasing overall efficiency, on the key CRA initiatives of integrity, security, the reduction of red tape, and on the CRA’s commitment to continual improvement in service to Canadians.

As part of the Board’s oversight responsibilities, the Board will continue to monitor the implementation of the CRA’s ongoing strategic transformation in line with Government direction and the goals set in this Summary of the Corporate Business Plan and CRA’s Vision 2020. The Board will focus on enhanced oversight using detailed risk management criteria, as well as performance measures to achieve best practices at the CRA.

In a fast-changing global environment, the CRA must adapt while remaining mindful of its mandate to administer tax, benefits and other programs, and to ensure compliance on behalf of governments across Canada. In this regard, the Board remains committed to providing direction to encourage the best management approaches to administration and compliance, while achieving fiscal rebalancing.

Working together with the CRA senior management team, I am very confident the CRA will achieve its goals while enhancing services to Canadians. On behalf of the CRA Board of Management, I am pleased to recommend the CRA’s *Summary of the Corporate Business Plan 2014–2015 to 2016–2017* to the Honourable Kerry-Lynne D. Findlay, Minister of National Revenue.

**Richard (Rick) Thorpe, CPA, CMA, FCMA**

Chair,

Board of Management

# [board of management strategic priorities]

For the period 2014-2015 to 2016-2017, the Board will focus on the CRA's and the government's objectives, within the overall framework of fiscal rebalancing. The Board will focus in particular on enhancing integrity, security, and excellence in service to Canadians, as well as a continual reduction in red tape both internally and externally.

## [board goal for 2014–2015 to 2016–2017]

The Board's goal is twofold: to ensure the CRA has the strategic framework and the best management practices to fulfil its mission, and to give direction to achieve timely streamlining and simplification of business practices in support of service to Canadians.

## [board priorities for 2014–2015 to 2016–2017]

The Board will provide oversight in its areas of statutory responsibility, as stated in the *Canada Revenue Agency Act*. For the period 2014-2015 to 2016-2017, the Board will emphasize integrity, security and the continued reduction of red tape as key initiatives for the CRA. The Board will also focus on the CRA's continual improvement in service to Canadians and in taxpayer compliance. The Board's priorities for the planning period are described below.

### [strategic transformation]

The CRA is a committed partner in the government's ongoing transformation of the public service. The Board will concentrate on successful implementation of priorities from the government's engagement of all public servants,

Blueprint 2020, as well as overall strategic goals highlighted in the CRA's Vision 2020 plan, to ensure the CRA keeps up with the pace of change faced by all organizations and Canadians in today's world. The Board will use red tape reduction as a critical factor in its review and approval of CRA initiatives, as it provides direction for the simplification and streamlining of internal processes and improving services to Canadians. The Board will drive the CRA's setting of strategic goals in the Corporate Business Plan and monitor the framework and management of enterprise risk. The Board will continue its oversight of the CRA's performance using measures established with management, such as the Board of Management Oversight Framework. As in past years, the Board will contribute to key performance agreements and assessments of senior management.

### [integrity and security]

Integrity and security are the cornerstones of CRA business activities; the CRA is committed to monitoring and ensuring the integrity of employees and their practices, as well as the security of both people and information, in order to strengthen the taxpayers' trust in the tax and benefits administration. The Board will ensure integrity initiatives and systemic improvements, including establishing the attitudes and behaviour of employees in positions of confidence, and pursuing appropriate and timely disciplinary measures for any breaches of trust, remain a key priority for management. The Board will also monitor

security initiatives and policy, for instance by providing guidance on collaboration with Shared Services Canada on security in information technology.

## [service to Canadians, red tape reduction, and compliance]

The CRA is committed to continually improving service to Canadians, as well as making compliance easier and non-compliance more difficult. The Board will offer guidance to the CRA on overall red tape reduction for individuals, small and medium enterprises, and on decreasing the compliance burden, through collaboration with third party partners who represent taxpayers, enhanced electronic services, and upfront and broad-based communications to help “get it right from the start.”

## [people management]

The CRA leads government with respect to human resource initiatives. The Board will continue to provide direction to management of CRA’s planning and implementation of transformative people management, including measures to attract and retain skilled personnel, while increasing productivity, and taking into account comments outlined in Blueprint 2020. The Board will provide timely oversight of recruitment strategies, results, and succession planning, and

continue engagement in the oversight of collective bargaining.

## [financial and resource management]

The CRA is complying with ongoing government-wide budgetary rebalancing, while striving to improve services. The Board will ensure continued strong financial and audit controls are in place, oversee the implementation of spending measures, and monitor the CRA’s financial probity and efficiency, in line with government direction and auditing standards. The Board will review audit plans and areas of concentration with management and the Office of the Auditor General, and assure itself of the independence and viability of the CRA’s internal audit and control functions.

In order to ensure appropriate use of resources for CRA programs and initiatives, and progress towards the CRA’s objectives, the Board will review and guide investment priorities and plans, and provide oversight for large and complex projects. It will examine cost risk mitigation in areas such as real property, and monitor the implementation of e-delivery at the CRA, as well as the maturing relationship with Shared Services Canada as the CRA’s IT infrastructure service provider.





# [board of management]

## [board membership]

The Board of Management of the CRA consists of 15 members appointed by the Governor in Council. They include the Chair, the Commissioner and Chief Executive Officer, a director nominated by each province, one director nominated by the territories, and two directors nominated by the federal government. Members of the Board bring an external and diverse business perspective from the private, public, and not-for-profit sectors to the work of the CRA.

The Board is mandated to oversee the organization and administration of the CRA, and the management of its resources, services, property, personnel and contracts. It undertakes its oversight role in cooperation with CRA management to ensure that the CRA fosters sound management and service delivery.

The following are the Board members, as of March 2014.

**Richard (Rick) Thorpe, CPA, CMA, FCMA**

Chair, Board of Management  
Penticton, British Columbia

**Myles Bourke, B.Comm., FCPA, FCA**

Corporate Director  
Lethbridge, Alberta

**Richard J. Daw, FCA, CMC**

Corporate Director  
St. John's, Newfoundland and Labrador

**Raymond Desrochers, B.Comm., CA, CFE**

Partner  
BDO CANADA LLP Chartered Accountants & Consultants  
Winnipeg, Manitoba

**Gerard J. Fitzpatrick, FCA, TEP**

Partner  
Fitzpatrick & Company Chartered Accountants  
Charlottetown, Prince Edward Island

**Gordon Gillis, B.A., LL.B.**

Corporate Director  
Eureka, Nova Scotia

**Norman G. Halldorson, B.Comm., CA, FCA**

Corporate Director  
Clavet, Saskatchewan

**Fauzia Lalani, P.Eng.**

Director, Logistics Services  
Suncor Energy Services Inc.  
Calgary, Alberta

**Robert (Bob) M. Manning, BBA**

Associate  
Owens MacFadyen Group  
Saint John, New Brunswick

**Margaret Melhorn, B.A., M.A.**

Corporate Director  
Yellowknife, Northwest Territories

**James R. Nininger, B.Comm., M.B.A., Ph.D**

Corporate Director  
Ottawa, Ontario

**Luce Samoisette, LL.M., MS Taxation, DDN, LL.B.**

President  
Université de Sherbrooke  
Sherbrooke, Quebec

**Andrew Treusch, B.A., M.A.**

Commissioner and Chief Executive Officer  
Canada Revenue Agency  
Ottawa, Ontario

\*\*\* At the time of writing this report, processes were underway to appoint new members from British Columbia and Ontario.\*\*\*

The Board of Management is responsible for overseeing the organization and administration of the CRA as well as the management of its resources, services, property, personnel, and contracts. The Board is supported by four committees with mandates to assist the Board in fulfilling its oversight responsibilities; the role and membership of these committees are outlined below. In addition, the Board has delegated the responsibility for reviewing and approving the Board of Management Oversight Framework, and for conducting the annual assessment of the performance of the CRA against the Board of Management Oversight Framework, to a specially-constituted subcommittee.

#### Audit Committee

<b>Mandate</b>	The Audit Committee reviews the CRA's accounting framework, financial and performance information, internal controls and risk tolerance, and compliance with financial and environmental legislation.	
<b>Membership</b>	Chair	Norman Halldorson
	Vice-Chair	Richard Daw
	Members	Myles Bourke, Gerard Fitzpatrick, Rick Thorpe

#### Governance Committee

<b>Mandate</b>	The Governance Committee reviews all aspects of the Board's governance framework to ensure that the Board functions in an effective and efficient manner that successfully supports the operations of the CRA.	
<b>Membership</b>	Chair	James Nininger
	Vice-Chair	Fauzia Lalani
	Members	Myles Bourke, Raymond Desrochers, Gordon Gillis, Andrew Treusch, Rick Thorpe

#### Human Resources Committee

<b>Mandate</b>	The Human Resources Committee reviews the management of human resources within the CRA and provides recommendations and advice on the CRA's human resources management strategies, initiatives, and policies.	
<b>Membership</b>	Chair	Gordon Gillis
	Vice-Chair	Luce Samoissette
	Members	James Nininger, Margaret Melhorn, Andrew Treusch, Rick Thorpe

#### Resources Committee

<b>Mandate</b>	The Resources Committee reviews the CRA's operating and capital budgets and oversees the development of administrative management frameworks, strategies, policies and practices for the management of funds, real property, contracts, equipment, information, information technology, and environmental obligations.	
<b>Membership</b>	Chair	Fauzia Lalani
	Vice-Chair	Bob Manning
	Members	Margaret Melhorn, Andrew Treusch, Rick Thorpe

# VISION 2020: CRA STRATEGIC DIRECTIONS

## SERVICE AND COMPLIANCE CONTINUUM



### MANAGE SERVICE AND COMPLIANCE INTELLIGENTLY

**From** a variety of approaches to understanding taxpayers and assessing risks within each program

**To** business intelligence and advanced analytics applied across the CRA to ensure the most effective and efficient intervention at the right point in the service and compliance continuum



### INTEGRATE THE TAXPAYER EXPERIENCE

**From** functionally-driven service delivery contact points

**To** a taxpayer-centric approach that minimizes interactions and simplifies access to information and services



### EARLY CERTAINTY ABOUT TAX ISSUES

**From** a standardized approach with resource-intensive and lengthy recourse processes

**To** flexible and streamlined practices that are accessible for smaller taxpayers and provide certainty up front for cooperative taxpayers



### INFLUENCE COMPLIANCE ATTITUDES

**From** accepting taxpayer compliance posture as a 'given'

**To** promoting the link between paying taxes and maintaining our society through engagement strategies that leverage personal and social norms and employ a variety of media and messengers

## THE LEVERS



### EXTEND OUR REACH THROUGH THIRD PARTIES

**From** trying to do it all ourselves

**To** using third parties more systematically to improve program outcomes



### DRIVE TO ELECTRONIC

**From** a mix of manual processes and electronic tools designed for specific purposes

**To** fully integrated technology solutions for taxpayer segments and internal services, with the maximum degree of automation and self-service



### BETTER DATA, USED BETTER

**From** data repositories that serve specific operational purposes

**To** an enterprise approach to aggregate data that supports a sophisticated analytics capacity

## CORPORATE FOUNDATION



### OPTIMIZE OUR ORGANIZATION

**From** an organizational design that emphasizes functional, geographic and historic approaches to workload distribution

**To** an organizational design that promotes taxpayer centric approaches, delivers workload to available technical capacity with effective knowledge management support, and maximizes efficiency



### BUILD THE WORKFORCE AND WORKPLACE OF THE FUTURE

**From** a traditional workplace and a workforce that is transactionally-oriented, rules based, functionally and geographically organized

**To** a workplace that is designed to support high performance with a diverse workforce that is knowledge-seeking, innovative, versatile and resilient, driven by values and focused on results

## [taxpayer bill of rights]

1. You have the right to receive entitlements and to pay no more and no less than what is required by law.
2. You have the right to service in both official languages.
3. You have the right to privacy and confidentiality.
4. You have the right to a formal review and a subsequent appeal.
5. You have the right to be treated professionally, courteously, and fairly.
6. You have the right to complete, accurate, clear, and timely information.
7. You have the right, unless otherwise provided by law, not to pay income tax amounts in dispute before you have had an impartial review.
8. You have the right to have the law applied consistently.
9. You have the right to lodge a service complaint and to be provided with an explanation of our findings.
10. You have the right to have the costs of compliance taken into account when administering tax legislation.
11. You have the right to expect us to be accountable.
12. You have the right to relief from penalties and interest under tax legislation because of extraordinary circumstances.
13. You have the right to expect us to publish our service standards and report annually.
14. You have the right to expect us to warn you about questionable tax schemes in a timely manner.
15. You have the right to be represented by a person of your choice.
16. You have the right to lodge a service complaint and request a formal review without fear of reprisal.

## [commitment to **small business**]

1. The Canada Revenue Agency (CRA) is committed to administering the tax system in a way that minimizes the costs of compliance for small businesses.
2. The CRA is committed to working with all governments to streamline service, minimize cost, and reduce the compliance burden.
3. The CRA is committed to providing service offerings that meet the needs of small businesses.
4. The CRA is committed to conducting outreach activities that help small businesses comply with the legislation we administer.
5. The CRA is committed to explaining how we conduct our business with small businesses.

**For more information, visit the CRA Web site at [cra.gc.ca/rights](http://cra.gc.ca/rights)**



## [enterprise risk management]

The CRA operates in a dynamic environment that constantly changes. With these changes come unpredictability, uncertainty, and ultimately risk. The CRA defines a risk as the uncertainty that surrounds future events and outcomes. It is something that may or may not happen, which must be taken into account during decision-making throughout the organization.

Enterprise risk management plays a significant role in strengthening the organization's capacity to recognize, understand, and address risks. To support the use of enterprise risk management, a corporate risk profile is developed every year which identifies and analyzes the enterprise risks that may threaten the achievement of the CRA's mandate.

When identifying risks at the enterprise level, the CRA looks not only at areas of immediate concern, but also at broad areas of potential vulnerability. By identifying and monitoring a broad range of risks, the CRA ensures that it diligently and proactively manages the potential events that could affect its ability to achieve its mandate. These risks represent uncertain future events that may or may not occur, depending on the evolution of the environment.

The following is an analysis of the three risks that could have the highest impact on the CRA's ability to achieve its objectives. Addressing these areas will help to ensure that the risks associated with maintaining the CRA's commitment to service, compliance, integrity, and innovation are well managed.

### [managing risks to compliance – underground economy and aggressive tax planning]

This year the CRA will continue to address risks related to non-compliance. Efforts will target aggressive tax planning, a major threat for tax administrations globally. The aggressive tax planning risk poses a direct threat to the CRA's ability to collect taxes on behalf of the Government of Canada and as such it was assessed as the top risk. Given that it is heavily influenced by factors outside the CRA's control namely, taxpayer behaviour and the economy, the CRA targets areas where it can demonstrate progress. Recent federal budgets contained several important measures that will help to address aggressive tax shelters and other aggressive tax planning schemes and the CRA will continue to implement additional actions.

Another risk that poses a threat to the revenue base is the underground economy, which has been assessed as the CRA's second highest risk. Actions to address it will target a number of sectors, including those areas where cash transactions are common. The CRA will also focus on delivering communications and outreach activities to educate taxpayers and discourage them from participating in the underground economy.

### [managing risks to integrity – protection of information]

The Canadian tax system is based on a self-assessment model, where taxpayers are responsible for reporting their own income and taxes owing. As such, maintaining the public's trust is of the utmost importance to the CRA as it has the potential to directly influence compliance rates. While the overwhelming majority of employees act with integrity, the CRA remains diligent in ensuring that its controls are effective in deterring and detecting anyone who may behave otherwise. The CRA is committed to maintaining a strong set of internal controls to prevent the inappropriate access, use, and disclosure of information. It continues to make enhancements to system access controls including the Identity and Access Management Project and the National Audit Trail Monitoring program.

# [financial tables]

## [planning summary]

Planned spending refers to those amounts for which a Treasury Board submission approval has been received by no later than February 1, 2014. This cut-off date differs from the Main Estimates process. Therefore, planned spending may include amounts incremental to planned expenditure levels presented in the 2014–15 Main Estimates.

As shown in the planned spending trend figure on the right, the total spending includes all parliamentary appropriations (Main Estimates and Supplementary Estimates) and revenue sources. These

include funding appropriated to the Canada Revenue Agency for: policy and operational initiatives arising from various federal budgets and economic statements; transfers from the Department of Public Works and Government Services Canada for accommodations and real property services; disbursements under the Softwood Lumber Agreement; responsibilities related to the administration of corporate tax in Ontario and the harmonization of sales tax in Ontario and British Columbia and the children’s special allowance payments.

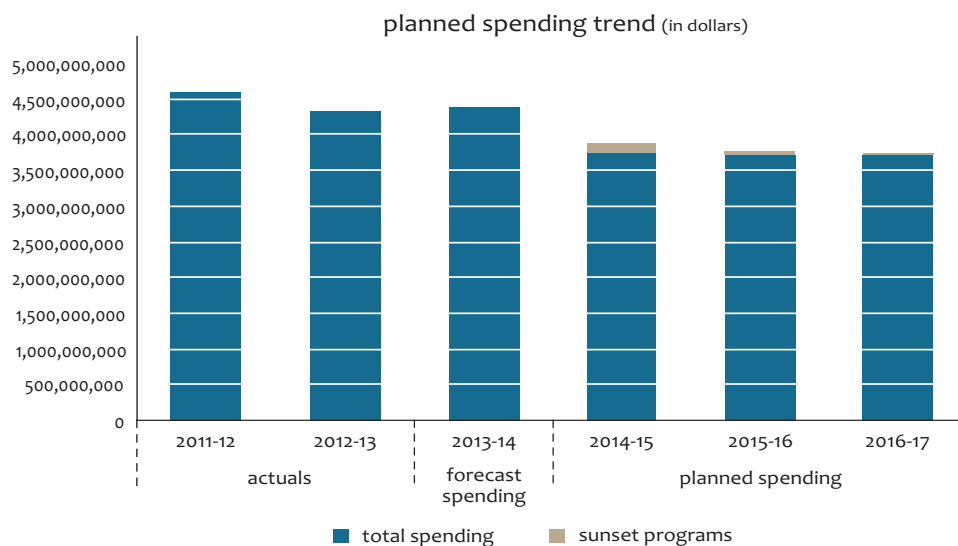
For fiscal years 2011–2012 to 2013–2014, total spending includes certain technical adjustments, such as the CRA’s carry forward adjustments from the previous year and funding for maternity and severance benefits.

The CRA’s appropriations also show a decline in fiscal years 2011–2012 to 2016–2017 primarily as a result of:

- the gradual implementation of savings measures arising from the Budget 2012 spending review and the Budget 2013 targeted review savings; and
- the fluctuation in the CRA’s Statutory Authorities for the Children’s Special Allowance payments for eligible children in the care of agencies and institutions, the disbursements to the provinces under the *Softwood Lumber Products Export Charge Act, 2006*, the rates for the contributions to employee benefit plans, and the spending of revenues received through the conduct of operations pursuant to Section 60 of the *Canada Revenue Agency Act*.

The October 16, 2013 Speech from the Throne signalled that the Government will freeze the overall federal operating budget, which is not reflected in the Main Estimates or this Plan. The CRA is preparing mitigation strategies to enable it to operate within the available operating budget.

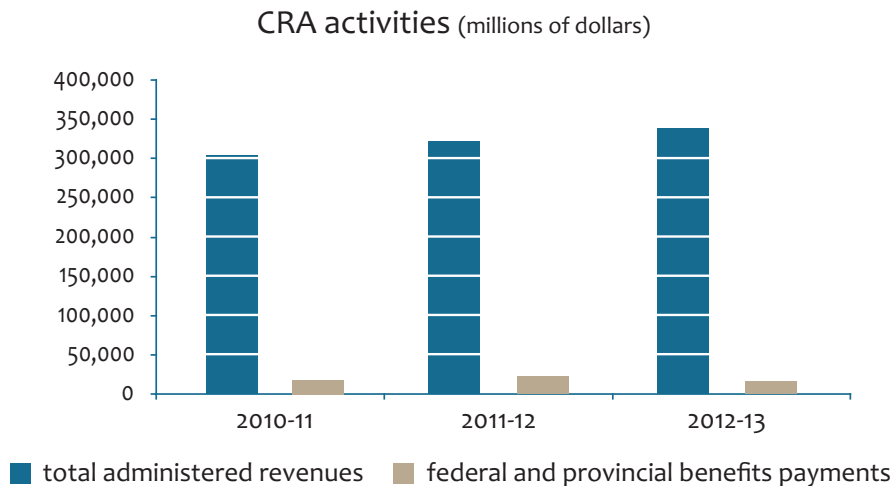
The planned spending trend figure also depicts funding in fiscal years 2014–2015 to 2016–2017 that will eventually “sunset”, i.e., related to the Softwood Lumber Agreement (expiring after 2015–2016) and the project to upgrade the CRA’s personal income tax processing system.



As depicted in the CRA activities figure, over the same period, the CRA’s work volumes, as measured by totalling administered revenues and value of benefit payments processed, have been trending upward.

The Federal and Provincial Benefits payments decreased in 2012-2013 due to the sunset of the Ontario Sales Tax transition benefit.

For information on our organisational appropriations, please see the [2014-2015 Main Estimates publications](#).



# [CRA planned spending and full-time equivalents]

## [CRA Main Estimates, planned spending and full-time equivalents]

(in dollars)	2013-14 forecast spending	2014-15 planned spending	2015-16 planned spending	2016-17 planned spending
<b>Total Main Estimates</b>	4,276,823,253	<b>3,861,256,109</b>	3,761,268,399	3,735,659,600
Disbursements to the Provinces under the <i>Canada-United States Softwood Lumber Agreement, 2006</i> (forecast provided for 2013-2014 and 2014-2015 only at this time)	(283,000,000)	<b>(80,000,000)</b>		
Taxpayers' Ombudsman	(3,244,301)	<b>(3,167,366)</b>	(3,169,366)	(3,170,366)
<b>Supplementary Estimates</b>				
2013 Federal Budget		<b>15,540,213</b>	14,071,471	13,393,273
Transfer of funds to Shared Services Canada (SSC) - to adjust as a result of the creation of Shared Services Canada	(6,585,649)			
<b>Other Adjustments</b>				
Adjustment to the spendable non-tax revenues	(19,449,536)	-	-	-
Funding for salary increases	7,067,559			
<b>Planned base spending</b>	<b>3,971,611,326</b>	<b>3,793,628,956</b>	3,772,170,504	3,745,882,507
Taxpayers' Ombudsman	3,244,301	<b>3,167,366</b>	3,169,366	3,170,366
<b>Items not yet included in outer years' planned spending</b>				
Carry forward from 2012-2013	299,825,811	-	-	-
Maternity and Severance payments (funding included for 2013-2014 only at this time)	75,000,000	-	-	-
Statutory disbursements to the Provinces under the <i>Canada-United States Softwood Lumber Agreement, 2006</i> (forecast provided for 2013-2014 and 2014-2015 only at this time)	30,000,000	<b>80,000,000</b>	-	-
<b>Total planned spending</b>	<b>4,379,681,438</b>	<b>3,876,796,322</b>	3,775,339,870	3,749,052,873
Respendable non-tax revenues pursuant to the <i>Canada Revenue Agency Act</i>	(174,329,650)	<b>(179,308,529)</b>	(177,041,732)	(175,962,593)
Cost of services received without charge	438,547,289	<b>423,084,369</b>	422,089,866	419,714,150
<b>Total CRA spending</b>	<b>4,643,899,077</b>	<b>4,120,572,162</b>	4,020,388,004	3,992,804,430
<b>Human resources (full-time equivalents)</b>				
Canada Revenue Agency	40,727	<b>38,220</b>	38,040	37,784
Taxpayers' ombudsman	31	<b>31</b>	31	31
<b>Total (planned)</b>	<b>40,758</b>	<b>38,251</b>	38,071	37,815

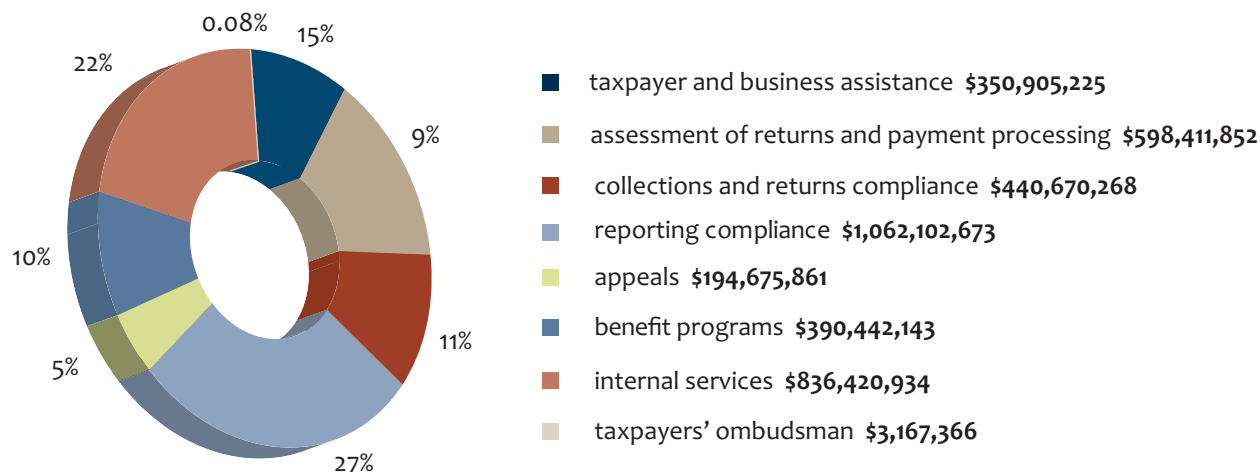


## [CRA planned spending by program and full-time equivalents]

(in dollars)	2013-14 forecast spending	2014-15 planned spending	2015-16 planned spending	2016-2017 planned spending
Taxpayer and business assistance	333,291,371	<b>350,905,225</b>	267,093,889	260,696,720
Assessment of returns and payment processing	625,842,648	<b>598,411,852</b>	619,375,174	613,033,592
Collections and returns compliance	502,878,989	<b>440,670,268</b>	441,295,370	445,886,632
Reporting compliance	1,121,187,162	<b>1,062,102,673</b>	1,052,259,656	1,041,278,958
Appeals	197,714,416	<b>194,675,861</b>	191,002,004	189,591,545
Benefit programs	389,407,671	<b>390,442,143</b>	391,983,010	394,904,973
Internal services	1,206,114,880	<b>836,420,934</b>	809,161,401	800,490,087
Taxpayers' ombudsman	3,244,301	<b>3,167,366</b>	3,169,366	3,170,366
<b>Total planned spending<sup>1</sup></b>	<b>4,379,681,438</b>	<b>3,876,796,322</b>	3,775,339,870	3,749,052,873
Responsible non-tax revenue pursuant to <i>Canada Revenue Agency Act</i>	(174,329,650)	<b>(179,308,529)</b>	(177,041,732)	(175,962,593)
Cost of services received without charge	438,547,289	<b>423,084,369</b>	422,089,866	419,714,150
<b>Total CRA spending</b>	<b>4,643,899,077</b>	<b>4,120,572,162</b>	4,020,388,004	3,992,804,430
<b>Human resources (full-time equivalents)</b>				
Canada Revenue Agency	40,727	<b>38,220</b>	38,040	37,784
Taxpayers' ombudsman	31	<b>31</b>	31	31
<b>Total (planned)</b>	<b>40,758</b>	<b>38,251</b>	38,071	37,815

<sup>1</sup> Variance analysis - the reduction in forecast and planned spending over the planning period (from \$4.380 billion in 2013-2014 to \$3.749 billion in 2016-2017) is primarily attributable to:  
(a) certain technical adjustments that are reflected only in 2013-2014 - a carry-forward from 2012-2013 (\$299.8 million) and funding for maternity and severance benefits (\$75 million);  
(b) the fact that Planned Spending in 2015-2016 and 2016-2017 does not yet include a forecast of disbursements to the provinces under the *Softwood Lumber Products Export Charge Act, 2006* (which amounted to \$30 million in 2013-2014 and \$80 million in 2014-2015); and  
(c) the gradual implementation of savings measures arising from the Budget 2012 spending review as well as the Budget 2013 targeted review savings.

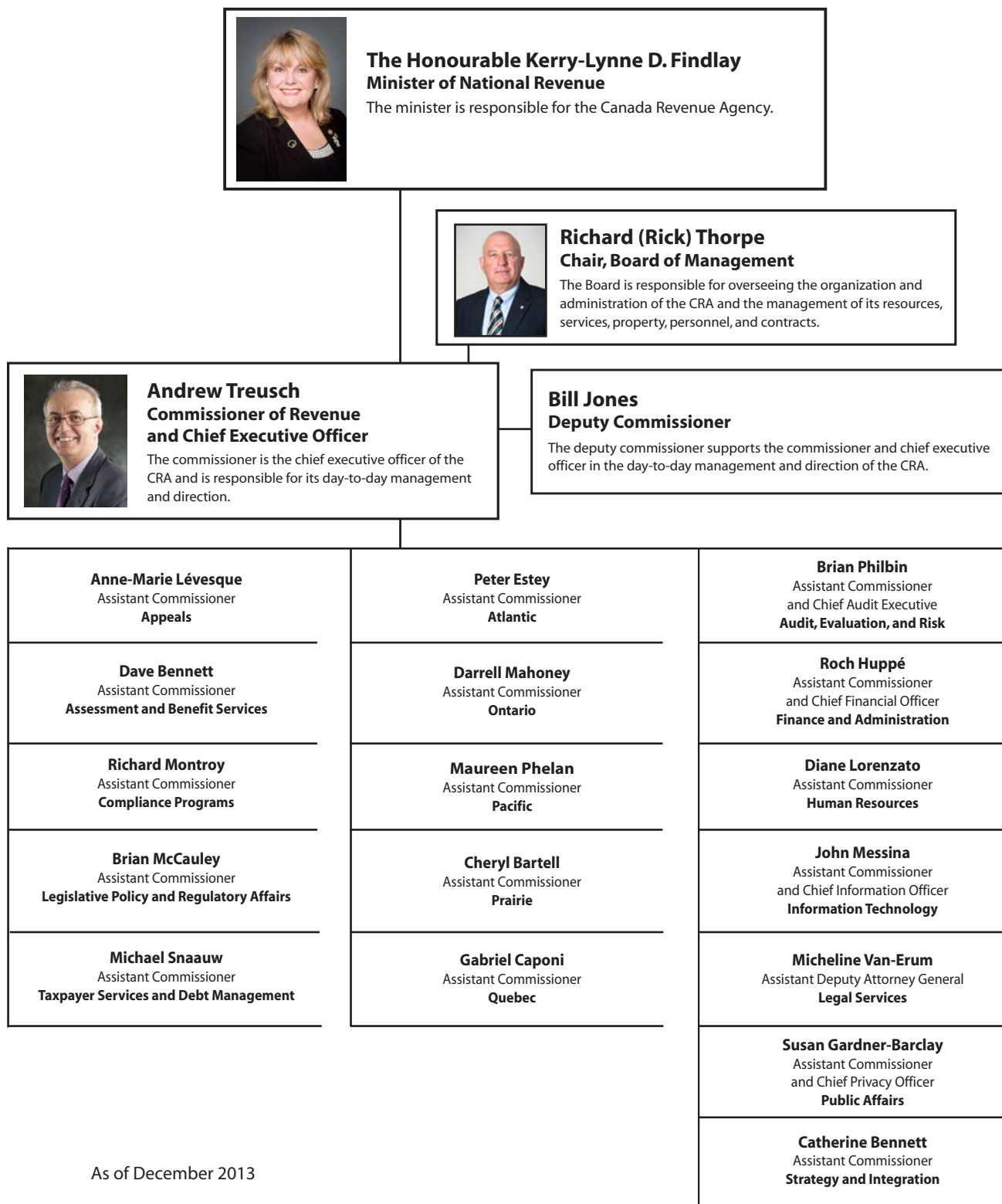
## [overview of 2014-15 planned spending]



\* the percentage total may not add up to 100% due to decimal rounding

# [other items of interest]

## [organizational structure]



As of December 2013

## [service standards]

The CRA plans to introduce one new service standard.

The new e-Services Helpdesk service standard will see us respond to calls in the queue within 2 minutes. This service standard is based on the CRA's existing telephone standards for: individual income tax and trust enquiries; business enquiries; Canada child tax benefit enquiries; and goods and services tax/harmonized sales tax (GST/HST) credit enquiries.

Program	Service	Standard	Target
Taxpayer and business assistance	e-Services Helpdesk telephone service	Our goal is to respond to calls in the queue within 2 minutes.	80%

## [end notes]

- Canada Revenue Agency Act  
[www.laws-lois.justice.gc.ca/eng/acts/c-10.11/](http://www.laws-lois.justice.gc.ca/eng/acts/c-10.11/)
- Whole-of-Canada-Framework  
[www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx](http://www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx)
- 2014-15 Main Estimates  
[www.tbs-sct.gc.ca/ems-sgd/esp-pbc/me-bpd-eng.asp](http://www.tbs-sct.gc.ca/ems-sgd/esp-pbc/me-bpd-eng.asp)
- 2013-16 Federal Sustainable Development Strategy  
[www.ec.gc.ca/dd-sd/default.asp?lang=En&n=A22718BA-1](http://www.ec.gc.ca/dd-sd/default.asp?lang=En&n=A22718BA-1)
- CRA Sustainable Development  
[www.cra-arc.gc.ca/gncy/sstnbl/menu-eng.html](http://www.cra-arc.gc.ca/gncy/sstnbl/menu-eng.html)

## [organizational contact information]

### Head office

Connaught building  
555 MacKenzie Avenue, 7th floor  
Ottawa ON K1A 0L5  
Telephone: 613-957-3688  
Fax: 613-952-1547

Website: [www.cra-arc.gc.ca](http://www.cra-arc.gc.ca)

## Stay in touch with us via social media

In the last several years, the use of YouTube, Twitter, RSS feeds, and other social media tools to broadcast government messages has grown significantly, and continues to trend upward. Our social media products helps reach Canadians when, where and how they want to receive their tax messages. We invite you to stay in touch with us by either checking out our YouTube videos, following us on Twitter, or subscribing to our RSS feed.

[www.youtube.com/canrevagency](http://www.youtube.com/canrevagency)

[www.twitter.com/canrevagency](http://www.twitter.com/canrevagency)

[www.cra-arc.gc.ca/esrvc-srvce/rss/menu-eng.html](http://www.cra-arc.gc.ca/esrvc-srvce/rss/menu-eng.html)