



Financial Consumer Agency of Canada

2015–18

Report on Plans and Priorities

Lucie M.A. Tedesco
Commissioner

Table of Contents

- Commissioner’s message: Building momentum 1
- Section I: Organizational Expenditure Overview 2
 - Organizational Profile 2
 - Organizational Context 3
 - Planned Expenditures 14
 - Alignment of Spending with the Whole-of-Government Framework 17
 - FCAC Spending Trend 18
- Section II: Analysis of Programs by Strategic Outcome 19
 - Strategic Outcome 19
 - Program 1: Compliance Supervision and Enforcement 20
 - Program 2: Financial Literacy 22
 - Internal Services 25
- Section III: Supplementary Information 26
 - Future-Oriented Statement of Operations 26
 - Sustainable Development Strategy 27
 - Horizontal Initiatives 29
 - Upcoming Internal Audits and Evaluations Over the Next Three Years 29
 - Tax Expenditures and Evaluations 29
- Section IV: Organizational Contact Information 30
- Appendix: Definitions 30
- Endnotes 32

Commissioner’s message: Building momentum

In my first full year as Commissioner, the Financial Consumer Agency of Canada (FCAC) has built up momentum that will carry FCAC’s initiatives forward over the 2015–2018 term.

Since the Government of Canada appointed Jane Rooney as the first Financial Literacy Leader in Canada in April 2014, she has consulted widely; in conjunction with Minister of State (Finance) Kevin Sorenson, appointed a National Steering Committee for Financial Literacy; engaged industry, educational and community organizations across Canada; with the Steering Committee, developed a strategy to improve the financial literacy of seniors; and will launch a National Financial Literacy Strategy in 2015.

Our stakeholder engagement also reflects this momentum. In a survey conducted by Harris/Decima on FCAC’s behalf in 2014, more than three-quarters of stakeholders surveyed from the industry, education and community sectors rated the FCAC’s performance between “good” and “excellent.” While these are commendable results, we cannot be satisfied with remaining at this level. There is much left to do. Between 2015–2018, financial consumers will face new challenges, such as the rapid pace of technological innovation in payments and potential changes in economic conditions. FCAC will continue to monitor changes in economic and financial sector trends as well as its regulatory environment with a view to understanding the impact on Canadian Consumers and its own operations. We will assess and adjust our structure and functions, as necessary to continue to carry out our mandate effectively.

The FCAC is preparing in several ways. For example, FCAC is reviewing its stakeholder engagement and consultation processes to enhance the proactivity and transparency of compliance supervision activities. A plan to extend my office’s outreach is well underway. This includes field hearings, meetings with parliamentarians, the boards and executives of federally regulated financial entities, consumer groups, industry associations and other collaborators and stakeholders. These and other initiatives outlined in this Report on Plans and Priorities will enable the FCAC to build on the momentum to achieve our priorities for 2015–2018:

1. to lead and coordinate the implementation of a national strategy for financial literacy
2. to conduct proactive and transparent supervision
3. to increase our contribution to financial consumer policy discussions
4. to strengthen collaboration and engagement with stakeholders
5. to expand efforts to promote Canadians’ awareness of their responsibilities and Federally Regulated Financial Entities’ obligations
6. to leverage FCAC’s resources and optimize its infrastructure to enhance efficiencies.

FCAC’s demonstrated values of excellence and innovation will enable us to achieve the targets set out in this Report on Plans and Priorities, continue to be accountable for our commitments and results, and provide fair, timely and efficient compliance supervision, consumer education and improvement in the financial literacy of Canadians.

Section I: Organizational Expenditure Overview

Organizational Profile

Commissioner: Lucie M.A. Tedesco

Deputy Commissioner: Brigitte Goulard

Financial Literacy Leader: Jane Rooney

Ministerial portfolio: Finance

Enabling Instrument: FCAC derives its mandate from the *Financial Consumer Agency of Canada Act*.¹ The Act outlines FCAC’s functions, administration and enforcement powers, and lists the sections of federal laws and regulations under its supervision.

Year of Incorporation/Commencement: 2001

¹ <http://laws-lois.justice.gc.ca/eng/acts/F-11.1/index.html>

Organizational Context

Raison d'être

FCAC was established to consolidate and strengthen oversight of consumer protection measures in the federally regulated financial sector and to expand consumer education and financial literacy activities. In 2013, FCAC's mandate was expanded to include collaboration and coordination of its activities to support initiatives to strengthen the financial literacy of Canadians so that they have the appropriate information and financial skills to make responsible financial decisions and actively participate in the financial sector.

Responsibilities

FCAC derives its mandate from the *Financial Consumer Agency of Canada Act*. The Act outlines the FCAC's functions, administration and enforcement powers, and lists the sections of federal laws and regulations under its supervision.

FCAC has the following objectives as set out in section 3(2) and 3(3) of the *Financial Consumer Agency of Canada Act*:

3(2)

(a) supervise financial institutions and external complaints bodies to determine whether the institution or body is in compliance with

(i) the consumer provisions applicable to them, and

(ii) the terms and conditions or undertakings with respect to the protection of customers of financial institutions that the Minister imposes or requires, as the case may be, under an Act listed in Schedule 1 and the directions that the Minister imposes under this Act;

(b) promote the adoption by financial institutions and external complaints bodies of policies and procedures designed to implement the provisions, terms and conditions, undertakings or directions referred to in paragraph (a);

(b.1) promote the adoption by financial institutions of policies and procedures designed to implement

(i) voluntary codes of conduct that are designed to protect the interests of their customers, that are adopted by financial institutions and that are publicly available, and

(ii) any public commitments made by them that are designed to protect the interests of their customers;

(c) monitor the implementation of voluntary codes of conduct that are designed to protect the interests of customers of financial institutions, that have been adopted by financial institutions and that are publicly available and to monitor any public commitments made by financial institutions that are designed to protect the interests of their customers;

(d) promote consumer awareness about the obligations of financial institutions and of external complaints bodies under consumer provisions applicable to them and about all matters connected with the protection of consumers of financial products and services; and

(e) foster, in co-operation with any department, agency or agent corporation of the Government of Canada or of a province, financial institutions and consumer and other organizations, an understanding of financial services and issues relating to financial services;

(f) monitor and evaluate trends and emerging issues that may have an impact on consumers of financial products and services; and

(g) collaborate and coordinate its activities with stakeholders to contribute to and support initiatives to strengthen the financial literacy of Canadians.

3 (3)

(a) supervise payment card network operators to determine whether they are in compliance with the provisions of the *Payment Card Networks Act* and its regulations;

(b) promote the adoption by payment card network operators of policies and procedures designed to implement the provisions of the *Payment Card Networks Act* and its regulations;

(c) monitor the implementation of voluntary codes of conduct that have been adopted by payment card network operators and that are publicly available, and to monitor any public commitments made by them regarding their commercial practices in relation to payment card networks; and

(d) promote public awareness about the obligations of payment card network operators under a voluntary code of conduct or under the *Payment Card Networks Act*.

Strategic Outcome and Program Alignment Architecture (PAA)

1. Strategic Outcome: The rights of financial consumers are protected and the financial literacy of Canadians is strengthened

1.1. Program 1: Compliance Supervision and Enforcement

1.2. Program 2: Financial Literacy

Internal Services

Organizational Priorities

Priority	Type ²	Program(s)
Lead and coordinate the implementation of a national strategy for financial literacy	Previously committed to (new in 2014–15)	Program 2: Financial Literacy
Description		
<p>Why is this a priority?</p> <p>Collaboration and coordination efforts will strengthen the knowledge, skills and confidence of financial consumers to help them make responsible financial decisions at every stage of their lives. The FCAC will avoid duplication of efforts by maximizing the impact of existing effective financial literacy programs, tools and resources and increasing consumer awareness of these resources.</p> <p>Plans to meet this priority</p> <ul style="list-style-type: none"> • Launch and implement a national strategy for financial literacy with the assistance and collaboration of stakeholders. • Analyze and report on the results of the Canadian Financial Capability Survey (CFCS). • Implement, monitor and report on the Seniors’ Financial Literacy Strategy. • Through the Canadian Financial Literacy Database, provide access to the programs, resources and tools that are made available by the private, public and non-profit sectors to help consumers strengthen their financial literacy levels. • Leverage teachable moments in the lives of Canadians to help strengthen their knowledge, skills and confidence to help them make responsible financial decisions. • Coordinate the development of, and implement and promote, a financial literacy evaluation framework and tool kit. 		

² Type is defined as follows: **previously committed to**—committed to in the first or second fiscal year prior to the subject year of the report; **ongoing**—committed to at least three fiscal years prior to the subject year of the report; and **new**—newly committed to in the reporting year of the Report on Plans and Priorities or Annual Report.

Priority	Type ³	Program
Conduct proactive and transparent supervision	Ongoing	Program 1: Compliance Supervision and Enforcement
Description		
<p>Why is this a priority?</p> <p>Through supervisory and compliance activities, FCAC monitors the compliance of federally regulated financial entities (FRFEs) with the consumer provisions applicable to them, their respective voluntary codes of conduct, and their public commitments to allow consumers and merchants to benefit from the protection framework put in place by the Government of Canada.</p> <p>Plans to meet this priority</p> <ul style="list-style-type: none"> • Undertake proactive supervisory monitoring of FRFEs through the effective use of the processes set out in the FCAC Compliance Framework.⁴ • Continue to optimize the FCAC supervisory tools and strengthen its ongoing communication with FRFEs and other stakeholders. • Ensure that pertinent and appropriate information on supervisory and compliance matters is coordinated and communicated internally to other areas of the FCAC to support their work. • Work with industry and relevant stakeholders to implement the proposed Financial Consumer Code to better protect consumers of financial products and ensure that they have the necessary information to make responsible financial decisions. 		

³ Type is defined as follows: **previously committed to**—committed to in the first or second fiscal year prior to the subject year of the report; **ongoing**—committed to at least three fiscal years prior to the subject year of the report; and **new**—newly committed to in the reporting year of the Report on Plans and Priorities or Annual Report.

⁴ <http://www.fcac-acfc.gc.ca/Eng/resources/complianceFramework/Pages/home-accueil.aspx>

Priority	Type ⁵	Program
Increase contribution to financial consumer policy discussions	Previously committed to (new in 2014–15)	Program 1: Compliance Supervision and Enforcement Program 2: Financial Literacy
Description		
<p>Why is this a priority?</p> <p>The identification and assessment of market trends and the associated risks to consumers of financial products and services is critical to inform the FCAC and other stakeholders of potential policy issues to help protect and educate consumers.</p> <p>Plans to meet this priority</p> <ul style="list-style-type: none"> • Increase the FCAC’s contribution to the effectiveness of the regulatory framework by continuing to identify emerging industry trends and carrying out relevant industry research. • Contribute to the development of policy aimed at enhancing financial consumer protection and education by synthesizing analysis from various sources, drawing conclusions, and providing key findings for action by the FCAC and/or policy makers, as applicable. • Participate in and contribute to policy discussions at international fora and with domestic partners and industry stakeholders by providing findings related to Canadian financial consumer issues with the aim of better protecting consumers. 		

⁵ Type is defined as follows: **previously committed to**—committed to in the first or second fiscal year prior to the subject year of the report; **ongoing**—committed to at least three fiscal years prior to the subject year of the report; and **new**—newly committed to in the reporting year of the Report on Plans and Priorities or the Annual Report.

Priority	Type ⁶	Programs
Strengthen collaboration and engagement with stakeholders	Previously committed to (new in 2014–15)	Program 1: Compliance Supervision and Enforcement Program 2: Financial Literacy Internal Services
Description		
<p>Why is this a priority?</p> <p>Trusted relationships are key to achieving richer outcomes. As such, the FCAC has a vested interest in engaging and collaborating with its stakeholders and partners.</p> <p>Plans to meet this priority</p> <ul style="list-style-type: none"> • Increase collaboration with other federal, provincial and municipal government departments and agencies, other regulators and community organizations to share knowledge, best practices and research to leverage mutual resources and achieve common goals (e.g., Interdepartmental and National Steering Committees on Financial Literacy, and the Community of Federal Regulators). • Continue to develop mechanisms and processes to strengthen relationships, collaboration and engagement with key stakeholders and partners at all levels. • Raise awareness of the FCAC’s regulatory mandate with consumers, the industry and peers (e.g., other regulators and federal government departments and agencies). • Continue to implement the Commissioner’s outreach plan (e.g., field hearings and meetings with FRFE executives and boards, consumer groups, industry associations and other partners and stakeholders). • Continue to implement the Financial Literacy Leader’s outreach plan (e.g., meetings with ministries of education and other partners and stakeholders). • Implement a strategy to seek the views of Canadians on financial consumer issues and implement solutions, within FCAC’s mandate, to address their concerns. 		

⁶ Type is defined as follows: **previously committed to**—committed to in the first or second fiscal year prior to the subject year of the report; **ongoing**—committed to at least three fiscal years prior to the subject year of the report; and **new**—newly committed to in the reporting year of the Report on Plans and Priorities or the Annual Report.

Priority	Type ⁷	Program
Expand efforts to promote Canadians' awareness of their responsibilities and FRFEs' obligations	Previously committed to (new in 2014–15) – reworded from last year	Program 1: Compliance Supervision and Enforcement Program 2: Financial Literacy
Description		
<p>Why is this a priority?</p> <p>Consumers make better financial decisions if they are aware of and understand their responsibilities and FRFEs' obligations with regard to financial products and services. Informed consumers with the right skills and confidence are also better able to actively participate in the financial marketplace and thus strengthen competition. This, in turn, helps consumers enjoy the social and economic benefits of participating in a fair and secure Canadian financial marketplace.</p> <p>Plans to meet this priority</p> <ul style="list-style-type: none"> • Monitor and analyze marketplace developments to assess their impact on target audiences and identify related educational needs. • Undertake research, through surveys and other means, to assess consumer knowledge of their responsibilities and FRFEs' obligations and, based on the results, effectively promote Canadians' awareness of areas needing improvement. • Establish and/or enhance online resources to help financial consumers make responsible financial decisions. • Maximize the use of marketing and communication tools and strategies to promote Canadians' awareness of their responsibilities and FRFEs' obligations through advertising campaigns and the use of social media platforms, outreach activities and communication tools. • Continue to enhance the FCAC's website by improving its navigation and search capabilities, as well as by increasing links to related topics in accordance with <i>Blueprint 2020</i>. 		

⁷ Type is defined as follows: **previously committed to**—committed to in the first or second fiscal year prior to the subject year of the report; **ongoing**—committed to at least three fiscal years prior to the subject year of the report; and **new**—newly committed to in the reporting year of the Report on Plans and Priorities or Annual Report.

Priority	Type ⁸	Strategic Outcome(s) and/or program(s)
Leverage the FCAC's resources and optimize its infrastructure to enhance efficiencies	Ongoing	Program 1: Compliance Supervision and Enforcement Program 2: Financial Literacy Internal Services
Description		
<p>Why is this a priority?</p> <p>Leveraging the FCAC's financial and human resources and enhancing its internal systems, processes and ability to capture knowledge will allow for continued success in meeting FCAC's goals and will support FCAC's efforts to work more effectively and efficiently.</p> <p>Plans to meet this priority</p> <ul style="list-style-type: none"> • Implement a People Management Framework to strengthen alignment of human resources skills and competencies to meet FCAC's evolving program needs, ensure effective people management and realign efficiencies. • Assess the value chain of key programs to enhance systems and processes to meet the needs of employees, stakeholders and partners, monitor the effectiveness of the FCAC programs and realize efficiencies. • Strengthen key process documentation, including internal controls, using a risk-based approach to ensure continued delivery of FCAC's programs within FCAC's resource levels. • Maximize the utilization of the Enterprise Resource Management System (SAP). • Participate with and adhere to the Government of Canada's common information technology transformation initiatives, such as merging to a central government website (Canada.ca), participating in open-government (data.gc.ca), and adopting Government of Canada-approved EDRMS (GCDOCS) and email transformation initiatives (SSC email hosting). 		

⁸ Type is defined as follows: **previously committed to**—committed to in the first or second fiscal year prior to the subject year of the report; **ongoing**—committed to at least three fiscal years prior to the subject year of the report; and **new**—newly committed to in the reporting year of the Report on Plans and Priorities or Annual Report.

Risk Analysis

Financial literacy can have a potential impact on individual financial decisions which, in aggregate, may affect domestic and global economies. Low levels of financial literacy may contribute to ill-informed financial decisions, which in turn may lead to negative consequences for consumers, such as heavy debt loads.

FCAC operates in a rapidly evolving financial marketplace, which includes increasingly complex financial products and new technologies developed to suit the needs and demands of today's consumers. In some instances, this may present challenges for regulatory regimes to keep pace with this rapid rate of change.

The Government has proposed a Financial Consumer Code to improve the federal financial consumer protection framework. FCAC's role will be to assess FRFEs' compliance with an evolving regulatory framework, and adjust compliance approaches to maximize effectiveness.

The need for increased collaboration and coordination with other financial literacy partners demands strategic and credible alliances. However, this approach also creates a high degree of reliance on external parties. This risk could affect FCAC's reputation and the quality or timeliness of the available resources, and may hinder FCAC's financial literacy objectives.

FCAC must continue to determine the impact of these changes, be prepared to act in due course and remain flexible. The FCAC's response includes staying abreast of new developments and discussions domestically and internationally and making the most of the resulting opportunities, while managing risks to ensure the continued achievement of its mandate.

Key Risks

Risk	Risk Response Strategies	Link to Program Alignment Architecture
<p>Changes to consumer protection framework</p> <p>Context: The Government has proposed a Financial Consumer Code (the Code) to improve the federal financial consumer protection framework. FCAC will need to assess potential impacts on its compliance approach and its structure, resources, systems and processes.</p> <p>Risk Statement: The current consumer protection framework needs to accommodate changes in legislative or regulatory requirements, which in turn may create transitional challenges for the FCAC.</p>	<p>The FCAC will:</p> <ul style="list-style-type: none"> • play a proactive role in implementing changes to the legislative and regulatory framework • undertake the necessary analyses to proactively gauge the nature of potential changes to the supervisory framework and resources (budget, human, etc.), through discussions with stakeholders • ensure that resources are available and used efficiently throughout the transition of the supervisory framework, as necessary. 	<p>Compliance Supervision and Enforcement</p>

Risk	Risk Response Strategies	Link to Program Alignment Architecture
<p>Ability to deliver due to diversity of external influencers</p> <p>Context: In advancing key components of its financial literacy program and the national strategy for financial literacy, the FCAC relies heavily on a diverse network of partners and stakeholders from the public, private and not-for-profit sectors and seeks to develop sound, strategic and credible alliances. Each partner and stakeholder may have its own organizational interests and goals, and these may differ from those of the FCAC.</p> <p>Risk Statement: The FCAC’s ability to achieve its objectives could be impaired if:</p> <ul style="list-style-type: none"> • stakeholders and partners are not engaged toward common goals and mutually accepted accountability frameworks • stakeholders’ and partners’ commitments to the execution of commonly approved action plans and implementation strategies are not secured. 	<p>The FCAC will:</p> <ul style="list-style-type: none"> • develop partnership criteria for program development • continue to work with members of the National Steering Committee on Financial Literacy and have ongoing discussions as part of the Financial Literacy Leader’s outreach plan with key influencers to maintain optimal approaches to achieving goals through collaboration and coordination efforts • continue to establish agreements with existing and new partners, stakeholders and external consultants that outline agreed-upon outcomes, with the aim of clarifying and documenting the processes and results to be achieved for a particular project or activity • continue to meet with key stakeholders and partners in Canada and abroad through participation at international fora • adhere to, and hold others accountable to the terms of reference of the National Steering Committee on Financial Literacy. 	<p>Financial Literacy</p>

Planned Expenditures

Budgetary Financial Resources (Planned Spending—in millions of dollars)

2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending
17.52	17.91	18.31

Human Resources (Full-time equivalents—FTEs)

2015–16	2016–17	2017–18
85	85	85

Budgetary Planning Summary for Strategic Outcome and Programs (in millions of dollars)

Strategic Outcome, Programs and Internal Services	2012–13 Expenditures	2013–14 Expenditures	2014–15 Forecast Spending	2015–16 Planned Spending	2016–17 Planned Spending	2017-18 Planned Spending
Program 1: Compliance Supervision and Enforcement	3.18	2.79	3.15	3.70	3.84	3.96
Program 2: Financial Literacy	6.09	6.06	9.35	9.05	9.22	9.41
Strategic Outcome Subtotal	9.27	8.85	12.50	12.75	13.06	13.37
Internal Services Subtotal	3.99	5.34	5.02	4.77	4.85	4.94
Total	13.26	14.19	17.52	17.52	17.91	18.31

Program 1: Compliance Supervision and Enforcement**2013–14 and 2014–15**

Fluctuations in expenditures over the fiscal years 2013–14 and 2014–15 and previous years relate to timing differences in staffing vacant and new positions. To account for the full cost of the Program, the figures above include a proportion for the personnel support from other divisions, such as Marketing and Communications and Research.

2015–16

Planned expenditures for fiscal year 2015–16 are based on the assumption that all vacant positions will be filled.

2016–17 and 2017–18

See “All Programs” below.

Please note that no specific adjustment was made to the planned spending to account for the impact, if any, a change in the consumer protection framework may have on FCAC’s structure, resources, systems and processes as these impacts are unknown at this time.

Program 2: Financial Literacy

FCAC receives an annual statutory appropriation of \$5 million for the Financial Literacy Program. The remainder of planned spending related to this Program will continue to be recovered annually through

assessment of the financial entities overseen by FCAC in order to fund FCAC’s consumer education mandate. In addition, and to account for the full cost of the Program, the annual figures shown in the budgetary planning summary table include a proportion for personnel support from the other divisions, such as Marketing and Communications and Research.

2013–14

During fiscal year 2013-14, the FCAC was assigned a new mandate to collaborate and coordinate its activities with stakeholders to contribute to and support initiatives to strengthen the financial literacy of Canadians. However, only a limited number of activities were undertaken during the fiscal year due to the timing in recruiting new staff and hiring relevant consultants.

2014–15

Recruitment activities are now complete and projects are being executed as planned under the new mandate, including the implementation of the national strategy for financial literacy. These activities account for the majority of the increase in forecasted spending in 2014-15.

2015–16

A slight decrease in planned spending is expected due to an update of the amounts allocated to this program from other divisions that support the Financial Literacy Program.

2016–17 and 2017–18

See “All programs” below.

Internal Services

2013–14

Internal Services expenditures in 2013–14 are higher than previous and subsequent years due to one-time costs associated with enterprise resource planning (i.e., SAP), including training and set-up fees. Other increases in Internal Services result from continued IT-related activities commenced in 2012–13 for a web content management solution and higher costs with respect to memoranda of understanding for finance and human resource services provided by third parties.

2014–15

A decrease in forecast spending is noted as the costs associated with enterprise resource planning and other one-time project costs incurred in fiscal year 2013–14 are non-recurrent. Other expenses were reduced as per Government directives (e.g., printing reduction).

2015–16

A slight decrease in planned spending is expected as the FCAC continues to benefit from the efficiencies gained from its Web Content Management Solution and ongoing considerations to reduce administrative costs in line with Government directives.

All Programs

2016–17 and 2017–18

A modest increase of about 2% per year is planned in order to increase promotional efforts with respect to FCAC’s programs. In addition, this will allow FCAC to better manage increases in inflation, specifically those related to third party services such as finance, human resources, and other professional services.

Alignment of Spending with the Whole-of-Government Framework

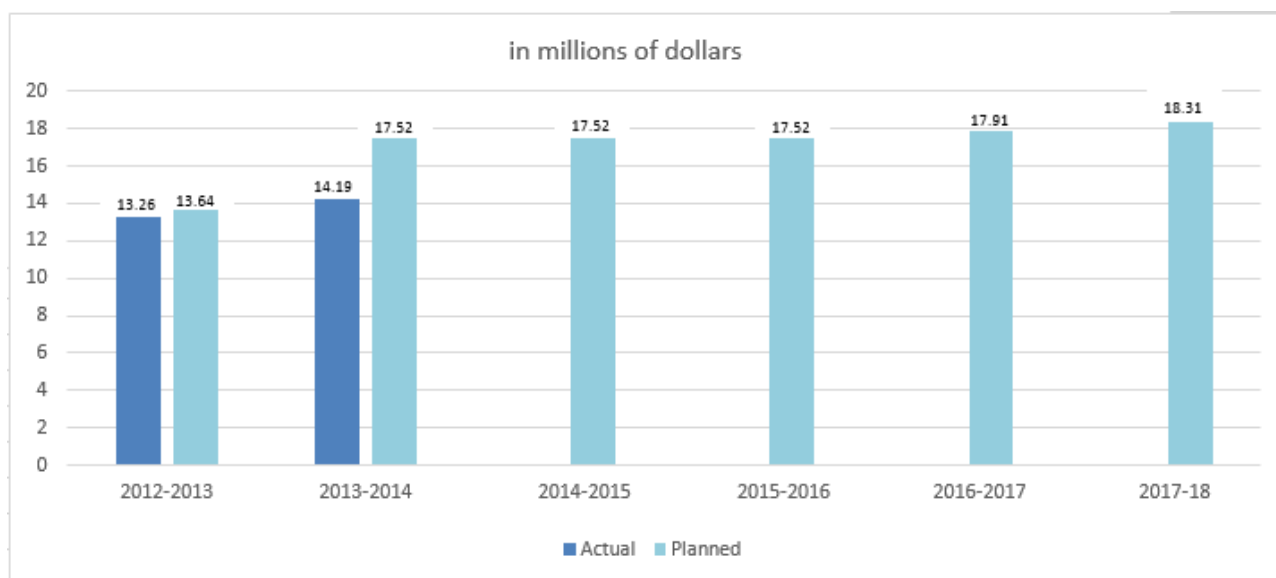
Alignment of 2015–16 Planned Spending with the Whole-of-Government Framework (in millions of dollars)

Strategic Outcome	Program	Spending Area	Government of Canada Outcome	2015–16 Planned Spending
The rights of financial consumers are protected and the financial literacy of Canadians is strengthened	1. Compliance Supervision and Enforcement	Economic Affairs	A fair and secure marketplace	3.70
The rights of financial consumers are protected and the financial literacy of Canadians is strengthened	2. Financial Literacy	Economic Affairs	A fair and secure marketplace	9.05
The rights of financial consumers are protected and the financial literacy of Canadians is strengthened	Internal Services	Economic Affairs	A fair and secure marketplace	4.77

Total Planned Spending by Spending Area (in millions of dollars)

Spending Area	Total Planned Spending
Economic Affairs	17.52
Social Affairs	-
International Affairs	-
Government Affairs	-

FCAC Spending Trend



2013–14

Increases in fiscal year 2013–14 over the previous fiscal year relate to higher human resource costs and investments made in the FCAC’s technology infrastructure and applications. Notwithstanding, FCAC managed to reduce other discretionary spending to reduce some of the increases.

Beginning in fiscal year 2013–14, the FCAC was provided with a new mandate to collaborate and coordinate its activities with stakeholders to contribute to and support initiatives to strengthen the financial literacy of Canadians.

However, due to the timing of recruiting new staff and hiring relevant consultants to undertake the project-based activities, only a limited number of activities were undertaken in 2013-14.

2014–15 and 2015–16

Expenses have been reduced to hold the total planned spending for 2014–15 and 2015–16 at the 2013–14 level.

2016–17 and 2017–18

A modest increase of about 2% per year is planned in order to increase promotional efforts with respect to FCAC’s programs. In addition, this will allow FCAC to better manage increases in inflation, specifically those related to third party services such as finance, human resources, and other professional services.

Section II: Analysis of Programs by Strategic Outcome

Strategic Outcome

The rights of financial consumers are protected and the financial literacy of Canadians is strengthened
Performance Measurement

Performance Indicators	Targets/Deliverables	Date to be Achieved
<ol style="list-style-type: none"> 1. Compliance by FRFES with the relevant legislation and regulations, as well as with their obligations under their voluntary codes of conduct and public commitments to their customers 	Aggregate conclusions demonstrate that FRFES are in compliance with the consumer provisions and their voluntary codes of conduct and public commitments	Reported annually
<ol style="list-style-type: none"> 2. Improved consumer financial literacy as per key indicators from the 2014 CFCS 	Improvement in consumer behaviour as per key indicators from the 2014 CFCS	Targets will be established once the national strategy for financial literacy and the action plan for its implementation are finalized in collaboration with stakeholders

A strategic outcome is a long-term and enduring benefit to Canadians. It may take several years, or even decades, to see a significant increase in these performance indicators.

Program 1: Compliance Supervision and Enforcement

Description

The compliance supervision and enforcement program seeks to ensure compliance by FRFEs with the federal consumer provisions applicable to them. The program also seeks to promote FRFEs' adherence to the various codes of conduct and public commitments put in place by the industry to further protect customers.

Budgetary Financial Resources (dollars)

2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending
3.70	3.84	3.96

Human Resources (FTEs)

2015–16	2016–17	2017–18
25.2	25.2	25.2

Performance Measurement

Expected Results	Performance Indicators	Targets/Deliverables	Date to be Achieved
FRFEs comply with requirements set out in the legislation, regulations, their voluntary codes of conduct and public commitments	Potential areas of FRFE non-compliance are identified, investigated and resolved promptly through the effective use of compliance tools	Formal and/or informal compliance tools (as set out in the Compliance Framework ⁹) are applied to all identified compliance issues	Ongoing/ reported annually
		Corrective actions undertaken by FRFEs in relation to compliance actions are all reviewed by FCAC within 90 days of receipt of the FRFE report	Ongoing/ reported annually
		Investigations of potential non-compliance with the consumer provisions are all completed within the legislated two-year time frame	Ongoing/ reported annually

⁹ <http://www.fcac-acfc.gc.ca/Eng/resources/complianceFramework/Pages/home-accueil.aspx>

Expected Results	Performance Indicators	Targets/Deliverables	Date to be Achieved
FCAC is proactive and transparent in monitoring activities within the federal financial services industry	Industry stakeholders are aware of the nature, reason and outcome of FCAC monitoring activities	<p>The nature of supervisory activities, the process followed to carry them out and the outcomes of the activities are communicated to industry and other stakeholders as per established time frames (Target: time frames met 85% of the time)</p> <p>The creation of forward-looking plans and priorities to promote transparent and proactive supervision with all FRFEs each fiscal year are communicated</p>	<p>Ongoing/ reported annually</p> <p>Ongoing/ reported annually</p>
FRFEs implement all relevant consumer protection requirements to the benefit of financial consumers in Canada	FRFEs are aware of their consumer protection obligations	<p>FRFEs are informed of existing, amended or new requirements that they must meet through direct communication and/or via FCAC's website as per internal service standards</p> <p>Outreach activities are conducted, including annual training sessions, conferences and one-on-one meetings with FRFEs</p>	<p>Ongoing/ reported annually</p> <p>Ongoing/ reported annually</p>

Planning Highlights

- Continue to strengthen and formalize FCAC's consultative approach to guidance development and communication to the industry and other stakeholders.
- Monitor progress of the proposed Financial Consumer Code to assess potential impact(s) to expected program results.
- Undertake activities to solicit feedback on FCAC's supervisory approach from FRFEs (i.e., stakeholder surveys, meetings).
- Continue to implement the Commissioner's outreach plan (e.g., field hearings and meetings with FRFE executives and boards, consumer groups, industry associations and other partners and stakeholders).
- Continue to improve public communication of key supervisory activities and key enforcement actions to demonstrate FCAC's positive impact on the financial services marketplace for consumers.
- Research findings related to trends and emerging issues that may have an impact on financial consumers, and ensure they are communicated and made accessible, as appropriate.

Program 2: Financial Literacy

Description

This program seeks to enhance consumer knowledge of their responsibilities and FRFEs' obligations, and enhance the financial knowledge, skills and confidence of Canadians.

Budgetary Financial Resources (dollars)

2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending
9.05	9.22	9.41

Human Resources (FTEs)

2015–16	2016–17	2017–18
41.4	41.4	41.4

Performance Measurement

Expected Results	Performance Indicators	Targets/Deliverables	Date to be Achieved
Canadians are aware of their responsibilities and FRFEs' obligations with respect to the federally regulated financial sector	Percentage of Canadians aware of their responsibilities and FRFEs' obligations related to financial matters	Canadians' awareness of their responsibilities and FRFEs' obligations increases	2016–17
FCAC consumer information is useful, easy to understand and presented in clear language	Consumer level of satisfaction related to the usefulness and ease of understanding of FCAC's information (online feedback)	Average satisfaction of 3.5 out of 5	Ongoing/ reported annually
Awareness and use of FCAC's website	Number of consumers using FCAC's online information	Web visits increase by 5% year over year	Ongoing/ reported annually
	Use of the Canadian Financial Literacy Database by consumers and organizations	Web visits to the Canadian Financial Literacy Database increase by 5% year over year	Ongoing/ reported annually
		Average satisfaction of 3.5 out of 5 related to the Canadian Financial Literacy Database	Ongoing/ reported annually

Expected Results	Performance Indicators	Targets/Deliverables	Date to be Achieved
Coordination and collaboration with stakeholders are increased	<p>The national strategy for financial literacy is launched and an action plan is implemented with stakeholders</p> <p>Canadian Financial Literacy Database is developed and resource database is populated and promoted</p>	<p>The national strategy for financial literacy, including the seniors' strategy, is implemented, monitored and reported</p> <p>Resources and events in the Canadian Financial Literacy Database increase by 5% year over year</p>	<p>As per the timelines set out in the action plan</p> <p>Ongoing/ reported annually</p>
The level of financial literacy of Canadians is measured and reported	<p>Canadian financial literacy is measured every five years</p> <p>A standard evaluation framework and toolkit are developed</p> <p>Results of the financial literacy assessment portion of the 2015 Programme for International Student Assessment (PISA) are analyzed</p>	<p>2014 CFCS overall results are analyzed and the results reported</p> <p>Evaluation tool kit, based on the evaluation framework, is available</p> <p>Results are disseminated and a benchmark is established</p>	<p>September 30, 2015</p> <p>By March 31, 2017</p> <p>By March 31, 2018</p>

Planning Highlights

- Implement marketing and communication plans to raise consumers' awareness of their responsibilities and FRFEs' obligations.
- Promote new and existing resources (including the Canadian Financial Literacy Database).
- Implement the national strategy for financial literacy and undertake stakeholder consultations on the proposed implementation plan.
- Lead the National Steering Committee on Financial Literacy.
- Implement the seniors' strategy by:
 - engaging more Canadians in preparing financially for their future years as seniors (timelines to be determined during 2015–16)
 - helping current seniors plan and manage their financial affairs
 - improving understanding of and access to public benefits for seniors
 - increasing tools to combat the financial abuse of seniors.
- Continue to work with provinces and territories to ensure that financial literacy is part of their respective educational curricula.

- In collaboration with key stakeholders, continue to raise awareness of the various financial literacy initiatives that are underway in Canada.
- Coordinate Financial Literacy Month and collaborate with stakeholders in promoting November as Financial Literacy Month and in holding the National Conference on Financial Literacy every two years.
- Research findings related to trends and emerging issues that may impact financial consumers, and ensure they are communicated and made accessible, as appropriate.
- Develop and implement a strategy to promote consumers' awareness of their responsibilities and FRFEs' obligations.
- Continue to implement the Commissioner's outreach plan (e.g., field hearings and meetings with FRFE executives and boards, consumer groups, industry associations and other partners and stakeholders).
- Continue to implement the Financial Literacy Leader's outreach plan (e.g., meetings with ministries of education and other partners and stakeholders).
- Field a survey on Canadians' awareness of their responsibilities and FRFEs' obligations and compile the results.

Internal Services

Internal Services are groups of related activities and resources that are administered to support the needs of programs and the other corporate obligations of an organization. Internal services include only those activities and resources that apply across the organization, and not those provided to a specific program. The groups of activities are human resources management services; financial management services; information management services; information technology services; real property services; materiel services; and acquisition services. Management and oversight services (i.e., Commissioner, Deputy Commissioner), communications services, and legal services are groups of expenses that are not included or fully included in Internal Services, but rather form part of Program 1: Compliance Supervision and Enforcement and Program 2: Financial Literacy, as only a very small or no proportion of their activities and resources apply directly to the Internal Services functions. These expenses are allocated to the FCAC's programs based on an estimated proportion of their specific contribution to each program. This approach is consistent with previous years.

Budgetary Financial Resources (dollars)

2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending
4.77	4.85	4.94

Human Resources (FTEs)

2015–16	2016–17	2017–18
18.4	18.4	18.4

Planning Highlights

- Harmonize FCAC and inter-departmental processes to reduce duplication.
- Update or modify systems and implement new ones, as appropriate, to meet the needs of employees, stakeholders and partners and to monitor the effectiveness and efficiency of programs.
- In partnership with FCAC's human resources service provider, convert the current human resource system to PeopleSoft to provide better metrics and reporting on people management risks and to continue to offer self-service functionalities to employees.
- Continue the information technology review and implementation plan to renew systems and applications enabling case and correspondence management, business intelligence, document and records management and FRFE data collection and management.
- Continue the development of collaboration tools and processes to improve internal communication and information sharing.
- Implement a total compensation framework to ensure FCAC continues to recruit and retain a skilled workforce.

Section III: Supplementary Information

Future-Oriented Statement of Operations

The future-oriented condensed statement of operations provides a general overview of the FCAC's operations. The forecast financial information on expenses and revenues is prepared on an accrual accounting basis to strengthen accountability and improve transparency and financial management.

Note: Please refer to the future-oriented statement of operations and associated notes for more details.

Future-Oriented Condensed Statement of Operations

For the Year Ended March 31 (in millions of dollars)

Financial Information	Estimated Results 2014–15	Planned Results 2015–16	Change
Total expenses	17.52	17.52	0
Total revenues	17.52	17.52	0
Net cost of operations	0	0	0

Sustainable Development Strategy

Although FCAC is not subject to the Federal Sustainable Development Strategy, it opts to voluntarily participate toward two of the targets set out under Theme IV: Shrinking the Environmental Footprint – Beginning with Government.

Overview of the Federal Government's Approach to Sustainable Development	
<p>The Federal Sustainable Development Strategy (FSDS) 2013–16 guides the Government of Canada's sustainable development activities, as required by the <i>Federal Sustainable Development Act</i>. In keeping with the objectives of the Act to make environmental decision making more transparent and accountable to Parliament, the FCAC supports the implementation of the FSDS through the activities in this supplementary information table.</p> <p>This Departmental Sustainable Development Strategy presents the planned contributions and expected results for Theme IV - Shrinking the Environmental Footprint – Beginning with Government.]</p>	
Theme IV: Targets and Implementation Strategies	
Departmental Green Procurement Target: Green Procurement	
As of April 1, 2014, the Government of Canada will continue to take action to embed environmental considerations into public procurement, in accordance with the federal Policy on Green Procurement.	
Performance Indicator	Targeted Performance Level
Number and percentage of specialists in procurement and materiel management will complete the Canada School of Public Service Green Procurement course, or equivalent, in the given fiscal year	100%
Number and percentage of managers and functional heads of procurement and materiel whose performance evaluation includes support and contribution towards green procurement, in the given fiscal year	100%
Implementation Strategy Element or Best Practice	Targeted Performance Level
7.3.1.2. Integrate environmental considerations into corporate policies, processes and practices in accordance with the FCAC's refresh cycles	Seeking to reach "Achieved" 100% by 2017–18
Review contract documents to ensure they include a clause addressing environmental considerations in the performance of the work required	Seeking to continue to reach "Achieved"

Use green consolidated procurement instruments for goods and services of commercial publication, flat prints, office furniture, general-purpose automated data-processing equipment (including firmware), software, supplies and support equipment	100% Seeking to continue to reach “Achieved”
Best Practice 7.2.4. Increase awareness of the <i>Policy on Green Procurement</i> among managers	Seeking to reach “Achieved”
Target 7.3: Sustainable Workplace Operations	
As of April 1, 2015, the Government of Canada will update and adopt policies and practices to improve the sustainability of its workplace operations	
Expected Result	
Departmental workplace operations have a reduced environmental impact	
Implementation Strategy Element or Best Practice	Targeted Performance Level
7.3.1.1. Engage employees in greening government operations practices	Seeking to reach “Achieved”
7.3.1.3. Maintain existing approaches to sustainable workplace practices (i.e., printer ratios, paper usage and green meetings)	Print ratio 8:1 or better
7.3.1.7. Reuse or recycle workplace material and assets in an environmentally sound and secure manner	100% Seeking to continue to “Achieved”

Horizontal Initiatives

A horizontal initiative is one in which two or more federal organizations, through an approved funding agreement, work towards achieving clearly defined shared outcomes, and which has been designed (e.g., by Cabinet, a central agency) as a horizontal initiative for managing and reporting purposes. FCAC does not have horizontal initiatives at this time since no formal funding agreements exist.

Upcoming Internal Audits and Evaluations Over the Next Three Years

A. Internal audits

Title of Internal Audit	Internal Audit Type	Status	Expected Completion Date
Core Control Audit (Policy on Internal Control) – undertaken by the Office of the Comptroller General	Core controls and compliance	Planned	March 31, 2017

B. Evaluations

No evaluations have been identified for the time frame 2015–16 to 2017–18.

Tax Expenditures and Evaluations

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance publishes cost estimates and projections for these measures annually in [Tax Expenditures and Evaluations](#).ⁱ The tax measures presented in *Tax Expenditures and Evaluations* are the sole responsibility of the Minister of Finance.

Section IV: Organizational Contact Information

Corporate Services Branch

Martin Pachéco
Director, Corporate Services
Telephone: 613-941-4239
martin.pacheco@fcac-acfc.gc.ca

Claudine Rubenstein
Corporate Planning, Financial and Risk Management Officer
Telephone: 613-960-4634
claudine.rubenstein@fcac-acfc.gc.ca

Appendix: Definitions

appropriation: Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

CFCS: Canadian Financial Capability Survey

FRFE: Federally Regulated Financial Entities

full-time equivalent: Is a measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

Government of Canada outcomes: A set of 16 high-level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.

Management, Resources and Results Structure: A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

performance: What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve and how well lessons learned have been identified.

performance indicator: A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

performance reporting: The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

plans: The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

priorities: Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

program: A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

Program Alignment Architecture: A structured inventory of an organization’s programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

Report on Plans and Priorities: Provides information on the plans and expected performance of appropriated organizations over a three-year period. These reports are tabled in Parliament each spring.

results: An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization’s influence.

Strategic Outcome: A long-term and enduring benefit to Canadians that is linked to the organization’s mandate, vision and core functions.

target: A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

whole-of-government framework: Maps the financial contributions of federal organizations receiving appropriations by aligning their Programs to a set of 16 government-wide, high-level outcome areas, grouped under four spending areas.

Endnotes

- i. Government of Canada Tax Expenditures: <http://www.fin.gc.ca/purl/taxexp-eng.asp>