



Canada Customs and Revenue Agency

Performance Report

For the period ending
March 31, 2000

Canada

Improved Reporting to Parliament Pilot Document

The Estimates of the Government of Canada are structured in several parts. Beginning with an overview of total government spending in Part I, the documents become increasingly more specific. Part II outlines spending according to departments, agencies and programs and contains the proposed wording of the conditions governing spending which Parliament will be asked to approve.

The *Report on Plans and Priorities* provides additional detail on each department and its programs primarily in terms of more strategically oriented planning and results information with a focus on outcomes.

The *Departmental Performance Report* provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the spring *Report on Plans and Priorities*.

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Foreword

On April 24, 1997, the House of Commons passed a motion dividing on a pilot basis the *Part III of the Estimates* document for each department or agency into two separate documents: a *Report on Plans and Priorities* tabled in the spring and a *Departmental Performance Report* tabled in the fall.

This initiative is intended to fulfil the government's commitments to improve the expenditure management information provided to Parliament. This involves sharpening the focus on results, increasing the transparency of information and modernizing its preparation.

The Fall Performance Package is comprised of 83 Departmental Performance Reports and the President's annual report, *Managing for Results 2000*.

This *Departmental Performance Report*, covering the period ending March 31, 2000 provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the department's *Report on Plans and Priorities* for 1999-00 tabled in Parliament in the spring of 1999.

Results-based management emphasizes specifying expected program results, developing meaningful indicators to demonstrate performance, perfecting the capacity to generate information and reporting on achievements in a balanced manner. Accounting and managing for results involve sustained work across government.

The government continues to refine its management systems and performance framework. The refinement comes from acquired experience as users make their information needs more precisely known. The performance reports and their use will continue to be monitored to make sure that they respond to Parliament's ongoing and evolving needs.

This report is accessible electronically from the Treasury Board Secretariat Internet site: <http://www.tbs-sct.gc.ca/rma/dpr/dpre.asp>

Comments or questions can be directed to the TBS Internet site or to:

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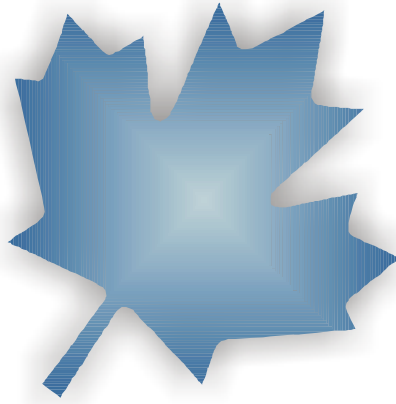
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For the period ending
March 31, 2000

The Honourable Martin Cauchon
Minister of National Revenue

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Section I – Message

Message from the Minister

The past year has been a momentous one for the Canada Customs and Revenue Agency (CCRA). On November 1, 1999, the Department of National Revenue became the CCRA, marking a significant step forward by the Government of Canada in realizing one of its most important commitments, namely to continue to improve our services to Canadians.

The CCRA has greater flexibility to provide Canadians with improved programs and services, and a greater capacity to provide revenue administration services to provinces and territories. It also benefits from the guidance and client-centred perspective of its Board of Management. In moving to agency status, the CCRA has used its new flexibility to improve service to Canadians, while remaining strongly committed to the values and principles of public service.

Our strong economy, increased trade volumes, and the widespread use of technology in our daily lives represent both opportunities and challenges to achieving our core mandate of fair and efficient tax and customs administration. I am particularly pleased that in this year of transition, the CCRA has maintained its program performance in core operations—collecting \$275 billion in revenues, serving 110 million travellers and processing 11 million commercial releases at the border—while improving service to Canadians in areas such as client service and accessibility. Through the dedicated efforts of all CCRA employees across Canada, we made a smooth transition to agency status and achieved program and service results we can be justly proud of.

The CCRA, in collecting tax revenues, distributing social benefits, and in managing Canada's borders, is accountable to Parliament, to provinces and territories on whose behalf we deliver programs, and to Canadians at large. We demonstrate our accountability for this broad mandate through clear, open reporting on the delivery of our programs and services.

I am pleased to table the CCRA 1999-2000 *Performance Report* to Parliament to highlight our enhanced capacity to continue to improve our services to Canadians, and to reaffirm our commitment to provide Canadians with the best possible service and to account to them for the results we achieve.

Minister of National Revenue

Executive Summary

The mandate of the Canada Customs and Revenue Agency (CCRA) is to collect revenues, administer tax laws, provide customs services, and deliver various social benefits and economic programs to Canadians. In doing so, we contribute to the economic and social well-being of Canadians and support government-wide priorities, such as fostering a dynamic economy, alleviating child poverty, creating stronger communities, and strengthening Canada's place in the world.

This report reviews the CCRA's performance against the strategic goals and key commitments made in the *Report on Plans and Priorities* 1999-2000. The theme of this year's report is **Promoting Compliance through Quality Service and Responsible Enforcement**. During 1999-2000, we expanded our service options, our tax and customs operations handled significant increases in volumes, we re-emphasized the importance of "fairness" in everything that we do, and we introduced measures to address increasingly complex compliance challenges. The CCRA also contributed \$275 billion to the Consolidated Revenue Fund in 1999-2000, up 12.24% from \$245 billion in 1997-1998.

It is, however, becoming increasingly difficult to maintain this record of service improvement and deal with ever-increasing volumes and a complex and growing compliance challenge. While we have absorbed some of this growth through increased productivity, additional resources will be required if service and compliance efforts are not to be compromised. The following table provides an overview of CCRA's key volumetrics.

	1997-98	1998-99	1999-00	% Increase from 1997-98 to 1999-00
Total Revenues Collected (\$000)	245,000,000	256,000,000	275,000,000	12.24%
Tax Returns - Individuals & Trusts	21,951	22,539	23,708	8.00%
- Corporations	1,140	1,201	1,215	6.58%
(000s)				
Travellers	109,448	104,698	110,269	0.75%
(000s)				
Commercial Releases	9,559	10,113	10,751	12.47%
(000s)				
Public Enquiries	27,207	28,823	29,348	7.87%
(000s)				
Revenue Collections Intake	7,061,566	8,407,336	9,345,582	32.34%
(\$000s)				
Total Fiscal Impact	4,955,000	5,516,900	6,779,100	36.81%
(\$000s)				

Performance Highlights

Service quality: As a result of the sustained teamwork of our employees over the last few years and the use of a redesigned 1-800 telephone enquiries system, the responsiveness of enquiry services during the 2000 tax filing season improved significantly—90% of general enquiries were answered on the first attempt, compared to 26% in 1997. For business inquiries, 93% were answered on the first attempt, compared to 23% in 1997. During the 1999 filing season, the CCRA invited 3.8 million Canadians to participate in the new NETFILE service. We expected 10% of them would participate; nearly 12% or 443,000 did. NETFILE users surveyed were very satisfied with the service and all said they would use it again. NETFILE will be available to all Canadians for the 2000 tax year.

Tax and customs processing: By mid-June, the CCRA had assessed 98% of individual returns filed on time by 23.3 million Canadians, in time to process new benefits amounts for July; this matched last year's performance. The new system for processing corporate income tax returns has overcome its development hurdles and will be running by late 2000. We also served approximately 110 million travellers and processed 11 million commercial releases at Canada's borders.

Responsible enforcement: Tax compliance programs generated a total fiscal impact of \$6.8 billion, compared to a forecast \$5.6 billion, largely attributable to large business audit programs and the non-resident withholding program. In 1999-2000, Customs Services seized \$625 million worth of contraband goods (two multi-tonne seizures accounted for \$250 million), compared to \$318 million last year.

Fair administration: As a result of the CCRA's 7-point Fairness Initiative launched early in 1999, voluntary disclosures rose to 2,019 in 1999-2000 from 1,633 in 1998-1999, up 24%. We need, however, to complete the dispute resolution elements of this initiative.

Skilled and knowledgeable employees: The CCRA's legislation has allowed us to reform our human resources system so that we can attract and retain people with the skills and experience we need. In 1999-2000, we put our new human resource regime in place and developed human resources policies in key areas, which our Board of Management then approved.

Effective management processes: The CCRA was launched without interrupting service to Canadians. In the first five months of our operation, our Board of Management and its committees have exercised their key oversight role in developing the CCRA's first corporate business plan and approving a wide range of administrative policies. We need to follow through on the transition to agency status, however, by seeking innovative ways of integrating tax services, expanding our partnerships with the provinces and territories, and maintaining a client-focused drive towards excellence. These efforts should result in further affordable service improvements and benefits.

Section II of this report describes our accomplishments in more detail. We know we can still enhance our results in many areas—some will require a multi-year effort—and in some cases, we will need to invest additional resources. Building on our 1999-2000 performance, we will address these ongoing and future challenges in the next *Corporate Business Plan* and report on them in subsequent annual reports.

Section II – Agency Overview and Performance

This section provides information on the CCRA, our mandate, our operating environment, our challenges, and the results we have achieved against our strategic goals and the key results commitments we made in the 1999-2000 *Report on Plans and Priorities*.

About the Canada Customs and Revenue Agency

The CCRA's mandate is to collect revenues, administer tax laws, provide customs services, and deliver a number of social and economic programs to Canadians. We are accountable to the Minister of National Revenue and Parliament, and our employees are members of the Public Service of Canada.

Under our new legislation and agency status, the CCRA now has tailored legislative and administrative authorities that allow us to fulfill our mandate more effectively and efficiently, balanced with an enhanced accountability to Parliament and a new Board of Management.¹ The Board of Management is responsible for the development of the CCRA corporate business plan, and oversees the management of resources, services, property, personnel, and contracts. Board members bring Canadians' priorities and concerns directly to the CCRA, providing new insight and ideas that will help us improve our services to Canadians and enhance compliance.

The *Canada Customs and Revenue Agency Act* gives us greater scope to develop partnership arrangements with the provinces and territories, including service management frameworks with tailored accountabilities. The goal is to reduce overlap and duplication in tax and benefit administration, which will both lower administrative costs and provide more integrated service to Canadians.

Consistent with the government's commitment to improving the delivery of its services to Canadians, the CCRA places particular emphasis on making it easier for Canadians to comply with Canada's tax and customs legislation. In fact, the CCRA's mission is *"to promote compliance with Canada's tax, trade, and border legislation and regulations through education, quality service, and responsible enforcement, thereby contributing to the economic and social well-being of Canadians."*

¹ For more information, see the CCRA organizational chart on page 45.

The CCRA is the government's primary revenue collection organization. It collected \$275 billion in gross revenues in 1999-2000, an increase of 7.4% from \$256 billion in 1998-1999. The CCRA collects about 95% of all federal government revenues.

The Compliance Challenge

Our Canadian way of life is the envy of much of the world and a source of pride. It is also a reminder that everyone's full co-operation and compliance with the tax and customs system is essential to maintain our social and economic programs. Canadian taxpayers need to feel confident that everyone is paying his or her fair share. All of our contributions—large and small, individual and collective—are vital to ensuring that our tax and customs system remains as fair and equitable as possible and that Canadians continue to receive the high quality, affordable programs and services they expect. The CCRA's overall approach to compliance is based on self-assessment and voluntary compliance. It also recognizes that enforcement actions must be taken when certain individuals do not observe the law.

Canada, like many other countries, must respond to many challenges to compliance with its tax and customs system. These include the following.

- i) **A growing economy:** The sheer volume and diversity of economic activity from our growing economy challenges our capacity to comprehensively identify and address areas of potential non-compliance. Despite continued advances in compliance research and risk management techniques, many types of complex international transactions and elaborate domestic tax avoidance schemes challenge our capacity to respond, particularly with our current resources.

The growing role of electronic commerce creates significant potential for the transfer of wealth and intellectual property across international borders. While international co-operation is essential to address this global issue, it is difficult to expand our international tax agreements and gain co-operation with foreign jurisdictions, given the number of players and the variations of interest. The CCRA constantly strives to strengthen its compliance programs, through techniques ranging from facilitation to enforcement, while simultaneously enhancing client communication, quality services, and fairness.

ii) Resource constraints: Years of budget reductions coupled with ongoing increases in workload have placed a strain on our compliance efforts in several areas:

- customs commercial examinations rates are roughly half of targeted levels;
- accounts receivable inventories are growing; and
- audit rates have been declining since the mid 80's.

iii) Perceived complexity of tax administration: Government strives to ensure that Canada's tax system responds to social and economic conditions. This ongoing effort to improve the fairness and balance of the tax system to support Canada's social and economic agenda can sometimes make the system more complex for the taxpayer. To respond to this challenge, the CCRA has an extensive client communication and quality service program to help Canadians understand and meet their compliance obligations. At the same time, CCRA employees are staying at the leading edge of tax interpretation to administer the system efficiently and to better respond to stakeholders and interest groups, such as income tax and commodity tax specialists.

iv) Increased customs activities: The CCRA must make it as efficient as possible for millions of legitimate travellers and tourists to pass smoothly across our borders, and for legal immigrants to enter Canada. It must also handle commercial entries, whose volume has grown significantly since free trade agreements were introduced. For example, the Ambassador Bridge in Southern Ontario has seen a 68% increase in commercial volumes since 1994. Such increases are straining the CCRA's capacity to process entries quickly. Not only must the CCRA make legitimate cross-border travel and commerce easier, it must simultaneously protect Canadian society and business from unlawful or prohibited goods. For example, "human smuggling" (individuals being illegally smuggled into or through Canada) is an issue that requires domestic and international co-operation if it is to be properly addressed. Along with Citizenship and Immigration Canada, the Canadian Coast Guard, and other agencies, the CCRA is responding to these situations fairly and humanely.

Collecting all tax revenues and making sure they are available to support the social and economic programs that Canadians expect; enforcing the rules of international commerce; fostering tourism while preventing smuggling and contraband; and serving recipients of Canada's social benefits promptly and accurately—the CCRA does all of this and more.

Promoting Compliance through Quality Service and Responsible Enforcement – The CCRA's Accomplishments in 1999-2000

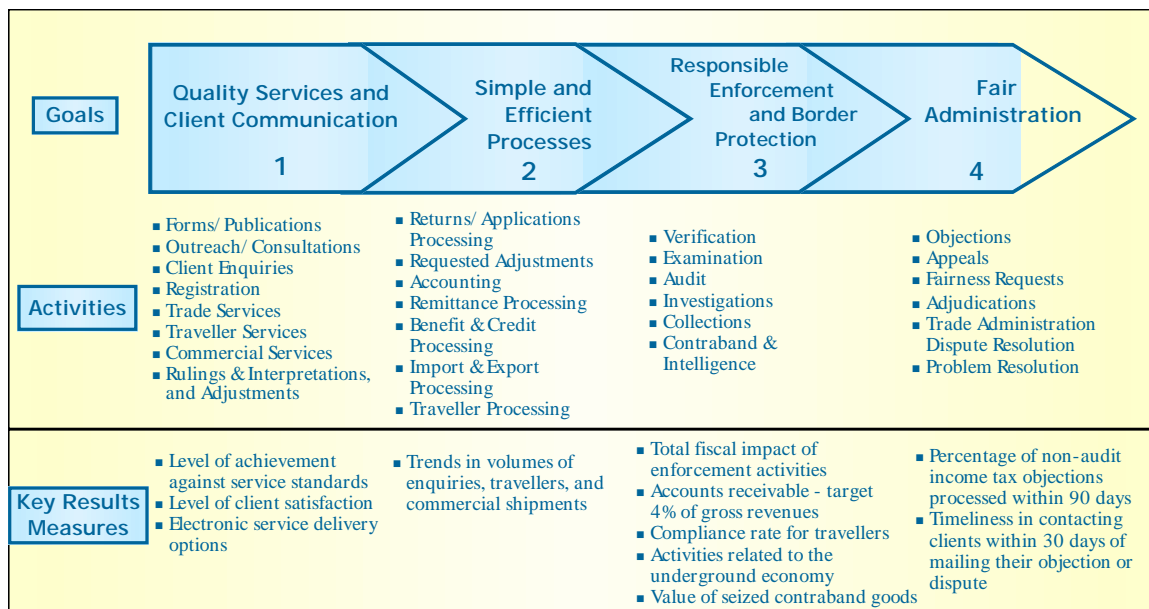
The following section outlines the CCRA's performance in 1999-2000, supported by tables with analyses in Section V. Our previous performance reports have reviewed results by business line against a Chart of Key Results Commitments.² We are revising our Planning, Reporting and Accountability Structure, business lines, and performance measures to make them more relevant to Canadians and to better align them with our agency mandate and status, business operations, and new Performance Measurement Framework.³

In this report, we describe our 1999-2000 performance against our six strategic goals—four business and two enabling—as set out in the 1999-2000 *Report on Plans and Priorities* (RPP). The business goals focus on the way we design and carry out programs to achieve our broad mandate, while the enabling goals focus on ensuring that our employees have the skills and knowledge they need to better serve Canadians, and that the CCRA's management processes help them do so.

The following diagram shows our business goals, as well as the corresponding supporting activities and key results measures. It also serves as a cross-walk between this year's approach and the Chart of Key Results Commitments in the 1999-2000 RPP. Performance information on each measure is presented under each goal. For ease of identification, the specific performance measure is underlined.

² The Chart of Key Results Commitments is on page 32.

³ For further information on this framework, see page 29.



The sequence in which we present our performance results represents the flow of the CCRA's business—from providing information to help Canadians understand and comply with the tax and customs system and encouraging feedback on the quality of our services (**quality services and client communication**), to using **simple and efficient processes** to handle tax returns, travellers and goods, ensuring **responsible enforcement** of our tax laws and protecting Canadians (**border protection**), and providing a redress component to make sure that the tax and customs system is fair and equitable (**fair administration**). This report discusses program performance under each strategic goal; however, these results can and do contribute to more than one goal simultaneously.

The Business Goals

Strategic Goal 1

Through **quality services and client communication**, we aim to provide Canadians with accessible, responsive, and reliable programs and services, supported by clear and informative communications, at an affordable cost.

The CCRA's commitment to **quality services** is driven by the conviction that we can best promote compliance through a positive relationship with clients. Whether you are a taxpayer in need of general information, a benefits recipient with a question on a particular program, a small or large business applying for an interpretation or ruling, an importer or an exporter seeking information on the movement of goods, or a traveller crossing the border, we aim to make your dealings with the CCRA quicker and more convenient. We are also committed to reducing red tape, speeding up decision-making, making it easier for clients to access our services, and expanding our service options to keep pace with technological change and client expectations. By **communicating** the right information in a timely and accurate manner, we help people better understand both their obligations and their entitlements.

1999-2000 Performance

This past year, the CCRA made progress toward achieving the goal of quality service and client communication on a number of fronts. Our progress is measured by our level of achievement against our service standards; our efforts to improve client satisfaction through education, outreach, communication, and consultation; and the provision of innovative service options, primarily through electronic service delivery.

Service standards – Our clients need to know what to expect in their dealings with the CCRA, how we are doing in meeting those expectations, and what we will do when improvements are needed. In response to the government's commitment and Canadians' demands for citizen-focused services, the CCRA has published some 30 service standards and is developing 16 more. We report results against key service standards throughout Section II, and provide a summary chart in Section V. While some results are preliminary, they generally show that we are meeting or exceeding our standards. Still others show that we need to do further development or monitoring work. This level of service, however, can not be maintained in the future without additional resources to cope with workload increases and chronic underfunding.

Communicating with clients – The CCRA annually publishes a document entitled *Our Programs and Services*. This compendium offers a brief explanation of all of the CCRA's services and activities along with their information sources. The CCRA also publishes a wide variety of information circulars and forms covering all aspects of its activities, including "user friendly" guides, bulletins, brochures, forms, pamphlets, news releases, and client newsletters. These are available in hard copy and, in most instances, on the CCRA Web site at www.ccra-adrc.gc.ca.

In 1999-2000, employees of the Burnaby-Fraser Tax Services Office visited 327 businesses, providing information, answering questions, following up on issues, and addressing areas of non-compliance. Most business people reacted positively and said they appreciated getting information specific to their situations.

Outreach programs – The CCRA has a number of outreach programs that range from participating in conferences and trade shows to conducting tax clinics for new immigrants. In 1999-2000, we held 680 small business information seminars, reaching 11,780 participants. Our community visits combine service, education,

and compliance checks, while our school program supplies free *Teaching Taxes* kits to about 2,000 teachers and 75,000 students. During the 2000 filing season, approximately 15,000 volunteers helped 414,000 Canadians with their income tax returns. All of these activities were designed to increase Canadians' knowledge and understanding of their obligations and entitlements.

Consultations – We regularly consult with clients and invite their comments on our services. Our understanding of the particular interests and views of our many client groups is enhanced by the contributions of more than 100 key interest groups and some 25 advisory committees—many with regional sub-committees—comprising Canadians from all walks of life. We use this client feedback to continually improve our services. For example, the Seniors Advisory Committee was created in 1991 to consult with representatives of Canada's senior community on an annual basis to ensure that the CCRA addresses the specific needs of seniors. In 1999, members were consulted on a variety of issues regarding the T1S-A, which is a simplified tax return for seniors with pension and investment income only. The 2000 version of the T1S-A will reflect the Committee's input on its format and ease of use.

A good example of consultation in action is the *Customs Action Plan*, which our Minister launched on April 7, 2000. It is the product of extensive consultation with the travelling and importing/exporting communities. Through consultations, it became clear that clients wanted the CCRA to dramatically streamline the border process for low-risk people and goods. Their

feedback influenced the development of the Customs Self-Assessment, an audit and profile-based approach that will allow streamlined release of low-risk travellers and goods. As well, they strongly endorsed CANPASS permit programs to streamline border clearance for frequent travellers.

Another example of consultation is the progress made in our client-centered approach to the Scientific Research and Experimental Development (SR&ED) program. This approach relies heavily on a close working relationship with industry and sector-specific committees. Direct industry involvement in the program helped us deliver tax incentives quickly, consistently, and predictably. The program's Preclaim Project Review Service and Account Executive

Service help businesses be certain of their tax situation before undertaking scientific research and experimental development. As a result, our service standard in this area (turnaround times for processing SR&ED applications) has improved significantly. In 1999-2000, we processed 84% of refundable claims within 60 days, compared to 38% in 1997-1998 (see the following table).

"The Agency's consultation process, Action Plan implementation, and new services, such as the Account Executive Service, are improving the delivery of the SR&ED program. ITAC supports and applauds these new directions."

Gaylen Duncan, President and CEO
Information Technology Association of Canada (ITAC)

Service	Public Standard	Target	Results 1997-98	Results 1998-99	Results 1999-00
Refundable SR&ED claims	Processed in 60 days	100%	38%	58%	84%

Customs services – Travellers' satisfaction with customs services—a measure of the quality and timeliness of service in this area—remains high at 90%. As indicated in the following table, we have maintained this satisfaction level for the past four years.

	Actual 1996-97	Actual 1997-98	Actual 1998-99	Actual 1999-00	Estimates 1999-00
Travellers processed (000s)	109,145	109,448	104,698	110,269	109,000
Client satisfaction (%) ¹	91.5	91.3	92.1	90%	93%

¹ Travellers who, when surveyed, indicated that they were reasonably to very satisfied with the service they received.

Business Registration On-line (BRO) workstations – As we committed to do in the 1999-2000 RPP, we installed self-help business registration workstations in 49 large and medium-sized tax services offices across Canada to allow clients to register for both federal and provincial government programs. For example, businesses from anywhere in the country

can apply on-line to register for provincial programs such as the Nova Scotia Workers' Compensation Board. Usage is highest in major metropolitan centres, with up to 100 registrations per week in some cities. Users give the workstations high satisfaction ratings with 98.5% of respondents reporting they would recommend the workstation to other businesses. To encourage increased usage of BRO, we are enhancing communications, technical support and on-site promotion. We are also offering to Ontario and other provinces arrangements similar to those offered to Nova Scotia.

Service innovation in the area of electronic service delivery also demonstrates our commitment to continually improving the quality and range of our service interaction with Canadians. For example, we significantly restructured our telephone enquiries system and introduced a new Internet service to help Canadians comply fully and quickly.

NETFILE – The Internet is a core element of the Government On-Line strategy. NETFILE allows individuals to send returns directly to the CCRA over the Internet. In 2000, the CCRA invited about 3.8 million individuals across the country to use NETFILE. Almost 443,000 NETFILE returns were filed by July 2000, for a take-up rate of 12%, which exceeded our forecast of 10%. Clients have responded very positively to this option: 95% of the more than 25,000 NETFILE users surveyed found it easy to use; all said they would use it again.

Public enquiries – The redesigned 1-800 telephone enquiries system allows us to reroute calls to available telephone agents across the country. This gives Canadians prompt telephone access to the CCRA, regardless of their geographic location, and helps us use our employees more efficiently. We significantly improved service to Canadians during the 2000 tax filing season—90% of those with general enquiries were answered on the first attempt, compared to 26% in 1997, while 93% of business enquiries were answered on the first attempt, compared to 23% in 1997. On average, clients waited less than a minute to speak to an agent. This exceeded our commitment in the 1999-2000 RPP to achieve accessibility rates of 85% and reduce waiting times to a maximum of two minutes.

National Collections Call Centre – The CCRA set up the National Collections Call Centre in 1997 as a quick, initial point of telephone contact between the CCRA and taxpayers for overdue accounts. The Call Centre handles high volume, low dollar value accounts. As we committed to doing in the 1999-2000 RPP, we expanded this service to include businesses. The Call Centre responded to approximately 1.5 million calls and collected close to \$1.2 billion.

Electronic Service Delivery Strategy – This strategy was launched in December 1999 and outlines our plans to meet the needs of our clients and stakeholders and to help the government meet its on-line objectives by 2004. We have met our 1999 targets for on-line presence and information retrieval (for availability of all forms and guides on our Web site and availability of voice response systems) and are well advanced in our plans to meet subsequent government-wide targets for on-line presence and fully enabled service by December 31, 2000.

Partnerships – One of our challenges as an agency is to establish new and innovative partnerships to better serve Canadians. This year, we forged new working relationships with aboriginal communities and bands (in Nunavut, British Columbia, and the Yukon Territory). For example, since January 1, 1999, we have been collecting and administering personal income taxes on behalf of self-governing Yukon First Nations.

Another example is the CCRA's support of the government's priority to strengthen relationships with the voluntary sector. The CCRA and the Department of Finance lead a joint government-voluntary sector regulatory table to address issues concerning the regulation of charities. The table will report to Cabinet on policy issues, serve as a sounding board, and provide an additional communication channel to the sector.

We still need to set up service management frameworks with all provinces and territories. These frameworks, such as the ones concluded in 1998-1999 with Nova Scotia and in 1999-2000 with Alberta, provide the scope for other innovative arrangements. We are continuing our discussions with other provinces and territories as part of our mutual commitment to working together to improve service to Canadian taxpayers, support business competitiveness, and enhance government efficiency.

Strategic Goal 2

Intensive, high-volume operations—primarily serving travellers, processing tax returns, and clearing commercial releases—are the core part of the CCRA's business. Our goal is to provide **simple and efficient processes** to lessen the compliance burden on Canadians and encourage them to comply with their obligations.

1999-2000 performance

Customs services – The CCRA served approximately 110 million travellers crossing the border and processed 11 million commercial releases. The volumes of trade and travel at large border locations on major transportation arteries, which Canadian businesses are marketing internationally as North American gateways, have grown substantially over the past five years and are anticipated to continue to do so. In particular, since 1994, volumes have been rising at a number of "hot spots", such as the Ambassador Bridge in Southern Ontario (a 68% increase in commercial volumes), Vancouver International Airport (a 61% increase in traveller volumes), and Pearson International Airport in Toronto (an increase of 40%).

The following table shows the trend in volumes of travellers and commercial releases since 1996-1997.

	Actual 1996-97	Actual 1997-98	Actual 1998-99	Actual 1999-00	Estimates 1999-00
Travellers processed (000s) ¹	109,145	109,448	104,698	110,269	109,000
Releases processed ²	8,600	9,559	10,113	10,751	9,609
1	Individuals entering Canada reporting to customs by any mode.				
2	Commercial shipments arriving by highway, air, rail, and marine modes and presented for release.				

Customs commercial goods released on minimum documentation through electronic data interchange (EDI) were processed within 45 minutes 85% of the time. This service standard matches the previous year's strong result.

The CCRA recognizes that it faces significant challenges in the near future. The *Customs Action Plan* will modernize customs processes and help the CCRA address steadily increasing volumes of trade and travel. The Federal Budget 2000 allocated \$87 million for the first three years of implementation of this program. We will strengthen our protection efforts by focusing on areas of high or unknown risk.

At the same time to streamline processes and help Canadians comply more easily with customs requirements, we are undertaking a number of initiatives. For traders, we are developing the Customs Self-Assessment and Carrier Re-engineering initiatives, and we are

A pilot for Canadian Utilities Limited, an ATCO company, says CANPASS Corporate Aircraft⁴ is one of the government's best programs: "We've had nothing but positive experiences. CANPASS really protects and serves Canadian interests."

⁴ The CANPASS Corporate Aircraft Program streamlines customs and immigration clearance for frequent, pre-approved, low-risk business travellers.

working to harmonize and simplify customs procedures among G7 countries. For travellers, we are moving ahead with CANPASS permit programs, the Expedited Passenger processing system for high-volume airports, the Advanced Passenger information system, and the Canada-U.S. Harmonized Highway pilot project.

Tax services – The CCRA successfully and quickly processed more than 23.3 million individual tax returns in 1999-2000. Of these, 16.9 million were filed on paper; 5.6 million through E-FILE; 0.4 million through NETFILE; and 0.7 million through TELEFILE. We assessed 98% of the filed-on-time T1 returns by mid-June. This means we processed paper returns in five weeks on average, within the service standard of four to six weeks, while we handled electronically filed returns within two weeks. In 1999-2000, we distributed more than \$15.7 billion in individual tax refunds to Canadians, compared to \$14 billion in 1998-1999.

Income redistribution – The CCRA is well known for its ability to handle huge volumes of information quickly, efficiently, and securely. As a result, we have established partnerships with the provinces and territories to distribute income-tested benefits to Canadians and to handle payments of debts owed to the provinces.

The CCRA, for example, plays a key role in delivering the National Child Benefit—a joint initiative of the federal, provincial, and territorial governments—to address the commitment in the 1999 *Speech from the Throne* related to child well-being. In 1999-2000, we issued \$6 billion in Canada Child Tax Benefit (CCTB) payments, including \$1.3 billion in National Child Tax Supplement payments and \$88.5 million in Children's Special Allowances.⁵ New CCTB programs for Newfoundland and Labrador, Nunavut, and Yukon were launched on July 1, 1999—on time and on budget. This brings to nine the number of participating provinces and territories.⁶ These programs make administration more efficient, decrease operating costs, and reduce paper burden for clients.

CSA on the Net is an automated process that allows clients to file Children's Special Allowance applications and cancellations over the Internet using public key infrastructure security. By using this service, CCRA clients have access to a fully interactive electronic service that is fast, secure, and paperless.

⁵ Children's Special Allowances (CSA) are tax-free monthly payments to help federal and provincial departments, child care agencies, and institutions care for and educate children under 18 living in Canada. The CSA program supports 274 agencies responsible for about 48,000 children and issues about \$8 million in payments each month.

⁶ For further information, see Figure 2-3 on page 57.

Through a fee-for-service partnership with Nova Scotia, the CCRA is accepting and processing workers' compensation payments from more than 16,000 employers registered with the Nova Scotia Workers' Compensation Board and make Worker's Compensation Board remittances. Other provinces have expressed interest in similar arrangements.

In 1999-2000, Manitoba and the Northwest Territories joined the Provincial and Territorial Refund Set-Off Program, which makes individuals' income tax refunds available for set-off via EDI to repay provincial and territorial Crown debts. We have also met our commitment to implement the program in Nova Scotia and Ontario. In 1999-2000, we made available approximately 14,700 set-offs valued at \$4.1 million to the program's partners.

Information technology – The CCRA has continued to make major investments in information technology and re-engineering projects. For example, we successfully handled the Y2K transition of our 13 mission-critical systems related to tax processing, income redistribution, and customs processing, without disrupting service to Canadians. This important Y2K investment brings to the CCRA permanent benefits, such as upgraded hardware and software, updated inventories of IT and non-IT assets, as well as business continuity plans and informatics disaster recovery plans.

Our new system for processing T2 Corporate income tax returns has overcome its development hurdles and will be running by late 2000, instead of spring 2000 as indicated in the 1999-2000 RPP. The system will help reduce processing times to 25 days for 85% of returns. In 1999-2000, our service standard was to process 90% of returns within 90 days. We assessed 51% of returns within 90 days, compared to 80% in 1998-1999. This decrease is due to many factors, including delays in implementing the new corporate income tax returns processing system and a rotating general labourers' strike in the first quarter of 1999. This resulted in slowdowns or shutdowns at the tax centres and an increase in the backlog of returns to be assessed throughout 1999.

Commitment to quality – To make sure we continue to improve our processes and operations, we have developed in-house expertise in the continuous process improvement methodology and obtained International Standard Organization (ISO) recognition in several areas. ISO certification recognizes an organization's commitment to quality processing,

quality service, and continuous improvement. The CCRA successfully achieved certification to the ISO 9000 standard in six pilots within five program areas.⁷

Significant investments in re-engineering and replacing outdated systems will be an ongoing priority of the CCRA. These are essential if we are to cope with ever-increasing workload pressures, changing tax policies, and the growing needs of our partners and clients.

Strategic Goal 3

The CCRA is committed to **responsible enforcement** and the effective review of programs in a way that directly responds to changes in the environment. Canada's tax and customs system rests on voluntary compliance—we collect the vast majority (about 95%) of revenues without taking any direct enforcement action.

However, our enforcement presence remains essential to preserving the integrity of Canada's voluntary compliance approach.

We continually monitor our operating environment to better understand compliance-related trends and issues and to keep pace with them. The CCRA analyzes compliance levels, including related social and economic trends. We also aim to take advantage of advancements in risk management and assessment techniques to better target high-risk areas. A key facet of our strategy is to assess and address major technological implications (for example, compliance in areas such as e-commerce).

John Sutherland, Executive Vice-President of the Nova Scotia Automobile Dealers Association, recently said our audit staff's efforts to solve the "car flipping"⁸ problem, particularly in Nova Scotia, show how co-operation and an effective working relationship between an industry association and the CCRA can help both parties address issues of mutual concern.

1999-2000 performance

Recoveries – The CCRA's compliance programs generated a total fiscal impact of \$6.8 billion, compared to \$5.5 billion in 1998-1999. Although recoveries rose in most programs, unanticipated major increases came from large business audits and the non-resident

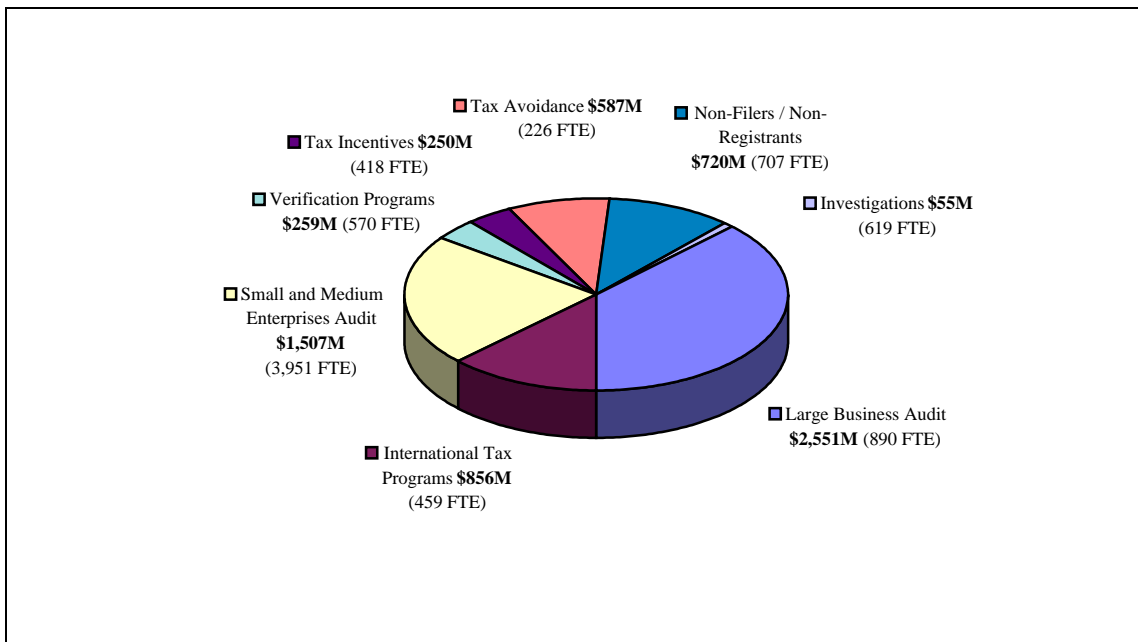
⁷ Customs Adjudications, Revenue Collections at the Laval Tax Services Office, Returns Processing at the International Tax Services Office, Large Business Audit at the Montreal Tax Services Office, and Income Tax Rulings at Headquarters.

⁸ In "car flipping," people generate profit by rapidly buying and selling vehicles, while abusing input tax credits or failing to pay GST/HST. This type of non-compliance makes it hard for honest car dealers to compete.

withholding program; the growing experience gained by employees hired and trained in the last three program years also played a role. The following figure shows the sources of total fiscal recoveries made by compliance programs. The highest increases were in the following areas: large business audits (from \$2,090 million to \$2,551 million), non-filer/non-registrants (from \$559 million to \$720 million), and international tax programs (from \$342 million to \$856 million).

While total fiscal impact rose, the CCRA requires additional resources to restore deteriorating audit levels to a more robust level to ensure continued high levels of compliance.

**Actual 1999-2000 Federal and Provincial Taxes –
Total Fiscal Impact of \$6.8 Billion⁹**



Revenue collections – The CCRA's mandate includes developing and managing programs to collect all taxes owing or assessed. We measured our performance by comparing it to a benchmark of accounts receivable equal to 4% of gross revenues, which was established through discussion with the Public Accounts Committee in 1996.

As the following table shows, the total accounts receivable represented 4.7% of gross revenues, compared to 4.4% in 1998-1999. Although we improved our production (FTE ratio

⁹ In addition, customs-related investigations generated \$30 million in 1999-2000.

from \$2.1 million in 1998-1999 to \$2.4 million in 1999-2000), T1 and GST receivables rose because of an increase in our year-over-year annual intake from \$8.4 billion in 1998-1999 to \$9.3 billion in 1999-2000, while the number of FTEs available to process the intake stayed constant. With the addition of more than 400 new FTEs to the collections program in 2000-2001, we will strive to reduce this percentage to 4% over the planning period, assuming these additional resources continue to be available.

	Actual 1997-98	Actual 1998-99	Actual 1999-00
Balance outstanding as % of gross revenue collected	4.2%	4.4%	4.7%
Total collections per FTE (\$000s)	1,794	2,116	2,410
Annual intake – Total amount (\$000s)	7,061,566	8,407,336	9,345,582

Only those accounts that cannot be collected through the application of various collection mechanisms are eventually written off as shown by the fact that less than 1% of net revenues are written off on an annual basis.¹⁰

Investigations – The CCRA referred 185 cases to the Department of Justice for prosecution, compared to an anticipated 196 cases. The lower than anticipated volume can be attributed to increased legal challenges under the Canadian Charter of Rights and Freedoms, together with the increased size and type of fraud schemes encountered. These cases involved over \$35 million in income taxes and \$60 million in GST. We were successful in 90% of the cases we prosecuted this year, which resulted in \$11 million in court fines. When the CCRA has sufficient evidence that people are willfully not complying with specific acts, we prosecute—not only to recover revenues due to the Crown, but to deter non-compliance. It is essential in a system based on voluntary compliance and self-assessment that people see that appropriate action is taken against those who do not pay their fair share.

Customs-related investigations efforts resulted in assessments of \$30 million in 1999-2000, in contrast to the preceding year, when we recovered an exceptional \$140 million (due to one large assessment of \$102 million). As the following table shows, we completed 220 prosecutions with a success rate of 91% and court fines totalling \$843,000, compared to 213 prosecutions with a 93% success rate involving \$1.2 million in court fines in 1998-1999.

¹⁰ See Figure 3-9 on page 66.

	Actual 1996-97	Actual 1997-98	Actual 1998-99	Actual 1999-00
Total fiscal impact (\$ millions)	24	46	140	30
Cases investigated	1,497	1,080	948	790
Criminal prosecutions completed	227	248	213	220
Successful prosecution rate	97%	95%	93%	91%
FTE utilization	124	123	144	138

Underground economy – In accordance with recommendations from the Office of the Auditor General and Public Accounts Committee, we focused our underground economy activity on five initiatives: 1) researching effective messages for a social marketing campaign in the home renovations sector; 2) developing new contract payment reporting mechanisms for government services and construction contracts; 3) exchanging information with Human Resources Development Canada on potential Employment Insurance overpayments; 4) working with the Province of Nova Scotia to jointly verify submissions for provincial contracts and GST registration; and 5) monitoring underground economy audits to extend efforts to other sectors and businesses.

One new underground economy initiative that is already bearing fruit is the mechanism for reporting construction contracts. The system encourages individuals and businesses in the construction industry to voluntarily report all payments they make to contractors who provide construction services. About 40,000 contractors have been involved to date. These returns will provide information that will help us enhance compliance in this area.

Risk management – The Compliance Measurement, Profiling, and Assessment System (COMPASS) enhances decision-making and program management. It integrates information on risk and helps the CCRA to profile, improve statistical analysis, evaluate strategies, select more effective workloads, and strategically target compliance activities. We piloted COMPASS in three tax services offices in 1999. For example, users in each office were able to determine the industry sectors with the highest per capita revenue risks in their area. The information, which was based on national risk assessment processes, helps the CCRA target compliance resources to areas of highest risk. Funding has been approved to expand this system in September 2000.

Processing Review Program – This program is an essential part of the CCRA's work to process returns and manage risk. It is one of the key ways we establish the legitimacy of certain claims, detect trends in compliance behavior, and recover taxes due to the Crown when claims are made in error. As the following table shows, we reviewed close to 821,000 individual tax returns, compared to 777,000 in 1998-1999, and increased the amount

of additional tax assessed by over 10%—from \$92.9 million last year to \$103.5 million this year.

	Actual 1996-97	Actual 1997-98	Actual 1998-99	Actual 1999-00	Estimates 1999-00
Returns reviewed	899,907	968,030	776,966	820,980	799,000
Additional tax (federal and provincial) assessed (\$000s)	97,800	72,200	92,900	103,500	87,500

T1 Matching Program – This program compares third-party information to the information filed by clients. The process reassesses clients to correct unreported employment or Employment Insurance income, tax deducted at source, overstated spouse-related claims, overstated tax deductions, Canada Pension Plan or Quebec Pension Plan contributions, and RRSP room statements. As the following table shows, in 1999-2000 the CCRA also completed the delayed workload from the 1998-1999 TI matching program and collected an additional \$100 million for 1999-2000.

	Actual 1996-97	Actual 1997-98	Actual 1998-99	Actual 1999-00	Estimates 1999-00
Returns reviewed	1,437,560	1,668,814	972,382	2,108,658	1,225,000
Additional tax (federal and provincial) assessed (\$000s)	305,454	267,100	180,400	367,600	230,000

GST audit – The Auditor General reported that both pre-payment and post-payment audits were prone to delays and noted that we could improve timeliness through better audit selection, planning, and execution, and closer control of audit work. The Auditor General also reported that, for both GST returns processing and audit activities, the CCRA needed to improve the range, consistency, and reliability of the performance information we captured, thereby enhancing our ability to use this information to improve our programs.

The CCRA is committed to improving client service by continually refining processes that will reduce initial processing time and the time that we take to produce a cheque, thereby also minimizing interest costs. We also have several initiatives underway to reduce GST audit times. These include improving the information systems GST auditors use to select and manage their workload, improving the training GST auditors receive, and enhancing audit performance by improving audit planning and by monitoring audit progress and results more closely. The CCRA is modifying the Audit Information Management System (AIMS) to provide more key information on GST audits, using state-of-the-art technology to help us collect and analyze information on GST audits. We are also continuing work on several major initiatives to improve performance measures and management information systems.

GST/HST Delinquent Filer Program – By profiling risk and identifying returns, remittances, and other information from high-risk non-compliant registrants, the GST/HST Delinquent Filer Program identified pockets of non-compliance and collected over \$900 million, compared to \$686 million last year.¹¹

Electronic commerce – The CCRA consulted with international organizations,¹² the private sector, and interested provinces and territories while designing a compliance strategy for electronic commerce, and continues to work with the provinces and international organizations on the application of the General Anti-Avoidance Rule (GAAR).

Border protection The CCRA has a mandate to enforce Canadian laws and sovereignty at the border, to promote safe homes and safe streets, and to support Canada’s industrial competitiveness and its economic and social policy agenda.

Compliance – We measure travellers’ level of compliance through systematic statistical sampling at points of entry across Canada. As the following table shows, we have maintained a compliance rate of 97% since 1996-1997.

	Actual 1996-97	Actual 1997-98	Actual 1998-99	Actual 1999-00	Estimates 1999-00
Travellers Processed (000s) ¹	109,145	109,448	104,698	110,269	109,000
Compliance rate (%) ²					
Air	93.6	92.0	n/a	94%	93%
Highway	97.6	97.2	97.7	97%	98%

¹ Individuals entering Canada reporting to customs by any mode.
² Travellers, by any mode, who comply with the laws administered by Customs. This measure is a result of statistical sampling carried out systematically at points of entry across Canada.

¹¹ For further information, see Figure 3-15 on page 68.

¹² International organizations such as the Organisation for Economic Co-operation and Development, the Pacific Association of Tax Administrators, the Commonwealth Association of Tax Administrators, and the Inter-American Centre of Tax Administrators (CIAT).

Contraband goods – The CCRA carried out four million secondary customs examinations and seized \$625 million worth of contraband goods (see the following table). This figure is almost twice the value of contraband goods seized in 1998-1999; drugs represent about 90% of the value.

	Actual 1996-97	Actual 1997-98	Actual ² 1998-99	Actual 1999-00	Estimates 1999-00
Contraband ¹ seizures Value (\$000s)	694,000	534,725	317,900	625,381³	450,000
1	Includes drugs, alcohol, jewellery, and tobacco.				
2	The value of seizures in 1998-1999 was less than estimated and was almost entirely due to the continuing decline in drug seizures. All Canadian law enforcement agencies have experienced decreases. It is believed that criminal organizations have become more sophisticated in their smuggling efforts and they are increasing their use of internal conspiracies. Actions are underway to address this organized criminal activity and to reduce smuggling.				
3	Two seizures alone accounted for \$250 million.				

Anti-dumping and countervail activity – This past year has seen a continued high level of anti-dumping and countervail activity as the CCRA works to protect Canadian industry from unfair trading practices. While we completed fewer investigations and re-investigations than anticipated,¹³ we initiated a number of new investigations during the second half of the year. The Canadian steel industry continued to be a major CCRA client in this area. Other industries also sought protection from unfair practices; for example, we started a major investigation on appliances against suppliers in the United States this year.

New legislation – Under the *Officers Powers* legislation (Bill C-18), customs officials have the power to detain and arrest people under the *Criminal Code*. This will contribute to our enforcement presence and have a general deterrent effect. When these authorities and new collaborative arrangements with police agencies are implemented, customs officers will use them to prevent the cross-border movement of people involved in drunk driving, child abduction, possession of stolen property, and other crimes. The Act will be phased in between 2000 and 2003. In 1999-2000, we renovated 28 land border sites to provide detention facilities and we are currently delivering a training program to our officers.

Our relationship with both the U.S. Customs Service and the U.S. Immigration and Naturalization Service continued to be strong. Two particularly good examples of the strength of the relationship were the co-operation between the agencies during terrorist threats in December 1999 and the agreement to pilot test the harmonized traveller process at the Blue Water Bridge.

¹³ See Figure 3-13 on page 67.

Strategic

Goal 4

Clients have to be confident in the **fairness** of the way the CCRA applies the law and treats Canadians if we are to sustain our voluntary compliance approach. The 7-point Fairness Initiative, launched in February 1999, has resulted in numerous enhancements to the CCRA's overall fairness, including an enhanced Voluntary Disclosure Program. We are also committed to providing our clients with a fair, transparent, and timely process for resolving disputes. To meet this commitment, we are implementing several new initiatives, which should significantly improve our performance.

1999-2000 performance

7-point Fairness Initiative – A key aspect of this initiative is the Voluntary Disclosure Program. This is a penalty-free alternative for Canadians who wish to correct certain omissions in their past dealings with the CCRA. As a result of this program, the number of voluntary disclosures rose from 1,633 in 1998-1999 to 2,019 in 1999-2000. Total voluntary disclosure revenues for 1999-2000 were \$101 million, up 41% from the previous year.

Another important aspect of this initiative is a commitment to identifying credits, benefits, and overpayments for Canadians. We reviewed close to 200,500 returns and individual taxfilers received credits totalling \$38.4 million. Last year, we reviewed about 200,000 returns and issued \$42 million in credits.¹⁴

Under the fairness legislation, we can exercise discretion in applying penalties and interest when our clients face unusual hardship or special circumstances. The CCRA is working to make sure that we apply the fairness provisions consistently across the country. A typical example of the CCRA's fairness approach is described in the adjacent vignette.

A taxpayer filed her return after the required filing date because her daughter had become seriously ill. She called her local tax services office to explain her reason and the enquiries agent confirmed that she was entitled to penalty and interest relief under the fairness provisions. She submitted a copy of the medical certificate with her claim and, a few weeks later, she received a Notice of Reassessment showing that we had reversed the late-filing penalty and the interest.

¹⁴ Revenue Canada *Departmental Performance Report 1998-1999*, page 23.

Dispute Resolution Initiatives

Single-window redress system – A fair and impartial system for resolving disputes is not only vital to the public's confidence in the integrity of the tax and customs administration, it is also an effective channel for feedback on the effectiveness of Canada's tax and customs legislation, and a check on the many decisions required to administer the legislation. To improve our speed and quality of our service in this area, as per our commitment in the 1999-2000 RPP, we finished consolidating our redress processes to offer "single-window" redress service and increased our technical expertise.

To fulfill one of our key results commitments,¹⁵ we are developing a service standard that calls for clients to have meaningful first contact with the CCRA within 30 calendar days of the date they mail their objection or dispute. To accomplish this, a new client letter is being piloted. The objective of the new client letter is to establish a basis for an early dialogue with the client, provide them with more information about the objection process, and establish realistic expectations on what services we can provide. We will finalize this service standard and make it public in fall 2000.

Processing of objections and disputes – As the following table shows, timeliness remains the major challenge in resolving clients' disputes. While there were improvements in timeliness in the GST/Excise program, file completion times increased slightly in the Income Tax and CPP/EI programs, in part due to the increasing complexity of the issues raised, difficulties in obtaining and retaining staff in some offices, and the transition to the new Voluntary Disclosure Program. To improve timeliness, field managers are being encouraged to review all avenues for speeding up file completion, including more strategic distribution of workloads to take maximum advantage of officer expertise.

	Actual 1997-98	Actual 1998-99	Actual 1999-00 ¹
Income tax	180	182	205
Excise/GST/HST	237	236	245
CPP/EI	126	136	144
Adjudications	166	185	221
Trade administration	n/a	466	415

1 For 1997-1998 and 1998-1999, the average days for Income Tax, Excise/GST/HST and CPP/EI programs exclude the files that at any time were held in abeyance as being in non-workable status, for example files relating to a single common issue that is presently before the courts. For 1999-2000, the average days for these programs excludes only the number of days that files were in non-workable status. For Adjudications and Trade Administration programs, the average days to completion includes files that were in non-workable status because separate statistics are not available.

¹⁵ See the Chart of Key Results Commitments on page 32.

A key component of fairness is the impartiality of the process, and an indicator of impartiality is an organization's willingness to review and, when warranted, change a prior decision. Across our programs, we generally resolve, in whole or in part, between one third and one half of all objections in favour of the client.¹⁶

As the following table shows, historically between 5 and 10% of clients filing objections for the Income Tax and Excise/GST/HST programs proceed to court. In the CPP/EI program, a significantly higher percentage of appeals (23%) are subsequently filed to the courts. The level of adjustments and appeals filed to the court for this program differs from the other programs because of the substantially different nature of the business. This is due to the number and relationship of the parties involved in the disputes. In the Adjudications program less than 1% of the clients will pursue the issue in court while in the Trade Administration Dispute Resolution program no trend has yet been identified due to the newness of the program.

	Actual 1997-98	Actual 1998-99	Actual 1999-00
Income tax	7%	8%	5%
Excise/GST/HST	10%	9%	10%
CPP/EI	33%	25%	23%
Adjudications ¹	1%	0%	0%
Trade administration	n/a	n/a	1%
¹ Less than 1% of objections in the Adjudications Program proceeded to court in 1998-1999.			

Mediation – The CCRA is examining alternative dispute resolution to determine whether it could enhance the administrative appeals process. As a result of research we did with the departments of Justice and Finance, a mediation pilot project is now well underway and the first cases will be tested in 2000-2001.

The Enabling Goals

Strategic

Goal 5

To fulfill our compliance mandate while pursuing service excellence, we need **skilled and knowledgeable employees**. The CCRA's legislation has positioned us to reform our human resources system so that we can attract and retain people with the skills and experience we need. In 1999-2000, we put our new human resources regime in place and developed policies in key areas, which our Board of Management then approved.

¹⁶ See Figure 4-6 on page 71.

For example, we initiated a new CCRA staffing program and a transitional staffing program; launched the new Office of Dispute Management and conducted 12 pilots in alternate dispute resolution; approved a new performance management policy and expanded the performance agreement process to all members of the executive cadre; and effectively entered collective bargaining and labour relations as a separate employer, moving towards a first collective agreement with the Public Service Alliance of Canada.

We also presented our proposed occupational groups and bargaining unit structure to the Public Service Staff Relations Board and are currently engaged in related hearings.

As part of the smooth launch of the CCRA, we conducted an employee notification process. We gave all employees key information about the impact of agency status on their employment, including a two-year job guarantee for permanent employees. Fewer than 1% of our employees chose not to join the CCRA. We also gave managers extensive training on their role in the transition process and their new responsibilities under the *Canada Customs and Revenue Agency Act*.

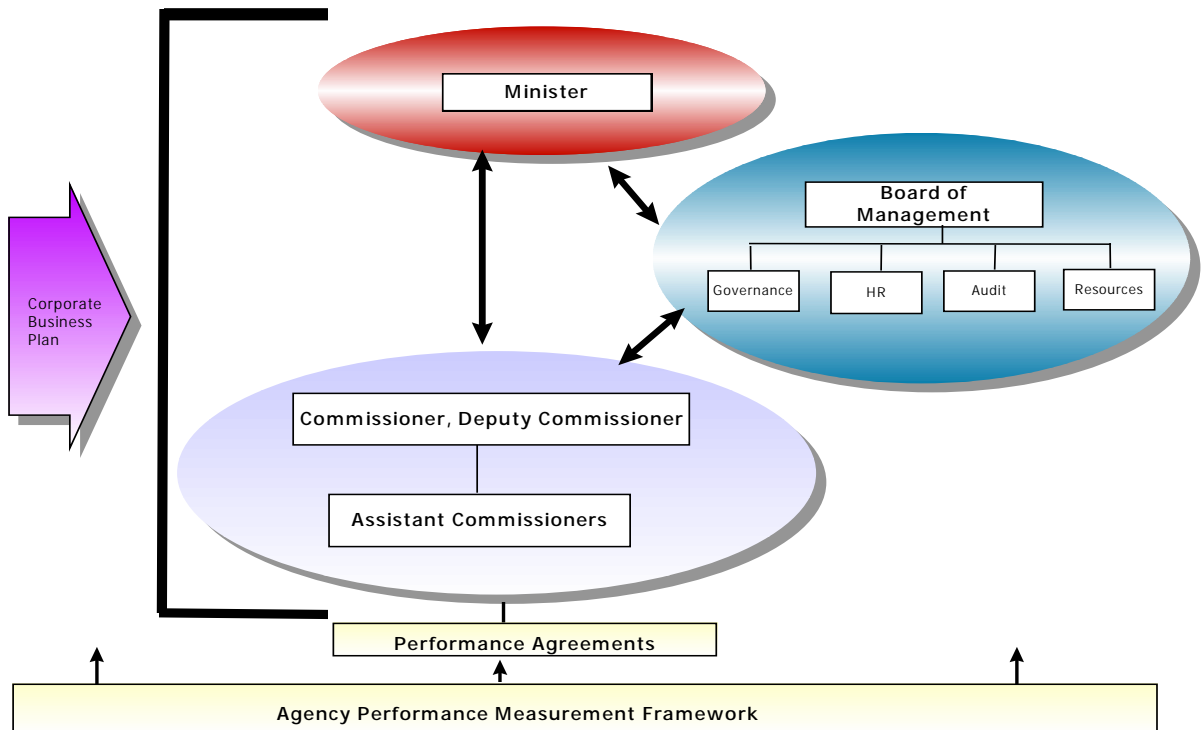
Much more remains to be done, however, to operationalize the new regime and obtain tangible benefits. We must also keep investing strategically in our current work force and developing a targeted external recruiting strategy designed to provide us with the skills we need for the future.

Strategic Goal 6

We need **effective management and corporate services**—supported by responsive, modern, and integrated policies, systems, and processes—to deliver the CCRA's programs.

The *Canada Customs and Revenue Agency Act* profoundly changed our governance structure. Our Board of Management has a broad set of responsibilities and brings a new and creative dynamic to the CCRA. It reflects the priorities and concerns of Canadians across the country and brings these to the management of the Agency. In 1999-2000, the Board adopted a governance model and an action plan to guide its work, and approved a wide range of management and administrative policies for the CCRA.

Governance Model



Performance measurement – Good management decisions require the best possible performance information. Within the CCRA, we are implementing a new performance measurement framework, using a Balanced Scorecard approach. Many public and private sector organizations have adopted this approach as a way to get an ongoing, balanced, and objective view of performance. This framework will provide a common and consistent view of our performance in five dimensions that are critical to the CCRA's success: business results, stakeholder satisfaction, human resource management, financial management, and innovation and change management.

For example, we are aiming to improve our measurement of the following:

- our success in informing clients of their obligations and entitlements;
- the extent to which CCRA services are delivered according to established service standards and performance targets;
- the views of clients on the quality of the CCRA's delivery of programs and services;
- the views of partners and stakeholders on the quality of the CCRA's delivery of federal and provincial programs;
- the extent to which the CCRA's major operations are achieving productivity targets and processing objectives;
- our success in identifying and prioritizing risk when selecting verification and enforcement workloads;
- the success with which we carry out verification and enforcement actions based on risk profiles, program standards, and compliance objectives; and
- the fairness and efficiency of the CCRA's formal redress processes.

The CCRA will introduce this multi-year project in several phases, beginning with the testing of corporate-level measures in 2000-2001. The national roll-out will begin in 2001-2002, and our future performance and annual reports will increasingly reflect its results.

Service standards are linked to the development of the Performance Measurement Framework and will help us improve client satisfaction. We will continue to expand service standards in all key service areas and increase their use by strengthening monitoring and providing related performance information.

Corporate Administrative System (CAS) – To manage financial and human resources more efficiently, we introduced a major electronic system called the CAS in 1999-2000. It integrates the CCRA's current administrative systems through a shared, flexible information structure. Implementing the CAS was a major undertaking: the enormous investments in time and training placed a considerable strain on our human resources and financial services. As with any new major system, further work is required to "debug" it and make it fully operational.

With the introduction of the CAS on April 1, 1999, the CCRA became one of the first federal organizations to implement a system that was compliant with the government's Financial Information Strategy (FIS). Now, the tax revenue systems used to account for and report tax revenue transactions must also be converted to FIS. We have a plan to develop and implement the required system changes on time by April 1, 2001.

Asset Management – We also recognize that we must maintain our considerable inventory of assets to support the delivery of all our programs. Chronic underfunding has depleted the asset base and additional resources are being sought to strategically manage assets under an Asset Management Plan.

Likewise, we must re-engineer and replace, on an ongoing basis, outdated systems to support program delivery. A proposed Business Investment Strategy, if funded, will enable us to better strategically manage for results in the future.

Final Words

In 1999-2000, we maintained steady performance in our core operations: collecting taxes to fund government programs, serving travellers and processing commercial releases at the border. While our accomplishments in a number of results areas are significant, areas for improvement remain. Our challenges in the coming year include implementing the *Customs Action Plan*, developing our partnerships, following through on the Fairness Initiative, and implementing our internal reform and renewal agenda for human resources and administration. Our capacity to adequately address these challenges will, to a large degree, be conditioned by the measures available. We will address these challenges in the *Corporate Business Plan 2001-2002 to 2003-2004* and report on them in subsequent annual reports.

The CCRA does its best to help clients meet their obligations and receive their entitlements. We remain committed to ensuring that Canadians are treated at all times with fairness and respect. The CCRA's values—integrity, professionalism, respect, and co-operation—will continue to guide the organization into the 21st century.

Chart of Key Results Commitments

The fulfillment of the CCRA's mandate is measured through two broad outcomes: revenue and benefits administration, and customs administration. The chart below shows where performance against key commitments can be found in the report. The specific measures are underlined in the report for ease of identification.

Canada Customs and Revenue Agency		
provides Canadians with:	to be demonstrated by:	achievement reported in or on:
Revenue and Benefits Administration		
Administration of the taxation regime for the federal government and certain provinces and territories by assessing and collecting taxes, duties, and other levies and payments and delivering a number of social and economic benefits in a fair and timely manner	<ul style="list-style-type: none"> • trends in the volume of enquiries processed from individuals and businesses • level of achievement against published service standards • level of client satisfaction with services provided • implementation of electronic service delivery options • total fiscal impact of enforcement activities • activities related to the targeting of the underground economy • accounts receivable - target of 4% of gross revenues • percentage of non-audit income tax objections processed within 90 days • timeliness in contacting clients within 30 days of the date they mailed their objection or dispute 	<p>Figure 2-2 (p. 56) & page 13</p> <p>Figure 1-1 (p. 52-53) page 13</p> <p>page 13</p> <p>Figures 3-1 & 3-2 (p. 60-61) & page 18</p> <p>page 21</p> <p>Figure 3-5 (p. 62) & page 19</p> <p>Figure 4-3 (p. 70)</p> <p>page 26</p>
Customs Administration		
Enforcement of Canadian laws and sovereignty at the border, and support of Canadian industrial competitiveness and economic policies	<ul style="list-style-type: none"> • trends in the volume of travellers and commercial shipments processed • level of achievement against published service standards • level of client satisfaction with services provided • compliance rate for travellers entering Canada • value of seized contraband goods 	<p>Figures 2-4 & 2-6 (p. 57-58) & page 15</p> <p>Figure 1-1 (p. 52-53)</p> <p>Figure 1-2 (p. 55) & page 12</p> <p>Figure 3-4 (p. 62) & page 23</p> <p>Figure 3-12 (p. 66) & page 24</p>

Section III - Consolidated Reporting

Matériel Management

The full integration of matériel management operations in the Corporate Administrative System (CAS) marks a significant milestone in our progress to comply with the Financial Information Strategy (FIS). The CCRA also reviewed the cost-effectiveness of operations and developed the Data Takeover Strategy. With this strategy, the indexing and cataloging of all assets in CAS will be done in two stages. Capital assets valued at over \$10,000 will be done first, then matériel managers will be asked to submit the necessary information for the tracking and recording of equipment inventory and/or attractive assets valued between \$1,000 and \$10,000. This program is due for completion by April 1, 2001.

Storage Tanks

As required under the *Canadian Environmental Protection Act (CEPA), Part IV, Registration of Storage Tank Systems for Petroleum Products and Allied Petroleum Products on Federal Lands Regulations*, this report provides the information set out in Schedule II of the aforementioned regulations, updated to December 31, 1999.

This report identifies one above-ground and three underground petroleum storage tank systems not included in the *1998-1999 Departmental Performance Report*. These additional tanks were identified through an inventory validation and compliance assessment completed by the CCRA in 1999-2000. The CCRA, at the direction of the Board of Management, has in place an aggressive program which will ensure that, by the end of the 2000-2001 fiscal year, all tanks are in full compliance with federal guidelines.

Calendar 1999	Tanks Registered with CCRA	Tanks in compliance with federal guidelines	Tanks not in compliance with federal guidelines	Tanks which should be upgraded in 2000 in accordance with Schedule II of the federal guidelines
Above-Ground	6	0	6	0
Underground	22	0	22	7

Sustainable Development

The Sustainable Development Strategy that the CCRA tabled in the House of Commons in December 1997 included the following three goals: strengthening internal capacities to contribute to SD; integrating SD into decision-making plans and processes; and reducing the impact of operations on the environment.

The focus for action in 1999-2000 was on capacity building and on compliance assurance of facilities in the CCRA's six regions. This included work on environmental assessment, storage tanks, and site assessments. The Agency also worked on pollution prevention issues by establishing inventories and baselines against which progress can be reported. This year, 50% of the 36 action plan commitments were achieved and important lessons were learned that will help with the development of the next SDS action plan. In addition to the planned actions, work continued with other government departments on issues of significance to the shared federal plan for SD.

Some of the key challenges to the SD program have been the workload related to meeting expectations for SD, competing internal and external priorities, such as the transition to agency status, Agency Classification System and Y2K, and the availability of resources to organize, establish tools and processes, required for a disciplined management system.

The following chart summarizes progress that has been made to date on our commitments for the reporting period, as well as other items not scheduled for the period. More detailed information on the CCRA's progress can be found in the *Performance Report on Sustainable Development*, December 2000, that will be available electronically at www.ccra-adrc.gc.ca/E/pub/tg in.

Goal 1: Increasing internal capabilities to sustainable development.

Objectives	Targets	Progress to Date and any Corrective Action
renew commitment	<ul style="list-style-type: none"> confirm commitment to SD by March 31, 2000 	<ul style="list-style-type: none"> SD accountability was integrated into 1999-2000 accountability contracts between the Commissioner and Assistant Commissioners, as well as in performance agreements between other levels of management. Roles, responsibilities and expectations of branches, regions and employees were published in the internal report on the CCRA action plan, June 2000. SD policy consultation was changed to coincide with the SDS update.
raise awareness	<ul style="list-style-type: none"> develop and implement the SD communication strategy by March 31, 2000 	<ul style="list-style-type: none"> We communicated the importance of SD through the CCRA SD intranet site, feature articles in the CCRA newsletter, in two special reports on SDS plans and performance, and briefings to senior management. Networks of SD representatives on three levels were established in branches and regions; regional committees began developing and implementing their environmental initiatives. Communication is key to raising awareness and the challenge of raising awareness in an organization of 43,000 became apparent. Efforts will be increased throughout the next few years to increase SD capacity in the organization and track progress on this objective.
provide knowledge and skills	<ul style="list-style-type: none"> develop and implement training tools by March 31, 2000 	<ul style="list-style-type: none"> Environmental awareness training modules for senior management and employees were developed in collaboration with other government departments. Resources are identified to develop a learning strategy, and to customize and deliver the modules.
measure, review and improve	<ul style="list-style-type: none"> identify performance measures for priority environmental impacts by March 31, 2000 	<ul style="list-style-type: none"> Performance measures for key environmental aspects were developed in collaboration with other government departments. Common performance measures need to be adopted across the CCRA. Resources are identified to progress on this commitment by selecting and testing the measures for efficiency, effectiveness and relevancy, in consultation with our regions.
enhance partnerships; facilitate contributions from clients, employees, partners	<ul style="list-style-type: none"> enhance consultations with key stakeholders by March 31, 2000 work with other departments 	<ul style="list-style-type: none"> The establishment of an SD intranet site and a network of SD representatives has increased opportunity to receive stakeholders input on our SDS. We participate in 12 interdepartmental committees and working groups related to environment and sustainable development. CCRA is well positioned to keep abreast of federal priorities or initiatives and to re-align its activities to support these initiatives, when necessary. We promoted the commuter challenge during Environment Week.

Goal 2: Integrate SD considerations into decision-making plans and processes.

Objectives	Targets	Progress to Date and any Corrective Action
integrate socio-economic and environmental factors	<ul style="list-style-type: none"> in the Corporate Business Plan and key management frameworks at corporate, program and operational levels by March 31, 2000 	<ul style="list-style-type: none"> SD has been incorporated in the Corporate Business Plan, the Report on plans and priorities, as well as the Performance report. Progress on integrating SD into branch management tools has been more difficult to achieve. Corrective action will focus on providing more guidance to managers to assist in the process.

Goal 3: Reduce the environmental impact of operations in support of SD objectives.

Objectives	Targets	Progress to Date and any Corrective Action
<p>promote pollution prevention; promote efficient use of resources; and manage environmental liabilities</p>	<ul style="list-style-type: none"> develop and implement solid waste management strategies by March 31, 2000 reduce vehicle emissions by 5% by March 31, 2000 develop and implement energy management strategies by March 31, 2000 	<ul style="list-style-type: none"> Resources had been allocated to conducting waste management audits at 12 sites for the year. Due primarily to travel expenses, cost estimates for the audits exceeded the allocations. A decision was made to complete the audits at 5 facilities and to use them as models for the remainder of the targeted sites. Waste management was implemented at 4 of the sites during the year and work at other sites is rescheduled for 2000-2001. Target achieved. The pursuit of this target was deferred as we worked with other government departments in the climate change initiative, commencing July 1999. We started negotiations with NRCAN to develop energy performance contract for owned facilities. We also began investigating with NRCAN, the potential for using renewable energy sources at some of our owned facilities.

Other initiatives that were pursued during 1999-2000:

	<ul style="list-style-type: none"> compliance assurance upgrade storage tanks according to 1998 strategy contaminated sites management green leased facilities work with PWGSC to reduce pollution in leased facilities environmental management systems (EMS) for March 31, 2002 paper save greening construction projects 	<ul style="list-style-type: none"> Briefings were conducted, and guidance material was developed and distributed to assist with compliance with the <i>Canadian Environmental Assessment Act</i>. We developed the ODS inventory for 5 of the 6 regions in conjunction with a storage tank validation exercise, and achieved a target that was scheduled for completion in 2000-2001. We worked with our financial management areas to ensure compliance with the new federal policy on contaminated sites. We commenced the management review process for the update of the SDS. In the process, we revisited our commitment to conduct a full audit on the SD program by March 31, 2001 and decided that more frequent reviews that are focused on specific aspects of the program would be more effective. We conducted a storage tank registry validation exercise to update and confirm the accuracy of the inventory of registered storage tanks. The validation exercise identified resource requirements for tank upgrades. The storage tank validation exercise provided preliminary site assessment information related to the possibility of earlier, buried and abandoned tanks. We started first phase assessments at other sites to determine potential for contamination from past activities. A regional initiative drafted a guide to green offices construction. We drafted "green" clauses for the CCRA Master Lease Agreement. We developed and implemented a pilot waste management program in one building in the National Capital Region. A capacity audit that was conducted on our SDS management system by the Commissioner of the Environment and Sustainable Development in 1999, evaluated our system to be about 43% complete. We began integrating environmental monitoring information into the agency's corporate administration system. We developed a policy to help save envelopes and letterhead when Revenue Canada became CCRA on November 1, 1999. We worked with counterparts in the United States on the integration of environment and sustainable development into joint project delivery tools and processes. This will help ensure that joint border facilities projects are in compliance with both sets of environmental legislation.
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Regulatory Initiatives

The following outlines legislative or regulatory initiatives as reported in the 1999 Federal Regulatory Plan (FRP), their expected results, and results achievements.

CCRA Performance of Regulatory Initiatives		
Purpose of Legislative or Regulatory Initiative (as reported in the FRP)	Expected Results (as reported in the FRP)	Results Achieved
As a result of internal study and significant consultation related to the <i>Customs Blueprint</i> , the Agency will modernize certain reporting processes for travellers and goods.	<ul style="list-style-type: none"> clarification of obligations for the reporting of travellers and goods re-engineering of border processes increased capacity to address enforcement gaps 	Legislative drafting instructions were developed and forwarded to the Department of Justice in June 2000. Consultations are continuing between CCRA and the Justice drafters to work out any technical concerns and reach agreement on the changes required to the <i>Customs Act</i> and regulations.
The Agency will amend the <i>Customs Act</i> to introduce collection tools that are harmonized with other revenue programs.	<ul style="list-style-type: none"> clarification of collection rules collection rules harmonized with other revenue programs 	Drafting instructions were developed and forwarded to the Department of Justice in June 2000. Questions raised by the Justice drafters are being discussed with the program policy area to determine the extent of the changes that may actually be required.
The Agency will amend customs legislation to create new regulations for administrative monetary penalties.	<ul style="list-style-type: none"> penalties that are proportionate to the severity of contraventions and based on clients' compliance history ability to address compliance shortfalls in the present penalty regime ability to support new re-engineering and business initiatives within customs 	Drafting instructions were developed and forwarded to the Department of Justice in June 2000. Changes to the structure of the <i>Customs Act</i> are being discussed with legal counsel to determine the best approach in providing an effective and flexible penalty framework.

Section IV - Financial Performance

Overview

The Planned Spending amount shown below represents the original funding approved through Main Estimates. This authority increased to \$3,004.7 million during 1999-2000 through Supplementary Estimates approvals of about \$249.6 million for items such as Re-engineering Projects (\$45.3 million), National Child Benefit Program (\$28.6 million), Revenue Generating Initiatives (\$8.8 million), 1999 Omnibus Submission relating to the 1999 Federal Budget (\$57.3 million), Enhanced Enforcement Activity (\$14.0 million), Operating Budget Carry Forward from 1998-1999 to 1999-2000 (\$57.7 million), Transitional Costs of Capturing Corporate Financial Information (GIFI) (\$8.1 million), Agency Transitional Costs (\$18.5 million), and Children's Special Allowance payments (\$13.2 million) and other approvals.

Along with the additional authorities, actual spending increased correspondingly and totalled \$2,935.2 million, reflecting a planned lapse of \$69.5 million which the CCRA is entitled to carry-forward to 2000-2001.

CCRA Financial Information

Canada Customs and Revenue Agency	1999-2000
Planned Spending	\$2,533,506,900
<i>Total Authorities</i>	<i>\$3,004,690,630</i>
Actual Spending	\$2,935,169,634

Gross revenue collected by the Agency totalled some \$275 billion, which typically represents about 95% of all government revenue. The gross revenues collected by the CCRA increased by 7.4% from \$256 billion in 1998-1999.

Financial Summary Tables

The following tables are applicable to the CCRA:

- Table 1: Summary of Voted Appropriations
- Table 2: Comparison of Total Planned Spending to Actual Spending
- Table 3: Historical Comparison of Total Planned Spending to Actual Spending
- Table 4: Resource Requirements by Organization (Functional) and Business Line
- Table 5: Respendable Revenues
- Table 6: Non-Respendable Revenues
- Table 7: Statutory Payments
- Table 8: Transfer Payments
- Table 9: Capital Spending
- Table 10: Capital Projects

Table 1: Summary of Voted Appropriations

Financial Requirements by Authority (\$ thousands)				
Vote		Planned Spending 1999-00	Total Authorities 1999-00	Actual 1999-00
	National Revenue			
1	Operating expenditures	2,002,664	2,409,873	2,340,610
5	Capital expenditures	18,727	15,727	15,721
10	Contributions	95,000	95,000	94,900
(S)	Minister of National Revenue			
	- Salary and motor car allowance	49	51	51
(S)	Contributions to employee benefit plans	342,067	394,479	394,479
(S)	Children's Special Allowance payments	75,000	88,227	88,227
(S)	Spending of proceeds from the disposal of Surplus Crown Assets	-	462	310
(S)	Court Awards	-	869	869
(S)	Refund of Previous Years' Revenue	-	3	3
	Total Agency	2,533,507	3,004,691	2,935,170

Table 2: Comparison of Total Planned Spending to Actual Spending

Agency Planned versus Actual Spending by Business Line (\$ thousands)									
Business Lines	FTE	Operating	Capital	Voted Grants & Contributions	Subtotal: Gross Voted Expenditures	Statutory Grants and Contributions	Total Gross Expenditures	Less: Respendable Revenues	Total Net Expenditures
Assistance to Clients a									
Assessment of Returns	10,833	526,271		95,000	621,271	75,000	696,271		696,271
Total Authorities	<i>12,112</i>	<i>646,264</i>		<i>95,000</i>	<i>741,264</i>	<i>88,227</i>	<i>829,491</i>		<i>829,491</i>
Actual Spending	11,721	636,830		94,900	731,730	88,227	819,957		819,957
Customs and Trade									
Administration	7,457	393,387	18,727		412,114		412,114		412,114
Total Authorities	<i>7,680</i>	<i>451,103</i>	<i>15,727</i>		<i>466,830</i>		<i>466,830</i>		<i>466,830</i>
Actual Spending	6,899	447,930	15,721		463,651		463,651		463,651
Verification and Enforcement									
Verification and Enforcement	10,071	604,273			604,273		604,273		604,273
Total Authorities	<i>10,198</i>	<i>653,118</i>			<i>653,118</i>		<i>653,118</i>		<i>653,118</i>
Actual Spending	9,338	646,698			646,698		646,698		646,698
Revenue Collections									
Revenue Collections	5,562	249,968			249,968		249,968		249,968
Total Authorities	<i>5,606</i>	<i>272,357</i>			<i>272,357</i>		<i>272,357</i>		<i>272,357</i>
Actual Spending	5,121	270,581			270,581		270,581		270,581
Appeals									
Appeals	1,280	73,385			73,385		73,385		73,385
Total Authorities	<i>1,310</i>	<i>80,213</i>			<i>80,213</i>		<i>80,213</i>		<i>80,213</i>
Actual Spending	1,123	75,373			75,373		75,373		75,373
Administration and Information Technology									
Administration and Information Technology	6,905	636,036			636,036		636,036		636,036
Total Authorities	<i>7,948</i>	<i>841,222</i>			<i>841,222</i>		<i>841,222</i>		<i>841,222</i>
Actual Spending	7,465	794,334			794,334		794,334		794,334
Revenues Credited to the Vote									
Revenues Credited to the Vote								(138,540)	(138,540)
Total Authorities								<i>(138,540)</i>	<i>(138,540)</i>
Actual Spending								(135,424)	(135,424)
Total	42,108	2,483,320	18,727	95,000	2,597,047	75,000	2,672,047	(138,540)	2,533,507
Total Authorities	<i>44,854</i>	<i>2,944,277</i>	<i>15,727</i>	<i>95,000</i>	<i>3,055,004</i>	<i>88,227</i>	<i>3,143,231</i>	<i>(138,540)</i>	<i>3,004,691</i>
Actual Spending	41,667	2,871,746	15,721	94,900	2,982,367	88,227	3,070,594	(135,424)	2,935,170
Other Revenues and Expenditures									
Non-Respendable Revenues - Non-Tax Revenues ¹									
Total Authorities									(231,800)
Actual Spending									(177,821)
Cost of services provided by other departments without charge									
Total Authorities									312,200
Actual Spending									355,636
Net Cost of the Program									
Total Authorities									2,613,907
Actual Spending									3,134,987

1 These revenues were originally shown as "Revenues Credited to the Consolidated Revenue Fund (CRF)" in the 1999-2000 Report on Plans and Priorities as \$231.8 million, which was subsequently adjusted for a restatement of Interest amounts. Details are found in Section V, Appendix 5.
 Note: Numbers in normal font are planned spending as per 1999-2000 Report on Plans and Priorities; Numbers in italics denote Total Authorities from main and supplementary estimates and other authorities. Bolded numbers denote actual expenditures/revenues.

Table 3: Historical Comparison of Total Planned Spending to Actual Spending

Agency Planned Versus Actual Spending by Business Line (\$ thousands)					
Business Lines	Actual 1997-98	Actual 1998-99	Planned Spending 1999-00	Total Authorities 1999-00	Actual 1999-00
Assistance to Clients and Assessment of Returns					
Returns	665,562	780,119	696,271	829,491	819,957
Customs and Trade Administration					
Administration	410,796	441,775	412,114	466,830	463,651
Verification and Enforcement					
Verification and Enforcement	519,096	600,306	604,273	653,118	646,698
Revenue Collections					
Revenue Collections	239,502	253,294	249,968	272,357	270,581
Appeals					
Appeals	63,085	73,355	73,385	80,213	75,373
Administration and Information Technology					
Administration and Information Technology	679,963	746,043	636,036	841,222	794,334
Revenues Credited to the Vote					
Revenues Credited to the Vote	(136,103)	(137,709)	(138,540)	(138,540)	(135,424)
Total	2,441,901	2,757,183	2,533,507	3,004,691	2,935,170

Note: Planned spending numbers are those reported in 1998-99 Report on Plans and Priorities. Total authorities are Main Estimates plus Supplementary Estimates plus other authorities.

Table 4: Resource Requirements by Organization (Functional) and Business Line

Comparison of 1999-2000 Planned Spending, and Total Authorities to Actual Expenditures by Organization and Business Line (\$ thousands)									
Organization	Business Lines							Revenues Credited to the Vote	Organization Total
	Assistance to Clients and Assessment of Returns	Customs and Trade Administration	Verification and Enforcement	Revenue Collections	Appeals	Administration and Information Technology			
Executive Office	0	0	0	0	0	0	4,050	0	4,050
<i>Total Authorities</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>4,962</i>	<i>0</i>	<i>4,962</i>
Actual Spending	0	0	0	0	0	0	3,921	0	3,921
AC, Policy and Legislation Branch	151,105	0	0	0	0	0	0	0	151,105
<i>Total Authorities</i>	<i>160,610</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>160,610</i>
Actual Spending	156,536	0	0	0	0	0	0	0	156,536
AC, Assessment and Collections Branch	444,949	0	0	249,968	0	4,549	0	0	699,466
<i>Total Authorities</i>	<i>561,967</i>	<i>0</i>	<i>0</i>	<i>272,357</i>	<i>0</i>	<i>12,116</i>	<i>0</i>	<i>0</i>	<i>846,440</i>
Actual Spending	557,470	0	0	270,581	0	12,169	0	0	840,220
AC, Customs Branch	0	393,387	0	0	0	0	0	0	393,387
<i>Total Authorities</i>	<i>0</i>	<i>451,103</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>451,103</i>
Actual Spending	0	447,930	0	0	0	0	0	0	447,930
AC, Compliance Programs Branch	0	0	604,273	0	0	0	0	0	604,273
<i>Total Authorities</i>	<i>0</i>	<i>0</i>	<i>653,118</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>653,118</i>
Actual Spending	0	0	646,698	0	0	0	0	0	646,698
AC, Appeals Branch	0	0	0	0	73,385	0	0	0	73,385
<i>Total Authorities</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>80,213</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>80,213</i>
Actual Spending	0	0	0	0	75,373	0	0	0	75,373
6 ACs, Regional Operations	0	0	0	0	0	52,342	0	0	52,342
<i>Total Authorities</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>57,831</i>	<i>0</i>	<i>0</i>	<i>57,831</i>
Actual Spending	0	0	0	0	0	41,770	0	0	41,770
AC, Communications Branch	8,123	0	0	0	0	0	0	0	8,123
<i>Total Authorities</i>	<i>12,428</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>12,428</i>
Actual Spending	12,153	0	0	0	0	0	0	0	12,153
AC, Finance and Administration Branch	92,094	18,727	0	0	0	255,171	0	0	365,992
<i>Total Authorities</i>	<i>94,486</i>	<i>15,727</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>290,710</i>	<i>0</i>	<i>0</i>	<i>400,923</i>
Actual Spending	93,798	15,721	0	0	0	280,980	0	0	390,499
AC, Human Resources Branch	0	0	0	0	0	74,697	0	0	74,697
<i>Total Authorities</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>119,345</i>	<i>0</i>	<i>0</i>	<i>119,345</i>
Actual Spending	0	0	0	0	0	116,008	0	0	116,008
AC, Information and Technology Branch	0	0	0	0	0	221,128	0	0	221,128
<i>Total Authorities</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>327,928</i>	<i>0</i>	<i>0</i>	<i>327,928</i>
Actual Spending	0	0	0	0	0	313,015	0	0	313,015
AC, Corporate Affairs Branch	0	0	0	0	0	24,099	0	0	24,099
<i>Total Authorities</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>28,330</i>	<i>0</i>	<i>0</i>	<i>28,330</i>
Actual Spending	0	0	0	0	0	26,471	0	0	26,471
Respendable Revenues	0	0	0	0	0	0	(138,540)	(138,540)	(138,540)
<i>Total Authorities</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>(138,540)</i>	<i>(138,540)</i>	<i>(138,540)</i>
Actual Spending	0	0	0	0	0	0	(135,424)	(135,424)	(135,424)
Totals	696,271	412,114	604,273	249,968	73,385	636,036	(138,540)	2,533,507	
<i>Total Authorities</i>	<i>829,491</i>	<i>466,830</i>	<i>653,118</i>	<i>272,357</i>	<i>80,213</i>	<i>841,222</i>	<i>(138,540)</i>	<i>3,004,691</i>	
Actual Spending	819,957	463,651	646,698	270,581	75,373	794,334	(135,424)	2,935,170	

Note: Numbers in normal font are planned spending as per 1999-2000 RPP; Numbers in italics denote Total Authorities for main and supplementary estimates and other authorities; and Bolded numbers denote actual expenditures/revenues in 1999-2000.

Table 5: Responsible Revenues

Responsible Revenues by Business Line (\$ thousands)					
Business Line	Actual 1997-98	Actual 1998-99	Planned Revenues 1999-00	Total Authorities 1999-00	Actual 1999-00
Revenues Credited to the Vote	(136,103)	(137,709)	(138,540)	(138,540)	(135,424)
Total Responsible Revenues	(136,103)	(137,709)	(138,540)	(138,540)	(135,424)

Table 6: Non-Responsible Revenues

Non-Responsible Revenues by Business Line (\$ thousands)					
Business Line	Actual 1997-98	Actual 1998-99	Planned Revenues 1999-00	Total Authorities 1999-00	Actual 1999-00
Total Non-Responsible Revenues ^{1,2}	241,372	137,888	231,800	175,800	154,975
1	The breakdown by business line is not available for CCRA. See Section V, Appendix 5 for details of Non-Responsible Revenues: Non-Tax Revenues.				
2	For 1997-1998, Interest paid on Tax Refunds was netted against Tax Revenues. Commencing in 1998-1999, accounting changes were made to include these amounts in Non-responsible: Non-tax Revenues, leading to a restatement of 1998-1999 Non-tax Revenues.				

Table 7: Statutory Payments

Statutory Payments by Business Line (\$ thousands)					
Business Line	Actual 1997-98	Actual 1998-99	Planned Spending 1999-00	Total Authorities 1999-00	Actual 1999-00
Assistance to Clients and Assessment of Returns	45,528	69,973	75,000	88,227	88,227
Total Statutory Payments	45,528	69,973	75,000	88,227	88,227
Note: These amounts represent Children's Special Allowance Statutory Vote Payments.					

Table 8: Transfer Payments

Transfer Payments by Business Line (\$ thousands)					
Business Line	Actual 1997-98	Actual 1998-99	Planned Spending 1999-00	Total Authorities 1999-00	Actual 1999-00
Assistance to Clients and Assessment of Returns	95,000	95,000	95,000	95,000	94,900
Total Transfer Payments	95,000	95,000	95,000	95,000	94,900
Note: These amounts represent contributions to the Province of Quebec in respect of the joint administration costs of federal and provincial sales taxes.					

Table 9: Capital Spending

Capital (Vote 5) Spending by Business Line (\$ thousands)					
Business Line	Actual 1997-98	Actual 1998-99	Planned Spending 1999-00	Total Authorities 1999-00	Actual 1999-00
Customs and Trade Administration	8,234	9,294	18,727	15,727	15,721
Total Capital Spending	8,234	9,294	18,727	15,727	15,721

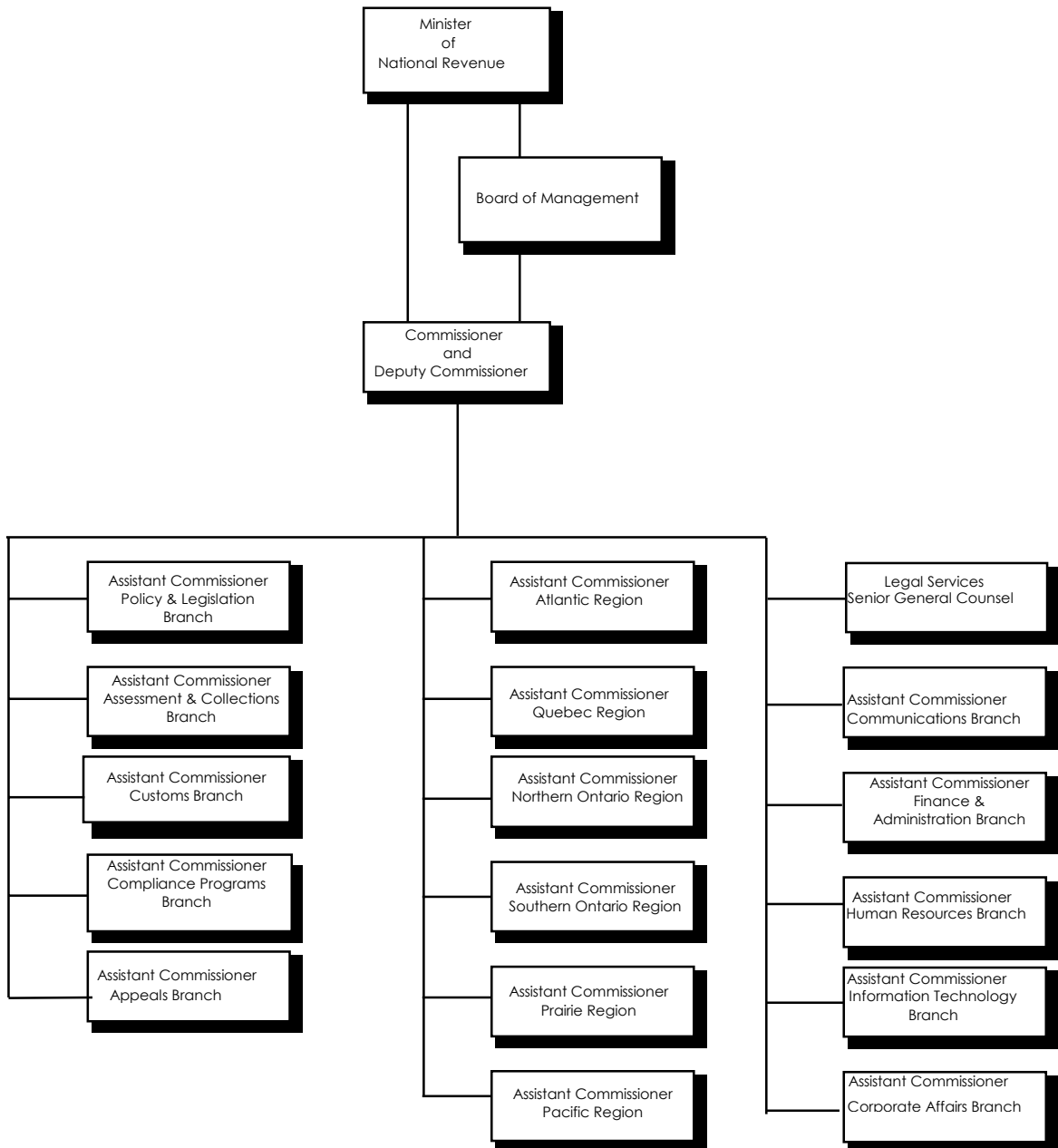
Table 10: Capital Projects

Capital (Vote 5) Projects by Business Line (\$ thousands)						
Business Line	Current Estimated Total Cost	Actual 1997-98	Actual 1998-99	Planned Spending 1999-00	Total Authorities 1999-00	Actual 1999-00
Customs and Trade Administration						
New Facilities Projects:						
Saint-Bernard-de-Lacolle, Que.	18,700	3,500	100			25
Coutts, Alberta	16,520	100	100	1,200	1,200	2,856
Emerson, Manitoba	12,200	400	3,700	7,900	7,900	7,342
Little Gold Creek, B.C.	1,760		1,400	250	250	51
Osoyoos, B.C.	16,950	100	100	4,313	1,313	1,284
Andover, N.B.	5,775		100	105	105	94
Armstrong, Que.	6,776			65	65	2
Douglas, B.C.	16,243			100	100	84
Nelway, B.C.	829			799	799	735
Aldergrove, B.C.	9,835			65	65	
Regway, Sask.	384					25
Trout River, Que.	2,000			100	100	
Fort Frances, Ont.	20			20	20	21
Existing Facilities Projects:						
Health and Safety Projects	8,640	1,500	1,800	1,524	1,524	1,283
Other Projects	12,960	2,634	1,994	2,286	2,286	1,919
Total Capital Projects	129,592	8,234	9,294	18,727	15,727	15,721

Section V - Supplementary Information

Agency Structure

The Agency reports to Parliament through the Minister of National Revenue. The Board of Management consisting of 15 directors, including the Chair and the Commissioner, constitute a new element of governance added to the organization as a result of the creation of the Agency. The Board is primarily responsible for overseeing the organization and administration of the CCRA and the management of its resources, services, property, personnel and contracts. The Agency carries out its mandate through six regions, five headquarters program branches and six corporate branches as depicted in the following chart.



Strategic Foundation

Mission

The Canada Customs and Revenue Agency's mission is to promote compliance with Canada's tax, trade, and border legislation and regulations through education, quality service, and responsible enforcement, thereby contributing to the economic and social well-being of Canadians.

Vision and Strategic Goals

The Agency's vision provides a description of the organizational characteristics that it aspires to achieve. Its vision is supported by strategic goals that have a long-term horizon and that reflect mission-critical areas essential to the achievement of this desired future state.

The Agency's vision is to be recognized and respected by clients for its integrity, fairness, and innovation in administering high-quality, yet affordable programs. Its progressive stand will encourage new inter-governmental and international partnerships fostering greater government efficiency and stronger economic union.

The Agency will earn its good standing with Canadians through the continued pursuit of six strategic goals:

Quality Services and Client Communication: to provide accessible, responsive, and reliable services at an affordable cost.

Responsible Enforcement and Border Protection: to deliver fair, responsible, and effective enforcement programs in a manner that directly responds to changes in the environment.

Fair Administration: to apply the principle of fairness diligently and consistently in all programs to sustain public confidence and encourage voluntary compliance.

Simple and Efficient Processes: to minimize the administrative cost and compliance burden imposed on our clients by streamlining and simplifying our legislation, programs, and operations.

Knowledgeable and Skilled People: to ensure that our people have the knowledge, skills, and support needed to work effectively in an environment that promotes and recognizes exemplary performance.

Effective Management and Corporate Services: to provide effective support for our programs and initiatives through responsive, modern, and integrated corporate policies, systems, and processes.

Financial Information

Appendix 1: Details of Spending by Object

(\$ thousands)	Actual 1997-98	Actual 1998-99	Planned Spending 1999-00	Total Authorities 1999-00	Actual 1999-00
Personnel					
Salaries and wages	1,631,205	1,834,474	1,710,775	1,985,606	1,916,632
Contributions to employee benefit plans	266,482	351,936	342,067	394,479	394,479
<i>Sub-total</i>	1,897,687	2,186,410	2,052,842	2,380,085	2,311,111
Goods and services					
Transportation and Communications	168,636	159,419	147,100	192,300	160,377
Information ¹	34,376	33,476	36,300	3,000	2,478
Professional and special services	127,785	160,682	102,000	124,791	154,801
Rentals	12,808	10,338	9,600	12,600	11,656
Purchased repair and maintenance	52,533	50,054	45,500	59,500	58,647
Utilities, materials and supplies ^{1,2}	49,466	46,108	34,900	63,500	62,323
Other subsidies and payments	(5,842)	(4,223)	278	10,300	13,003
Minor Capital ²	91,793	79,361	54,800	98,200	97,748
<i>Sub-total</i>	531,555	535,215	430,478	564,191	561,033
Capital					
Controlled Capital	8,234	9,294	18,727	15,727	15,323
Transfer payments					
Grants (statutory payments)	45,528	68,973	75,000	88,227	88,227
Contributions	95,000	95,000	95,000	95,000	94,900
<i>Sub-total</i>	140,528	163,973	170,000	183,227	183,127
Gross Expenditures	2,578,004	2,894,892	2,672,047	3,143,230	3,070,594
Less: Respendable Revenues ³	(136,103)	(137,709)	(138,540)	(138,540)	(135,424)
Net Expenditures	2,441,901	2,757,183	2,533,507	3,004,690	2,935,170
1	Starting with 1999-2000 actuals, a change in coding requirements has resulted in much of what was formerly information costs now included with Utilities, Materials and Supplies.				
2	Machinery, equipment, attachments and accessories for such machinery costing less than \$1000, which were formerly included under Utilities, Materials and Supplies are reflected in Minor Capital.				
3	These revenues were formerly called "Revenues Credited to the Vote".				

Appendix 2: Revenue Collections by Type

(\$ thousands)	Gross Collections 1999-00	Refunds Drawbacks and Credits ¹ 1999-00	Net Collections 1999-00	Net Collections 1998-99	Net Collections 1997-98
Income Tax					
Personal ²	171,931,753	23,370,511	148,561,242	141,262,751	134,384,483
Corporation	32,063,425	6,612,720	25,450,705	23,208,402	23,867,097
Non-Resident	2,435,392	67,742	2,367,650	1,930,370	1,983,456
Petroleum and Gas Revenue					
Tax	0	29,208	(29,208)	(37,412)	(307)
Resource Royalties Tax	0	0	0	11,396	12,933
Miscellaneous ³	1,201,073	69,438	1,131,635	970,908	990,223
Sub-total	207,631,643	30,149,619	177,482,024	167,346,415	161,237,885
Customs, Excise, GST and HST					
Goods and Services Tax (GST)/Harmonized Sales Tax (HST) ⁴	56,323,069	31,781,192	24,541,877	22,344,765	20,879,827
Customs Import Duties	2,314,872	209,755	2,105,117	2,359,363	2,765,822
Federal Sales Tax	195	81,273	(81,078)	(65,326)	(29,755)
Motive Fuels	4,809,207	22,866	4,786,341	4,742,238	4,625,493
Excise Duties	2,240,905	104	2,240,801	2,357,836	2,262,843
Other Excise Taxes	1,214,858	46,429	1,168,429	1,134,026	1,021,216
Sub-total	66,903,106	32,141,619	34,761,487	32,872,902	31,525,446
Other					
Softwood Lumber Products					
Export Charge	0	0	0	0	242
Air Transportation Tax ⁵	2,783	0	2,783	294,793	741,834
Provincial Sales, Tobacco and Alcohol Taxes	26,826	0	26,826	9,181	9,299
Sub-total	29,609	0	29,609	303,974	751,375
Total Tax Revenues	274,564,358	62,291,238	212,273,120	200,523,291	193,514,706
Non-Tax Revenues⁶	154,975	0	154,975	137,888	241,372
Total Revenue	274,719,333	62,291,238	212,428,095	200,661,179	193,756,078
1	Refunds, Drawbacks, and Credits include:	1999-2000	\$5,999,541,721		
	A. Child Tax Benefit (CTB) payments	1998-1999	\$5,715,306,381		
	as follows:	1997-1998	\$5,351,674,068		
	B. Goods and Services Tax Credit (GSTC) payments as follows:	1999-2000	\$2,846,992,691		
		1998-1999	\$2,849,817,148		
		1997-1998	\$2,891,725,063		
2	Includes provincial share of personal income tax, Canada Pension Plan and Employment Insurance contributions.				
3	Includes tax revenue from trusts and estates, and special returns not processed by the normal systems.				
4	Includes the provincial share of the HST collected on behalf of participating provinces:				
	1999-2000	\$1,726,168,943			
	1998-1999	\$1,662,202,030			
	1997-1998	\$1,470,465,500			
5	Air Transportation Tax is subsequently transferred to Transport Canada on a monthly basis.				
6	For 1997-1998, Interest paid on Customs, Excise, GST and HST refunds and rebates was netted against the corresponding tax revenues. Commencing in 1998-1999, accounting changes were made to net these amounts against Non-tax Revenues, leading to a restatement of 1998-1999 Non-tax Revenues (see Appendix 5).				

Appendix 3: Allocations of Revenues Collected

(\$ thousands)	Gross Collections 1999-00	Refunds Drawbacks and Credits ¹ 1999-00	Net Collections 1999-00	Net Collections 1998-99	Net Collections 1997-98
Federal					
Income Tax	136,317,013	30,149,620	106,167,393	96,872,644	95,925,866
Goods and Services Tax (GST)/Harmonized Sales Tax (HST)	54,596,900	31,781,192	22,815,708	20,682,563	19,409,361
Other Taxes, Duties and Non-Tax Revenue	10,737,794	360,426	10,377,368	10,960,820	11,628,826
<i>Sub-total</i>	201,651,707	62,291,238	139,360,469	128,516,027	126,964,053
Provincial					
Income Tax ²	35,604,765	0	35,604,765	35,970,007	33,370,991
Harmonized Sales Tax (HST) ³	1,726,169	0	1,726,169	1,662,202	1,470,465
Other Taxes ⁴	26,826	0	26,826	9,181	9,541
<i>Sub-total</i>	37,357,760		37,357,760	37,641,390	34,850,997
Canada Pension Plan Contributions ⁵	16,871,726	0	16,871,726	14,799,701	12,790,363
Employment Insurance Contributions ⁵	18,838,140	0	18,838,140	19,704,061	19,150,665
Total Revenues Allocated	274,719,333	62,291,238	212,428,095	200,661,179	193,756,078
1	Refunds, Drawbacks, and Credits include:	1999-2000	\$5,999,541,721		
	A. Child Tax Benefit (CTB) payments as follows:	1998-1999	\$5,715,306,381		
		1997-1998	\$5,351,674,068		
	B. Goods and Services Tax Credit (GSTC) payments as follows:	1999-2000	\$2,846,992,691		
		1998-1999	\$2,849,817,148		
		1997-1998	\$2,891,725,063		
2	Provincial Income Tax is allocated from the collection of personal income tax and corporation income tax.				
3	Harmonized Sales Tax collected on behalf of participating provinces.				
4	Other Taxes include sales, tobacco, and alcohol taxes, as well as the Softwood Lumber Products Export Charge collected on behalf of the provinces.				
5	Canada Pension Plan and Employment Insurance contributions are allocated from the collection of personal income tax.				

Appendix 4: Statement of Tax and Non-Tax Accounts Receivable at Fiscal Year-End

(\$ thousands)	As at March 31, 1998	As at March 31, 1999	As at March 31, 2000
Income Tax			
Personal ¹	5,075,721	5,312,130	6,280,278
Corporation	1,291,453	1,496,400	1,798,317
Scientific Research Tax Credit ²	5,182	2,465	1,585
Source Deductions (Employers)	883,539	972,882	933,312
Non-Resident	227,904	248,141	324,775
Miscellaneous ³	132,824	103,673	63,217
Retirement Compensation			
Arrangement Tax	790	806	31
Petroleum and Gas Revenue Tax	407	983	71
<i>Sub-total</i>	7,617,820	8,137,480	9,401,586
Customs, Excise, GST and HST			
Goods and Services Tax (GST) / Harmonized Sales Tax (HST)	2,391,817	2,739,694	3,358,898
Other Excise Taxes and Duties	89,689	165,087	113,998
Customs Import Duties	100,361	118,302	99,246
Adjudications	486	286	286
<i>Sub-total</i>	2,582,353	3,023,369	3,572,428
Total Tax Revenue Accounts Receivable	10,200,173	11,160,849	12,974,014
Sundry (Non-Tax Revenue) Accounts Receivable ⁴	311,054	414,285	425,017
Total Accounts Receivable ⁵	10,511,227	11,575,134	13,399,031
1	Excludes the prepayment of the Child Tax Benefit (CTB) and the Goods and Services Tax Credit (GSTC).		
2	Represents "returns assessed" under Part VIII of the Income Tax Act relating to scientific research project expenditures that have not been accepted as tax credits under SRTC legislation.		
3	Includes tax and penalties assessed under T3-T4-T5 series of returns.		
4	Excludes revenue internal to the Government (1999-2000, \$7,011,514; 1998-1999, \$1,098,603; and 1997-1998, \$1,339,179).		
5	Excludes amounts not payable under tax in dispute legislation (\$3,461.7 million at March 31, 2000; \$3,283.3 million at March 31, 1999; \$4,207.5 million at March 31, 1998).		

Appendix 5: Non-Respendable Revenues: Non-Tax Revenues

(\$ thousands)	Actual 1996-97	Actual 1997-98	Actual 1998-99	Actual 1999-2000	Planned 1999-2000
Sales of goods and services					
Brokers' licence fees	435	426	379	982	400
Customs bonded warehouse fees	933	758	845	766	800
Lease and use of public property	691	614	1,255	643	500
Ruling fees	1,221	1,018	1,144	1,166	1,100
Administration of Provincial programs ¹	33,377	16,202	13,813	20,652	15,500
Special services fees	1,364	1,243	1,058	1,227	1,400
Sale of unclaimed goods, seals, etc.	291	174	65	1,178	200
Other fees and charges	2,447	3,484	4,364	6,799	4,300
Proceeds from the disposal of surplus Crown assets	324	363	365	378	200
Interest and Penalties					
Penalties - GST	79,919	70,366	72,648	79,380	72,100
Penalties - Customs, Excise	6,863	6,288	4,219	5,748	5,500
Interest - GST	78,776	56,509	49,997	55,663	72,100
Interest - Customs, Excise	8,129	19,041	3,402	5,638	11,600
Interest paid - Excise Tax Refunds and late payment of GST Housing Rebates ²	0	0	(40,700)	(45,287)	0
Interest paid - Late payment of GST Refunds and Other Rebates ²	0	0	(28,989)	(31,395)	0
Other non-tax revenues					
Fines and forfeitures	8,000	8,294	7,426	4,683	8,200
Revenue from seized property	0	0	0	0	0
Port seizures	6,859	9,880	11,339	8,410	8,000
Investigation services seizures	1,766	2,542	1,775	604	2,700
Duty free shops	3,553	3,905	5,011	5,168	4,300
Customs Seizures	33	58	(39)	(40)	0
Recovery of employee benefits	20,452	22,068	22,778	22,406	21,600
Other	22,767	2,643	0	3,041	0
Refunds of previous years' expenditures					
Refunds of previous years' expenditures	1,909	2,868	1,852	4,894	1,200
Adjustment of Prior Year's Payable at Year-End	9,037	12,628	3,881	2,271	100
Total Non-Tax Revenues	289,146	241,372	137,888	154,975	231,800

¹ Includes in 1996-1997, \$9.5 million for the Administration of Provincial Programs for 1994-1995 and \$9.7 million for 1995-1996, which were received in 1996-1997 and reported in the 1996-1997 Public Accounts.

² For 1996-1997 and 1997-1998, Interest paid on Customs, Excise, GST and HST refunds and rebates was netted against the corresponding tax revenues. Commencing in 1998-1999, accounting changes were made to net these amounts against Non-tax Revenues, leading to a restatement of 1998-1999 Non-tax Revenues, from the numbers published in the 1998-1999 Performance Report.

Appendix 6: Cost of services provided by other departments without charge

(\$ thousands)		Actual 1998-99	Planned 1999-00	Actual 1999-00
Accommodation	- from Department of Public Works and Government Services and from the Department of Transport	201,250	170,000	196,317
Employer's Share of employee benefit costs and insurance premiums	- from Treasury Board Secretariat	105,300	107,600	105,415
Legal Services	- from Department of Justice	35,200	40,000	46,886
Audit Services	- from Auditor General	4,270		4,358
Worker's Compensation Benefits	- from Department of Human Resources Development	3,600	3,600	2,660
Total services provided by other departments without charge		349,620	312,200	355,636

Program Information

Appendix 1 - Performance Tables by Strategic Goal

Goal 1. Quality Services and Client Communication

Figure 1-1: Service Standards in CCRA

Service	Public Standard	Target	Results	Results	Results
			1997-98	1998-99	1999-00
1. Processing Paper T1 Individual Income Tax Returns	4-6 weeks	4-6 weeks	n/a	5 weeks	5 weeks
2. Processing Electronic T1 Individual Income Tax Returns (EFILE, TELEFILE, NETFILE)	2 weeks	2 weeks	n/a	2 weeks	2 weeks
3. Responding to Client Requested Adjustments (T1)	8 weeks	8 weeks	n/a	7 weeks	7 weeks
4. Processing T3 Trust Returns	4 months	95%	64%	69%	67%
5. Processing EFILE Agent Applications	30 days	100%	100%	100%	100%
6. Processing CCTB Applications	end of second month after receipt	98%	88%	90%	90%
7. Reimbursements to Duty Free Shops	5 working days	100%	98%	99%	99%
8. Compensation to Duty Free Shops	30 days	100%	99%	99%	99%
9. Processing GST/HST Returns	21 days	100%	85.6%	93.8%	93.9%
10. Validating Magnetic Media Test Tapes	30 days	100%	98%	98%	95%
11. Processing T-2 Corporation Income Tax Returns	90 days	90%	86%	80%	51%
12. Processing Visitor Rebate Applications	4-6 weeks	100%	95%	95%	95%
13. Counter Service Wait-Time	20 minutes (except peak)	20 minutes (except peak)	not available	pilot project to measure results	not available
14. Problem Resolution Program	acknowledgment 24-38 hours, resolution 25 working days	100%	implemented in 1999	implemented in 1999	not available
15. Processing Fairness Requests related to Accounts Receivable and Trust Accounts Programs	4-6 weeks	90%	n/a	92%	91%
16. Release on Minimum Documentation (RMD) - EDI	45 minutes	100%			85.64%
17. RMD - EDI Machine Release	5 minutes				see note
18. RMD - Paper	2 hours				see note
19. Pre-Arrival Review System (PARS) - EDI	requires one hour				see note
20. PARS - Paper	requires 2 hours				see note

Service	Public Standard	Target	Results		
			1997-98	1998-99	1999-00
21. Landborder Traveller Wait-Time (Customs Booth Clearance)	10 minutes during week	100%	97.2%		see note
	20 minutes on weekend	100%	95.24%		
22. Landborder Traveller Wait-time (Payment of Duty)	5 minutes during week				see note
	10 minutes on weekend				
23. Advance Income Tax Rulings to Taxpayers	within 90 days		123 days	122 days	108 days
24. Technical Interpretations to Taxpayers	within 90 days		118 days	111 days	121 days
25. Applications to Register Pension Plans	acknowledge in 60 days	80%	over 80%	over 80 %	over 80%
	complete review in 180 days	80%	95%	88%	89%
26. RSP and RIF Applications	within 60 days	80%	64%	69%	68%
27. Response to Telephone Enquiries Regarding Deferred Income Plans (DIP)	24/48 hrs	80%	over 80%	over 80%	over 80%
28. Response to Written Enquiries Regarding Deferred Income Plans (DIP)	60 days	80%	65%	65%	59%
29. Non-Resident Returns - 216 & 217	4-6 weeks				
30. Claims - SR&ED Tax Incentives					
(i) Refundable Claims - Unaudited	60 days	100%	38%	58%	84%
(ii) Refundable Claims - Audited	120 days	100%	38%	48%	81%
(iii) Non-Refundable Claims - Unaudited	120 days	100%	43%	70%	85%
(iv) Non-Refundable Claims - Audited	1 year	100%	35%	39%	58%
31. Claims - Video and Film Tax Credits					
(i) Refundable Claims - Unaudited	60 days	100%	49%	72%	84%
(ii) Refundable Claims - Audited	120 days	100%	54%	75%	77%

Explanatory Notes:

Standard 4: Based only on those Trust returns directly related to the publication T3 Guide and Trust Return (not T3 Special returns). The T3 Redesign initiative, to be completed over 3 years, will include automation of T3 assessing and aims to reduce processing time to an estimated 6 weeks.

Standard 6: A national review of 1,400 applications was conducted in August 1999, indicating that the service standard is being met for routine applications 99% of the time and 62% of the time for non-routine. According to weighted averaging 90% of applications are processed within two months.

Standard 11: The decrease in the percentage of returns assessed in 90 days is due to many factors, including delays in implementing the new Corporate income tax returns processing system and a rotating general labourer's strike in the first quarter of 1999. This resulted in slowdowns or shutdowns at the tax centres and an increase in the backlog of returns to be assessed throughout 1999.

Standard 13: In 1997-1998, there was no measurement mechanism in place. In 1998-1999, 80% of the offices included in the pilot measurement project met or bettered the standard. This past year has been dedicated to refining the measurement mechanism so that it can be used nationally.

Standard 14: Currently, the PRP service standard is not formally measured; however, plans are underway to incorporate the measurement in the new reporting system to be rolled out to the field offices over the summer and fall of 2000.

Standard 15: Tracking of results started in 1998-1999 as part of internal performance monitoring system.

Standard 17: The monitoring of the 5-minute processing standard for machine release is currently under development.

Standards 18 and 20: The RMD-Paper and PARS-Paper semi-annual reports are still under development; we are moving to the full participation of Customs ports.

Standard 19: Customs guarantees the shipment will be ready for release if the paper is presented no more than 10 days and no less than 1 hour before release is requested. There is no report available for this item.

Standard 21: Because of the related costs, the relative consistency of results and of the Canada/U.S. exchange rate, studies of landborder wait time were suspended in 1998. However, new studies were instituted in December 1999.

Standard 22: Time studies of wait times for payment of duties and taxes have not been considered necessary. This is largely due to the decline in small collections from a high of 4.5 million in 1991-1992 to under 900,000 in 1998-1999. The 1999-2000 figures are not available.

Standard 25: The results are not formally tracked. Responses are prioritized and assigned immediately to staff dedicated to this workload.

Standard 27: The results are not formally tracked. Responses are made within the time frames as part of our procedure.

Standard 29: There has been a tremendous improvement from 1997-1998 as can be evidenced with the year over year success rate increase towards our service standards. The 2000-2001 goal is 90% for refundable claims and 80% for non-refundable claims.

Figure 1-2: Travellers Satisfaction Rate

	Actual 1996-97	Actual 1997-98	Actual 1998-99	Actual 1999-00	Estimates 1999-00
Travellers Processed (000s) ¹	109,145	109,448	104,698	110,269	109,000
Client Satisfaction (%) ²	91.5	91.3	92.1	90	93
1	Individuals entering Canada reporting to customs by any mode.				
2	Travellers who, when surveyed, indicate that they are reasonably to very satisfied with the service they received.				

Goal 2. Simple and Efficient Processes

Figure 2-1: Taxfilers by Type

(000s)	Actual 1997-98	Actual 1998-99	Actual 1999-00	Estimates 1999-00
Individuals and Trusts	21,951	22,539	23,708	22,743
Corporations	1,140	1,201	1,215	1,213
Goods and Services ¹	1,873	1,907	2,028	2,085
Total Taxfilers	24,964	25,647	26,951	26,041
Associated FTE (includes overtime)	6,338	6,400	6,783	6,265
Taxfilers per FTE	3,939	4,007	3,973	4,162
1 Excludes taxfilers registered in the Province of Quebec.				

Note on Individual & Trusts: No unexpected pressures affected T1 processing during the 2000 program (unlike 2 previous years - ice storm, strike). Processing of individual returns exceeded forecasts in the final quarter; total includes 409,000 Trusts.

Note on Corporations: During the last quarter of 1998-1999, the number of files processed was reduced due to delays in the implementation of a new processing system. Recovery from these delays took place during 1999-2000, and production increased near the end of this period. The volume fluctuations can be attributed to these processing delays and steps taken to address them.

Figure 2-2: Public Enquiries Handled

(000s)	Actual 1996-97	Actual 1997-98	Actual 1998-99	Actual 1999-00	Estimates 1999-00
Enquiries handled by Agents ¹	19,730	20,114	20,073	20,110²	20,541
Enquiries handled by Automation	3,800	7,093	8,750	9,238²	9,000
Total Enquiries	23,530	27,207	28,823	29,348	29,541
Associated FTE (includes overtime)	2,082	2,349	2,612	2,609	2,421
1 Agents are handling more complex calls (not answered via automation) which are longer in duration.					
2 Actual volumes are estimates as confirmed volumes are not yet available.					

Figure 2-3: Child Benefit Programs Administered in 1999-2000

Program	Approximate Recipient Population¹	Annual Benefits Paid (\$ millions)
Canada Child Tax Benefit	3,000,000	6,012
Alberta Family Employment Tax Credit	164,000	79
British Columbia Family Bonus	211,000	293
New Brunswick Child Tax Benefit	41,000	20
Newfoundland and Labrador Child Benefit (July '99- Mar '00)	21,500	6
Northwest Territories Child Benefit	3,500	3
Nova Scotia Child Benefit	34,000	15
Nunavut Child Benefit (July '99 - Mar '00)	3,000	2
Saskatchewan Child Benefit	47,000	79
Yukon Child Benefit (Oct '99 - Mar '00)	1,500	0.5
Totals (Provincial clients form part of the CCTB population)	3,000,000	6,509.5
1	Average number of recipients.	

Figure 2-4: Travellers Processed

(000s)	Actual 1996-97	Actual 1997-98	Actual 1998-99	Actual 1999-00	Estimates 1999-00
Travellers Processed ¹	109,145	109,448	104,698	110,269	109,000
1	Individuals entering Canada reporting to customs by any mode.				

Figure 2-5: Percentage of Traveller Volumes Processed at CANPASS Highway¹

	Actual 1996-97	Actual 1997-98	Actual 1998-99	Actual 1999-00	Estimates 1999-00
CANPASS Highway	n/a	n/a	n/a	28%	20%
1	CANPASS was not expanded nationally in 1999-2000 as planned. Expansion will be dependent on the outcome of the Harmonized Highway Pilot Project which is scheduled for implementation in fiscal year 2000-2001. An evaluation of this pilot project will be completed 6-12 months after implementation and national expansion will be based on the findings/recommendations in this evaluation report.				

Figure 2-6: Commercial

(000s)	Actual 1996-97	Actual 1997-98	Actual 1998-99	Actual 1999-00	Estimates 1999-00
Releases Processed ¹	8,600	9,559	10,113	10,751	9,609
Entry Accounting Documents Processed ²	10,299	11,279	11,778	12,744	11,605
Postal Shipments Assessed ³	1,879	1,858	1,776	1,926	1,700
Courier Shipments Released ⁴	7,113	8,208	8,639	9,313	10,700
Courier Shipments Released less than \$20 ⁵	n/a	12,813	13,955	12,536	13,300
<p>1 Commercial shipments arriving by highway, air, rail, and marine modes and presented for release. 2 Customs Coding Forms (B3s) processed. 3 Customs Postal Import Forms (E14s) processed. 4 Courier shipments released with a value greater than \$20 and less than \$1,600. 5 New indicator introduced commencing 1998-1999.</p>					

Figure 2-7: Percentage of Electronic Data Interchange Machine Releases

	Actual 1996-97	Actual 1997-98	Actual 1998-99	Actual 1999-00	Estimates 1999-00
EDI Machine Releases	n/a	6%	11%	49.31%	50%

Figure 2-8: Appraisal and Adjustment

(000s)	Actual 1996-97	Actual 1997-98	Actual 1998-99	Actual 1999-00	Estimates 1999-00
Entry Accounting Documents	10,299	11,279	11,778	12,744	11,605
Commodity Declarations Presented ¹	27,937	31,309	34,308	37,327	36,320
Adjustments Processed ²	307	268	206	160³	285
<p>1 Individual lines of transaction presented on entry accounting documents. 2 Includes appeals, either importer-generated requests for adjustments (refunds, non-revenue changes, voluntary amendments) or Customs-generated adjustments, and all drawbacks claims and certificates. 3 With the implementation of Tariff Simplification, there were two sets of rules for adjustments - one old, and one new effective 1998. Adjustments under the old rules could be made up to two years from importation. This meant that the last adjustment under the old rules could be made until December 31, 1999. Because of the end date, a last minute flurry of activity was expected to capture all adjustments under the old rules. This did not happen. Therefore, there is a discrepancy between the actual 160,000 and the projected 285,000. However, the actuals are closer to the projections for the next three years which are 173,000.</p>					

Figure 2-9: GST/HST Rulings and Interpretations

	Actual 1996-97 ¹	Actual 1997-98 ¹	Actual 1998-99 ¹	Actual 1999-00 ¹	Estimates 1999-00 ¹
Written Rulings	1,208	1,304	1,093	1,056	1,140
Written Interpretations	4,233	3,808	3,239	2,521	3,420
Telephone Interpretations	610,625	269,080	158,855	142,401	170,000
Interviews	50,479	32,532	10,101	4,823	10,616
Associated FTE (includes overtime)	214	189	187	252	195
1	Figures have been adjusted to include Headquarters performance figures as well.				

Note on Interpretations: As the GST/HST has matured, registrants are becoming more knowledgeable and sophisticated in their dealing with the GST/HST which adds to the complexity of requests we receive and the time required to complete our files/calls. Without the corresponding increase in resources, fewer files/calls can be finalized. As there have been some delays in staffing the new AU positions, the CCRA hired in the meantime some staff on a term basis who required training and took some time to be productive.

Note on Interviews: The actual number of interviews completed in 1999-2000 varied from estimated amounts by 54%. While the CCRA service 100% of the requests for interviews that it receives from clients, it has no control over the number of requests for interviews we receive. The variance can be explained, in part, by registrants increasingly using their own commodity tax representatives for tax advice rather than approaching the Agency for rulings and interpretations.

Figure 2-10: Income Tax Rulings and Interpretations

	Actual 1996-97	Actual 1997-98	Actual 1998-99	Actual 1999-00	Estimates 1999-00
Advance Rulings Completed	514	399	320	318	300
Written Interpretations	3,087	2,936	3,167	2,887	3,000
Telephone Interpretations	19,739	20,567	19,050	19,667	20,500
Total Rulings and Interpretations	23,340	23,902	22,537	22,872	22,320
Associated FTE (includes overtime)	106.4	103.6	101	96	101
Fees Collected from Advance Rulings (\$000s)	1,221	1,018	1,063	1,201	1,150

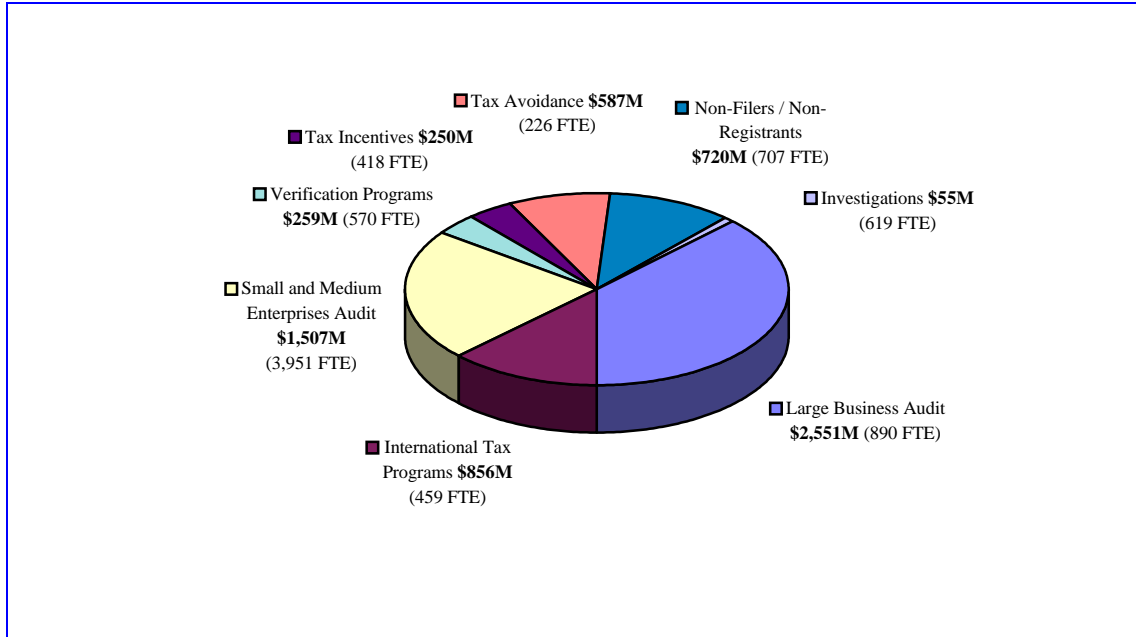
Figure 2-11: Canada Pension Plan and Employment Insurance Rulings

	Actual 1997-98	Actual 1998-99	Actual 1999-00	Estimates 1999-00
Intake	91,692	86,959	82,152	94,727
Completions	92,424	86,518	83,740	93,780
Closing Inventory	8,006	8,447	6,859	9,597
Associated FTE (includes overtime)	356	338	338	366
Completions per FTE	260	256	247	256
Completions as a % of Intake	101%	99%	102%	99%

Note: The original estimates were prepared during a period of growth resulting in high projections. The marked drop in 1999-2000 Actual Intake as compared to Estimates is due to a number of factors: 20% reduction, nationally, in referrals by HRDC to CCRA; significant drop in the unemployment rate in Quebec (our largest volume region); and overhaul of the EI regulations.

Goal 3. Responsible Enforcement and Border Protection

Figure 3-1: Compliance Programs - Actual 1999-2000 Federal and Provincial Taxes - Total Fiscal Impact of \$6.8 billion ^{1, 2, 3}



1 Total fiscal impact includes federal and provincial tax (participating provinces only), federal tax refunds offset or reduced, interest and penalties, and present value of future tax assessable. Assistance on audits of international transactions included in other compliance programs generated an additional \$597 million.
 2 FTE numbers represent operations resources directly related to program activities and exclude FTE used in support programs such as Valuation Services or providing service to other program areas.
 3 Results from Customs Investigation are not included. Please refer to Figure 3-3.

Note: Compliance programs generated a total fiscal impact of over \$6.8 billion for 1999-2000 compared to anticipated \$5.6 billion. Although there is a general pattern of increased recoveries in most programs, the most significant increases are attributable to large business programs and the Non-resident withholding program. A portion of increased results can also be explained by the maturing of additional resources hired and trained in the last three program years.

Figure 3-2: Summary of Program Results

	Actual 1996-97	Actual 1997-98	Actual 1998-99	Actual 1999-00	Estimates 1999-00
Total Fiscal Impact (\$ millions) ¹	5,229.2	4,955.0	5,516.9	6,779.1	5,601.0
Major Outputs (Workload Completed)					
Files Audited	214,519	284,586	276,498	282,187	253,624
Non-Filers / Non-Registrants - Returns / Registrations	487,671	440,573	498,326	364,478⁴	400,000
Investigations - Enforcement Actions	2,194	2,492	2,151	1,860	3,320
GST Domestic Rebates Processed	269,924	254,459	240,682	256,419	265,288
Non-Resident Returns Processed	298,376	294,380	296,607	326,569	308,100
International Tax - Other Outputs ²	33,568	38,248	506,322	428,152	484,086
Associated FTEs ³	8,159	8,846	9,322	9,381	9,667
1	Total fiscal impact is defined in Figure 3-1. It should be noted that actual amounts billed or refunded may be different due to availability of offsetting adjustments requested by taxpayers, or subsequent appeal settlements or write-offs of uncollectable amounts.				
2	International Tax - Other includes Non-resident Waivers and Dispositions, Non-Resident Enquiries and Adjustments and Non-Resident Withholding Tax. Non-Resident Enquiries and Adjustments and Non-Resident Withholding Tax were reported for the first time in 1998-1999. There were 277,878 enquiries compared to an estimated 228,000 in 1999-2000, no fiscal impact is recorded from this source. Withholding Tax totaled 111,653 completions compared to an estimated 110,959. Additional recoveries of \$386 million include approximately \$230 million of enforcement recoveries not previously reported.				
3	Associated FTEs represent all Compliance programs resources used to conduct direct and support activities.				
4	Higher returns and recoveries per FTE than the previous year is believed to be attributable to the refinement of risk assessment process.				

Note on Investigations workload and reduction in production: Problems in retaining experienced staff together with difficulties in recruiting new staff were experienced in many offices. Consequently, delays in staffing and the longer training curve for investigators has resulted in under utilization of resources and explains in part the reduced production.

Charter of Rights and Freedom challenges together with the increased size and type of fraud schemes encountered continue to impact production. While participation in the Integrated Proceeds of Crime (IPOC) initiative has impacted on SEP production, it has contributed positively to total fiscal impact.

Figures 3-1 and 3-2 illustrate program trends to the 1999-2000, excluding Customs Investigations activity results. Results of Customs Investigations activities are shown in Figure 3-3 below.

Figure 3-3: Customs Investigations Results

	Actual 1996-97	Actual 1997-98	Actual 1998-99	Actual 1999-00
Total Fiscal Impact (\$ millions)	24	46	140	30
Cases Investigated	1,497	1,080	948	790
Criminal Prosecutions Completed	227	248	213	220
Successful Prosecution Rate	97%	95%	93%	91%
FTE Utilization	124	123	144	138

Note: Effective May 2000, responsibility for field operations of the Customs Investigations program was transferred to the Customs Branch which should facilitate efforts to fully staff the program. In 1999-2000, the loss of experienced investigators impacted on production. In addition, projected production was based on prior year's outputs that included a high percentage of project type prosecutions that are less time consuming than regular investigations.

Figure 3-4: Travellers Compliance Rate

	Actual 1996-97	Actual 1997-98	Actual 1998-99	Actual 1999-00	Estimates 1999-00
Travellers Processed (000s) ¹	109,145	109,448	104,698	110,269	109,000
Compliance Rate (%) ²					
Air	93.6	92.0	n/a ³	94	93
Highway	97.6	97.2	97.7	97	98
1	Individuals entering Canada reporting to customs by any mode.				
2	Travellers, by any mode, who comply with the laws administered by Customs and Trade Administration. This measure is a result of statistical sampling carried out systematically at points of entry across Canada.				
3	Air stints deferred due to resource pressures. Indications are that actual performance was consistent with 1997-98 levels.				

Figure 3-5: Analysis of Accounts Receivable at Fiscal Year End ¹

(\$ thousands)	Actual 1997-98	%	Actual 1998-99	%	Actual 1999-00	%
Income Tax						
Balance Outstanding ²	7,617,820	100	8,137,480	100.0	9,401,586	100.0
Allowance for Credit Reassessments	(1,522,527)	20.0	(1,627,496)	20.0	(1,880,000)	20.0
Allowance for Doubtful Accounts	(632,946)	8.3	(627,637)	7.7	(742,406)	7.9
Estimated Realizable Value	5,462,347	71.7	5,882,347	72.3	6,799,180	72.1
Gross Revenue Collected	185,991,447		194,503,474		207,631,643	
Total Balance Outstanding as % of Gross Revenue Collected	4.1%		4.2%		4.5%	
Customs, Excise, GST and HST						
Balance Outstanding	2,582,353	100	3,023,369	100.0	3,572,428	100.0
Allowance for Credit Reassessments (GST)	(151,119)	5.8	(181,832)	6.0	(214,346)	6.0
Allowance for Doubtful Accounts	(461,399)	17.9	(609,977)	20.2	(623,273)	17.4
Estimated Realizable Value	1,969,835	76.3	2,231,560	73.8	2,734,809	76.6
Gross Revenue Collected	58,785,629		61,359,424		66,853,000	
Total Balance Outstanding as % of Total Gross Revenue Collected	4.4%		4.9%		5.3%	
Total Agency						
Balance Outstanding	10,200,173		11,160,849		12,974,014	
Gross Revenue Collected	244,777,076		255,862,898		274,534,749	
Balance Outstanding as % of Gross Revenue Collected	4.2%		4.4%		4.7%	
1	Excludes those amounts not payable under tax in dispute legislation and non-tax revenue receivables.					
2	Includes scientific research tax credit accounts receivable of \$1.6 million in 1999-2000, \$2.5 million in 1998-1999 and \$5.2 million in 1997-1998.					

Note on the ratio of receivables to Gross Revenues: There has been a tremendous year over year increase in annual intake at the Tax Service Office level from 8.4 billion in 1998-1999 to 9.3 billion in the 1999-2000 fiscal. Growth in intake reflects growth in taxation gross revenues which is closely related to growth in the economy. At the same time the collection resource base has remained relatively stable. As a result, T1 and GST receivables have grown, in spite of improvements to our production/FTE ratio from 2.1 million in 1998-1999 to 2.4 million in 1999-2000.

We had forecast last year that our receivables to gross revenues ratio would be approximately 4.7%. In 2000-2001, with the addition of over 400 new FTEs to deal with new cases, we aim to contain growth of our receivables.

**Figure 3-6: Annual Intake and Closing of Accounts Receivable
in Tax Services Offices ¹**

	Actual 1996-97	Actual 1997-98 ³	Actual 1998-99	Actual 1999-00	Estimates 1999-00
Annual Intake					
Number of Accounts	591,136	554,998	588,086	540,405	608,105
Total Amount (\$000s)	7,261,064	7,061,566	8,407,336	9,345,582	8,100,000
Annual Closings					
Collections:					
Number of Accounts	157,366	195,021	228,331	201,753	197,932
Total Collections (\$000s)	5,344,936	5,963,383	6,624,204	7,566,898	5,731,508
Other Closings: ²					
Number of Accounts	389,263	296,932	338,878	302,711	296,897
Total Amount (\$000s)	1,500,402	1,083,041	979,627	847,848	1,608,110
Total Closings:					
Number of Accounts	546,629	491,953	567,209	504,464	494,829
Total Amount (\$000s)	6,845,338	7,046,424	7,603,831	8,414,746	7,339,618
Associated FTE (includes overtime)	2,980	3,335	3,131	3,182	3,223³
Total Closings (Number of Accounts) per FTE	183	148	181	159	147
Total Collections per FTE (\$000s)	1,794	1,788	2,116	2,378	1,778
1 Excludes ministère du Revenu du Québec activities with respect to GST and all activities associated with the Revenue Collections Call Centre.					
2 "Other Closings" include, accounts written off as uncollectable and other sundry work disposal measures.					
3 For the 1999-00 estimates, associated FTEs have been restated from 3,365 to 3,223 in order to exclude operational direction FTEs from those estimates.					

Note: In 1999-2000, the annual intake increased by \$900 million and production (closings) increased by \$800 million as compared to 1998-1999. Despite best efforts, our closing inventory continues to grow year over year, as it has in the past few years. Intake is an uncontrollable external factor economic trends, and as such can frequently exceed forecasts particularly as the economy improves. Additional resources have been secured for 2000-2001 fiscal year to address growth in annual intake.

**Figure 3-7: Distribution of Accounts Receivable ¹ by Age
(Major Revenue Categories Only)**

As at March 31, 1998 (\$ millions)									
Age	Individuals		Corporations		Payroll Deductions		GST		Total
		%		%		%		%	
Less than 1 year	2,760.6	54.4	682.6	53.0	358.3	40.6	737.5	30.8	4,539.0
1 to 2 years	826.2	16.3	101.1	7.8	159.2	18.0	271.6	11.4	1,358.1
Over 2 years	1,488.9	29.3	505.5	39.2	366.0	41.4	1,382.7	57.8	3,743.1
Total March 31, 1998	5,075.7		1,289.2		883.5		2,391.8		9,640.2
1 Excludes those amounts not payable under tax in dispute legislation, corporate share purchase tax credits, and non-tax revenues receivable.									

As at March 31, 1999 (\$ millions)									
Age	Individuals		Corporations		Payroll Deductions		GST		Total
		%		%		%		%	
Less than 1 year	2,701.3	50.9	742.0	49.6	373.2	38.4	1,337.3	48.8	5,153.8
1 to 2 years	979.6	18.4	104.3	7.0	170.4	17.5	259.0	9.5	1,513.3
Over 2 years	1631.2	30.7	650.1	43.4	429.3	44.1	1,143.4	41.7	3,854.0
Total March 31, 1999	5,312.1		1,496.4		972.9		2,739.7		10,521.1
1 Excludes those amounts not payable under tax in dispute legislation, corporate share purchase tax credits, and non-tax revenues receivable.									

As at March 31, 2000 (\$ millions)									
Age	Individuals		Corporations		Payroll Deductions		GST		Total
		%		%		%		%	
Less than 1 year	2,914.1	45.8	847.6	47.1	416.3	37.7	1,728.6	53.7	5,906.6
1 to 2 years	1,329.4	21.6	174.4	9.7	169.4	15.4	492.9	15.3	2,166.1
Over 2 years	1,908.2	32.6	776.1	43.2	517.2	46.9	996.4	31.0	4,197.9
Total March 31, 2000	6,151.6		1,798.1		1,102.9		3,217.9		12,270.5
1 Excludes those amounts not payable under tax in dispute legislation, corporate share purchase tax credits, and non-tax revenues receivable.									

Note: Parliament has authorized additional resources to address growth in annual intake and curb the growth in receivables under 2 years old in various types of taxes.

Figure 3-8: Distribution of Accounts Receivable ¹ by Dollar Range (Major Revenue Categories Only)

As at March 31, 1998 (\$ millions)									
Dollar Range	Individuals		Corporations		Payroll Deductions		GST		Total
		%		%		%		%	
Less than \$1,000	316.5	6.2	9.3	0.7	18.5	2.1	47.0	2.0	391.3
\$1,000 to \$9,999	1,220.1	24.0	85.3	6.6	134.8	15.3	424.2	17.7	1,864.4
\$10,000 to \$49,999	1,400.0	27.6	181.4	14.1	301.3	34.1	803.7	33.6	2,686.4
\$50,000 to \$99,999	567.7	11.2	97.2	7.5	145.9	16.5	348.6	14.6	1,159.4
\$100,000 and greater	1,571.4	31.0	916.0	71.1	283.0	32.0	768.3	32.1	3,538.7
Total March 31, 1998	5,075.7		1,289.2		883.5		2,391.8		9,640.2
1	Excludes those amounts not payable under tax in dispute legislation, corporate share purchase tax credits, and non-tax revenues receivable.								

As at March 31, 1999 (\$ millions)									
Dollar Range	Individuals		Corporations		Payroll Deductions		GST		Total
		%		%		%		%	
Less than \$1,000	297.5	5.6	13.7	0.9	20.7	2.1	76.5	2.8	408.4
\$1,000 to \$9,999	1,439.1	27.1	102.8	6.9	147.3	15.1	466.1	17.0	2,155.3
\$10,000 to \$49,999	1,405.2	26.5	203.4	13.6	329.2	33.8	891.5	32.5	2,829.3
\$50,000 to \$99,999	576.1	10.8	92.6	6.2	164.4	16.9	363.7	13.3	1,196.8
\$100,000 and greater	1,594.2	30.0	1,083.9	72.4	311.3	32.0	941.9	34.4	3,931.3
Total March 31, 1999	5,312.1		1,496.4		972.9		2,739.7		10,521.1
1	Excludes those amounts not payable under tax in dispute legislation, corporate share purchase tax credits, and non-tax revenues receivable.								

As at March 31, 2000 (\$ millions)									
Dollar Range	Individuals		Corporations		Payroll Deductions		GST		Total
		%		%		%		%	
Less than \$1,000	457.7	7.4	15.6	0.9	21.4	1.9	22.8	0.7	517.5
\$1,000 to \$9,999	1,431.5	23.3	117.4	6.5	159.8	14.5	567.9	17.6	2,276.6
\$10,000 to \$49,999	1,570.7	25.5	234.7	13.1	363.8	33.0	1,022.8	31.8	3,192.0
\$50,000 to \$99,999	671.5	10.9	107.2	6.0	184.9	16.8	418.7	13.0	1,382.3
\$100,000 and greater	2,020.3	32.8	1,323.2	73.6	373.0	33.8	1,185.8	36.9	4,902.2
Total March 31, 2000	6,151.6		1,798.1		1,102.9		3,217.9		12,270.5
1	Excludes those amounts not payable under tax in dispute legislation, corporate share purchase tax credits, and non-tax revenues receivable.								

Note: Parliament has authorized additional resources to address growth in annual intake and curb the growth in receivables under 2 years old in various types of taxes.

Figure 3-9: Uncollectable Write-offs ¹ by Revenue Category

(\$ thousands)	Actual 1996-97	Actual 1997-98	Actual 1998-99	Actual 1999-00
Income Tax				
Individuals Tax	731,887	469,833	533,253	447,650
Corporation Tax	160,714	157,968	134,576	93,765
Payroll Deductions	137,022	141,910	87,201	85,157
Scientific Research Tax Credits	38,933	8,103	0	0
Other ²	10,366	2,370	2,293	1,191
Income Tax Write-offs	1,078,922	780,184	757,323	627,763
As a % of Net Revenue Collected	0.73%	0.48%	0.45%	0.35%
Customs, Excise, GST and HST				
	205,422	272,349	126,091	260,982
As a % of Net Revenue Collected	0.71%	0.84%	0.38%	0.77%
1	Includes taxes and associated penalties and interest; excludes non-tax write-offs.			
2	Includes non-resident tax, petroleum and gas revenue tax, resource royalties tax, and other miscellaneous amounts.			

Figure 3-10: Processing Review (Individual), Additional Tax Assessed

	Actual 1996-97	Actual 1997-98	Actual 1998-99	Actual 1999-00	Estimates 1999-00
Returns Reviewed	899,907	968,030	776,966	820,980	799,000
Additional Tax (Federal and Provincial) Assessed (\$000s)	97,800	72,200	92,900	103,500	87,500

Figure 3-11: Matching of Individual Returns, Additional Tax Assessed

	Actual 1996-97	Actual 1997-98	Actual 1998-99	Actual 1999-00	Estimates 1999-00
Returns Reviewed	1,437,560	1,668,814	972,382	2,108,658	1,225,000
Additional Tax (Federal and Provincial) Assessed (\$000s)	305,454	267,100	180,400	367,600	230,000

Note: 1999-2000 actuals higher than estimates due to the accelerated catch-up of workload delayed in the 1998-1999 program.

Figure 3-12: Contraband

(\$000s)	Actual 1996-97	Actual 1997-98	Actual ² 1998-99	Actual 1999-00	Estimates 1999-00
Contraband Seizures Value ¹	694,000	534,725	317,900	625,381³	450,000
1	Includes drugs, alcohol, jewellery, and tobacco.				
2	The value of seizures in 1998-1999 was less than estimated and was almost entirely due to the continuing decline in drug seizures. Decreases have also been experienced by all Canadian law enforcement agencies. It is believed that criminal organizations have become more sophisticated in their smuggling efforts and they are increasing their use of internal conspiracies. Actions are underway to address this organized criminal activity and to reduce smuggling.				
3	Two seizures alone accounted for \$250 million.				

Figure 3-13: Interpretative Policy Determination and Appeals

	Actual 1996-97	Actual 1997-98	Actual 1998-99	Actual 1999-00	Estimates 1999-00
<i>SIMA</i> Complaints from Canadian Industries ^{1, (a)}	19	26	36	23	24
<i>SIMA</i> Investigations (on a country basis) ^{2, (a)}	7	6	13	16	34
<i>SIMA</i> Measures (on a country basis) ^{3, (b)}	22	30	35	15	43
Tariff Classification and Policy Interpretations	9,567	12,191	9,275	10,345	9,870
Tariff, Valuation and <i>SIMA</i> Appeals	5,162	3,390	637 ⁴	297	400
1	<i>SIMA</i> (<i>Special Import Measures Act</i> /anti-dumping) figures include initial enquiries and formal complaints, whether or not they lead to an investigation. <i>SIMA</i> complaints may be lodged when a Canadian manufacturer believes it is being harmed by dumped or subsidized imports. The number of complaints generally varied depending on the state of the Canadian economy. The actual number is difficult to predict with accuracy.				
2	A country may be included more than once in this figure if it is subject to more than one investigation.				
3	Number of re-investigations. A country may be included more than once in this figure if it was subject to more than one <i>SIMA</i> /Anti-Dumping measure.				
4	Customs no longer tracks this indicator for tariff and valuation appeals as these appeals are now the responsibility of Appeals Branch.				

- Notes: (a) While fewer investigations were completed than anticipated, five new investigations, involving 15 countries were initiated during the second half of the year and will be counted against 2000-2001.
- (b) Due to the initiation of five new investigations in the latter half of the year, resources were diverted from re-investigations. Some of the deferred reinvestigations will be completed during 2000-2001.

Figure 3-14: Employer Accounts Program

	Actual 1997-98	Actual 1998-99	Actual 1999-00
Number of Employer Accounts	1,300,908	1,340,582	1,381,527
Gross Employer Remittances of Income Tax, Canada Pension Plan Contributions, and Employment Insurance Premiums (\$000)	128,608,689	135,274,991	143,158,000
Number of Field Examinations/Office Reviews ¹	471,990	504,928	546,037
Coverage Rate	36.3%	37.6%	39.5%
Associated FTE (includes overtime)	687	696	743
Taxable Benefits and Unreported Income (\$000)	22,118	45,655	110,601
Additional Amounts Assessed (\$000)	588,637	576,443	640,687
Additional Amounts Assessed per FTE (\$000)	857	828	862
Routine Account Support FTE	206	241	262
Number of Accounts Reviewed at Tax Centre	99,288	145,109	225,512
Number of Pension Audits Completed	7,655	7,129	6,968
Number of Amended Statements of Earnings (T4s)	41,534	50,738	57,290
Associated FTE (includes overtime)	40	39	34
Audits per FTE	191	183	205
1 Includes payroll examinations carried out in the field as well as tax services office enforcement actions.			

Note on the increase in additional dollars in Taxable Benefits-Unreported Income: During 1999-2000 we identified high non-compliance in certain business sectors relating to Taxable Benefits and Unreported Salary and therefore doubled the workload standard from ½ hour to 1 hour per case. The payback was excellent, the additional time spent on the program resulted in a significant amount of additional income being identified, increasing the dollars identified per FTE.

Note on the TC account review production: During 1999-2000 workloads at the tax centres were impacted by problems related to the T4 scanning initiative, we had to process high volume routine workloads resulting in an increase to the number of TC accounts reviewed per FTE.

Figure 3-15: Goods and Services Tax/Harmonized Sales Tax Delinquent Filer Program

	Actual 1997-98	Actual 1998-99	Actual 1999-00
Number of GST/HST Registrants	1 873 207	1,907,181	1,976,860
Number of GST/HST Office Reviews	412 557	537,270	636,561
Associated FTE (includes overtime)	253	221	225
Reviews per FTE	1 631	2,431	2,829
Additional Amounts Collected (\$000)	719 500	686,396	903,074
Additional Amounts Collected per FTE (\$000)	2 844	3,106	4,014

Goal 4. Fair Administration

**Figure 4-1: Debts Forgiven by Revenue Category ¹
(Fairness Initiative)**

(\$ thousands)	Actual 1997-98	Actual 1998-99	Actual 1999-00
Income Tax			
Individuals Tax	32,885	28,668	30,663
Corporation Tax	6,733	5,012	3,445
Payroll Deductions	14,129	11,542	12,133
Other ²	322	1,656	782
Income Tax Debts Forgiven	54,069	46,878	47,023
As a % of Net Revenue Collected	.03%	.03%	.03%
Customs, Excise, GST and HST			
As a % of Net Revenue Collected	.06%	.06%	.05%
Client-requested Waivers ³			
As a % of Net Revenue Collected	n/a	n/a	23,160
	n/a	n/a	.01%
1	Includes penalties and interest only for late payment of taxes - the Agency does not have authority to forgive taxes that were properly assessed. Excludes non-tax debts forgiven.; data not available prior to 1996-1997.		
2	Includes non-resident tax, petroleum and gas revenue tax, resource royalties tax, and other miscellaneous amounts.		
3	Reporting of waivers began in 1999-2000 fiscal year. Figures are estimates. Breakdown by Income Tax versus Customs/GST is not available for waivers.		

Figure 4-2: Customs Interpretative Policy Determination and Appeals - Acceptance of Final Agency Decisions ¹

	Actual 1996-97	Actual 1997-98	Actual ² 1998-99	Actual 1999-00	Estimates 1999-00
Accepted (%)	96	95.7	98.6	98	96
Upheld by External Tribunal (%)	2.8	3.0	1.4	2.0	2
Overturned by External Tribunal (%)	1.2	1.3	0.0	0.0	2
1	Includes decisions that are potentially appealable to an external body, where the final agency decision does not fully agree with the appellant's contention.				
2	Customs Administration no longer tracks this indicator for tariff and valuation appeals as these appeals are now the responsibility of Appeals Branch.				

Figure 4-3: Completion of Non-Complex Income Tax Objections

	Actual 1997-98	Actual 1998-99	Actual 1999-00
% of non-complex objections completed in 90 days or less	41%	39%	38%

Figure 4-4: Completions of Objections, Determinations and Adjudications per FTE

	Actual 1997-98	Actual 1998-99	Actual 1999-00
Income Tax			
FTEs	647	659	673
Completions per FTE	75	76	73
Excise/GST/HST			
FTEs	115	101	92
Completions per FTE	39	42	52
CPP/EI			
FTEs	112	105	96
Completions per FTE	59	59	63
Adjudications			
FTEs	48	46	46
Completions per FTE	80	78	79
Trade Administration			
FTEs ¹	n/a	55	57
Completions per FTE ¹	n/a	74	106

1 Trade Administration became part of the Appeals Branch in 1998, so comparable numbers are not available for 1997-1998. The increase in Completions per FTE for the Trade Administration Dispute Resolution program is due to the transactional nature of the Customs Act which allows for multiple disputes to be filed by an importer on the same issue but for different importations (transactions). This allows for dramatic fluctuations within a given period of time.

Note: The trend in completions per FTE for the Income Tax, CPP/EI and Adjudications programs is relatively stable while GST continues to show an upward trend. Similarly the Trade Administration Dispute Resolution program is showing an upward trend in the average number of files resolved per FTE. We anticipate variances in this number as this program continues to mature over the next few two to three years.

Figure 4-5: Average Number of Days to Resolve Objections ¹

	Actual 1997-98	Actual 1998-99	Actual 1999-00
Income Tax	180	182	205
Excise/GST/HST	237	236	245
CPP/EI	126	136	144
Adjudications ²	166	185	221
Trade Administration ³	n/a	466	415
1	For 1997-1998 and 1998-1999, the average days for Income Tax, Excise/GST/HST and CPP/EI programs exclude the files that at any time were held in abeyance as being in non-workable status, for example files relating to a single common issue that is presently before the courts. For 1999-2000, the average days for these programs excludes only the number of days that files were in non-workable status. For Adjudications and Trade Administration programs, the average days to completion includes files that were in non-workable status because separate statistics are not available.		
2	The increase in the number of days to resolve objections in the Adjudications program is due to the priority given to resolving the older inventories which take an inordinate amount of time to resolve.		
3	Trade Administration became part of the Appeals Branch in 1998, so comparable number are not available for 1997-1998. The decrease in the number of days to resolve objections in the Trade Administration Dispute Resolution program is a result of increased inventorying of low value commercial mail "disputes", which are generally more quickly resolved than regular disputes.		

Figure 4-6: Percentage of Objections Resolved with Concurrence

	Actual 1997-98	Actual 1998-99	Actual 1999-00
Income Tax			
Allowed in Full	30%	28%	32%
Allowed in Part	15%	16%	16%
Confirmed	20%	23%	18%
Excise/GST/HST			
Allowed in Full	16%	21%	15%
Allowed in Part	4%	9%	11%
Confirmed	4%	6%	9%
CPP/EI ¹			
Allowed in Full ²	n/a	n/a	29%
Allowed in Part ²	n/a	n/a	8%
Confirmed ²	n/a	n/a	53%
Adjudications			
Allowed in Full	17	20	24%
Allowed in Part	n/a	n/a	21%
Confirmed	n/a	n/a	55%
Trade Administration			
Allowed in Full	n/a	41%	54%
Allowed in Part	n/a	n/a	13%
Confirmed	n/a	n/a	24%
1	Due to the nature of the CPP/EI workload, these types of statistics are not captured as they could be misleading because of the number and relationship of the various parties (e.g., employers, employees) that are involved.		
2	Allowed in Full - the client is allowed 100% of the issues in dispute. Allowed in Part - the client is allowed a portion of the issues in dispute. Confirmed - the client is not successful in any of the issues in dispute.		

Note: These numbers by themselves do not present a complete picture of the fairness of the dispute resolution process. They must be read together with such external factors as the facts and reasons that are being presented by the clients, the quality of review at the assessing or audit stage, etc.

Figure 4-7: Percentage of Objections Appealed to the Courts

	Actual 1997-98	Actual 1998-99	Actual 1999-00
Income Tax	7%	8%	5%
Excise/GST/HST	10%	9%	10%
CPP/EI	33%	25%	23%
Adjudications ¹	1	0	0%
Trade Administration	n/a	n/a	1%
1	Less than 1% of objections in the Adjudications Program proceeded to court in 1998-1999.		

Note: Factors that lead to appeals being filed to the courts vary significantly. Some of these factors include types and complexity of issues under objection, and the quality of the Agency's objection review process. For the CPP/EI program the percentage of appeals to the court is higher, as third parties to the dispute may file an appeal to the court if they are not satisfied with the Agency's decision at the administrative review (objection) level.

Goal 6. Effective Management and Corporate Services

Figure 6: Administration and Information Technology Business Line as a Percentage of Agency Total

	Actual 1996-97	Actual 1997-98	Actual 1998-99	Actual 1999-00	Estimates 1999-00
Total Business Line FTE	6,700 ¹	7,054 ²	7,549	7,465	6,905
Total Agency FTE	39,163	40,055	41,354	41,667	42,108
Total Business Line FTE, as a % of Total Agency FTE	17.1%	17.6%	18.3%	17.9%	16.4%
1	1996-1997 actual FTE utilization excludes 674 FTE related to the 1996 Census, the costs of which are paid by Statistics Canada.				
2	Actual utilization includes reallocation of resources to information technology and new resources approved by Treasury Board impacting on this business line.				

Note: Actual utilization includes reallocation of resources to information technology and new resources approved by Treasury Board impacting on this business line. For example, subsequent to establishing the Estimates amounts for 1999-2000, Treasury Board approved new resources to fund initiatives such as the re-engineering loan and submissions such as the National Child Benefit which involve some 536 and 154 FTEs respectively for this business line. Such funding is largely directed to address required increased activity in information technology. The actual 1999-2000 utilization is less than 1998-1999 largely due to the higher level of Y2K effort in 1998-1999.

We are currently revising our Planning, Reporting and Accountability Structure, business lines and performance measures to make them more relevant to the CCRA's mandate and business operations. As a result, the Administration and Information Technology business line will change significantly in the future, because we will be reallocating information technology resources to the different business lines.

Appendix 2: Legislation Administered

Acts under the responsibility of the Minister of National Revenue, including certain acts for which the Minister of National Revenue has a role.

<i>Canada-Chile Free Trade Agreement Implementation Act</i>	c.14
<i>Canada Customs and Revenue Agency Act</i>	C-43
<i>Canada-Israel Free Trade Agreement Implementation Act</i>	c.33
<i>Canada Pension Plan</i>	C-8 (Part I)
<i>Canada-United States Free Trade Agreement Implementation Act</i>	c65
<i>Children’s Special Allowances Act, 1992</i>	c. 48 (Schedule)
<i>Customs Act, R.S.</i>	c. 1 (2nd Supp.)
<i>Customs Tariff, R.S.</i>	c. (Bill C-11)
<i>Customs and Excise Offshore Application Act</i>	C-53
<i>Department of National Revenue Act</i>	N-16
<i>Employment Insurance Act, 1996</i>	c. 23 (Parts IV and VII)
<i>Excise Act</i>	E-14
<i>Excise Tax Act (includes GST/HST)</i>	E-15 (Part II-IX)
<i>Export Act</i>	E-18
<i>Export and Import Permits Act</i>	E-19
<i>Federal-Provincial Fiscal Arrangements Act</i>	F-8
<i>Foreign Missions and International Organizations Act</i>	c.41
<i>Fruit and Vegetable Customs Orders Validation Act</i>	1988, c. 5
<i>Importation of Intoxicating Liquors Act</i>	I-3
<i>Income Tax Act, R.S.</i>	c. 1 (5th Supp.)
<i>Income Tax Application Rules, R.S.</i>	c. 2 (5th Supp.)
<i>Income Tax Conventions Interpretations Act</i>	
<i>North American Free Trade Agreement Implementation Act</i>	c.44
<i>Petroleum and Gas Revenue Tax Act</i>	P-12
<i>Privileges and Immunities (North Atlantic Treaty Organization) Act</i>	c. P-24
<i>Public Utilities Income Tax Transfer Act</i>	P-37
<i>Special Import Measures Act</i>	S-15
<i>Surcharge on Imports Order Act, etc., 1963</i>	c. 18
<i>Tax Rebate Discounting Act</i>	T-3 (SI/95-102)
<i>Trade Marks Act</i>	T-13 (ss. 53 to 53.3)
<i>World Trade Organization Agreement Implementation Act</i>	c.47

Appendix 3: Internal Audits and Reviews

The following is a list of audits and reviews completed in 1999-2000:

Audits

Agency HR Readiness
Client Services Directorate Management Framework
CPP Base Year 1994-1995
Forms Management
Intelligence Services
IT Monitoring
Pay and Benefits
Publications
Regulatory Process
Sustainable Development Audit Program
TELEFILE
VECR Organization
VECR Training
Visitors Rebate Claims Processing
Year-end Cash Cut-off 1998-1999
Year 2000

Reviews

Accelerated Customs Release Operational Support System (ACROSS)
Charities Program Evaluation Framework
Client Satisfaction Monitoring Program - Appeals Branch
International Tax Program Evaluation Framework
National Call Centre
Small Business Advisory Committee

Appendix 4: References and Contacts

- I. 1999-2000 Report on Plans and Priorities
- II. Canada Customs and Revenue Agency Web site (<http://www.ccra-adrc.gc.ca>)

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