

# **Financial Transactions and Reports Analysis Centre of Canada**

**2013–14**

**Report on Plans and Priorities**

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The Honourable James M. Flaherty  
Minister of Finance



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## Director's Message

As the new Director of the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC), I am pleased to present the 2013–14 Report on Plans and Priorities, an outline of the Centre's corporate direction for the coming year.

FINTRAC plays a critical role in protecting the safety and security of Canadians. With our unique database, extensive international connections and 12 years of experience and expertise, FINTRAC can use a million bits of data to draw a picture of financial behaviours for our security and law enforcement partners.



In the current threat environment, organized criminal activities can threaten our national security by corroding the institutions of government and compromising the integrity of the Canadian financial system. In such an environment, FINTRAC's ability to analyze information and distill it in a way that provides real value to our partners makes an important contribution to criminal investigations and the work of the security and intelligence community.

As we look to the year ahead, FINTRAC will continue to focus its efforts on aligning our activities more closely with the needs and priorities of Canada's police, security and law enforcement agencies. We will produce timely, relevant and useful financial intelligence and continue to invest in information technology that strengthens our analytic capacity, allowing us to see farther and more clearly into the data we hold. As financial intelligence is inextricably linked to a sound compliance program, we will also continue our efforts to maximize the quality and quantity of reporting we receive and to ensure that reporting entities are meeting their record-keeping and reporting obligations to the highest possible standard.

Our priorities will also be shaped by the recommendations of the second Parliamentary Review of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA)* – our governing legislation. The first review in 2006 resulted in significant improvements to the Act. Those changes helped make FINTRAC a stronger and more effective agency and we look forward to the recommendations that will come from the current Parliamentary Review.

FINTRAC plays an important role in supporting investigations that matter. As always, the true measure of our success is the assistance that we are able to offer those investigating serious crimes and protecting Canada's national security interests.

Gérald Cossette



## Section I: Organizational Overview

### Raison d'être

The Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) is Canada's financial intelligence unit (FIU). The Centre exists to assist in the detection, prevention and deterrence of money laundering and the financing of terrorist activities. FINTRAC's 'value-added' financial intelligence products and compliance functions are a unique contribution to the public safety of Canadians and to the protection of the integrity of Canada's financial system.

FINTRAC is an independent agency that operates at arm's length from the law enforcement agencies and other entities to which it is authorized to disclose financial intelligence. It reports to the Minister of Finance, who is in turn accountable to Parliament for the activities of the Centre. FINTRAC was established by, and operates within, the ambit of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA)* and its regulations.

### **FINTRAC's Mission**

To contribute to the public safety of Canadians and help protect the integrity of Canada's financial system through the detection and deterrence of money laundering and terrorist financing.

### **FINTRAC's Vision**

To be recognized as a world class financial intelligence unit in the global fight against money laundering and terrorist financing.

### Responsibilities

FINTRAC is one of several domestic partners in Canada's Anti-Money Laundering and Anti-Terrorist Financing (AML/ATF) Regime, which also includes the Department of Finance as the policy lead, the Royal Canadian Mounted Police (RCMP), the Canadian Security Intelligence Service (CSIS), the Canada Revenue Agency (CRA), the Canada Border Services Agency (CBSA), the Office of the Superintendent of Financial Institutions (OSFI), the Public Prosecution Service of Canada, the Department of Justice, and Public Safety Canada. FINTRAC is also part of the Egmont Group, an international network of financial intelligence units that collaborate to combat money laundering and terrorist activity financing.

FINTRAC's role is to facilitate the detection, prevention and deterrence of money laundering, and terrorist activity financing by engaging in the following activities:

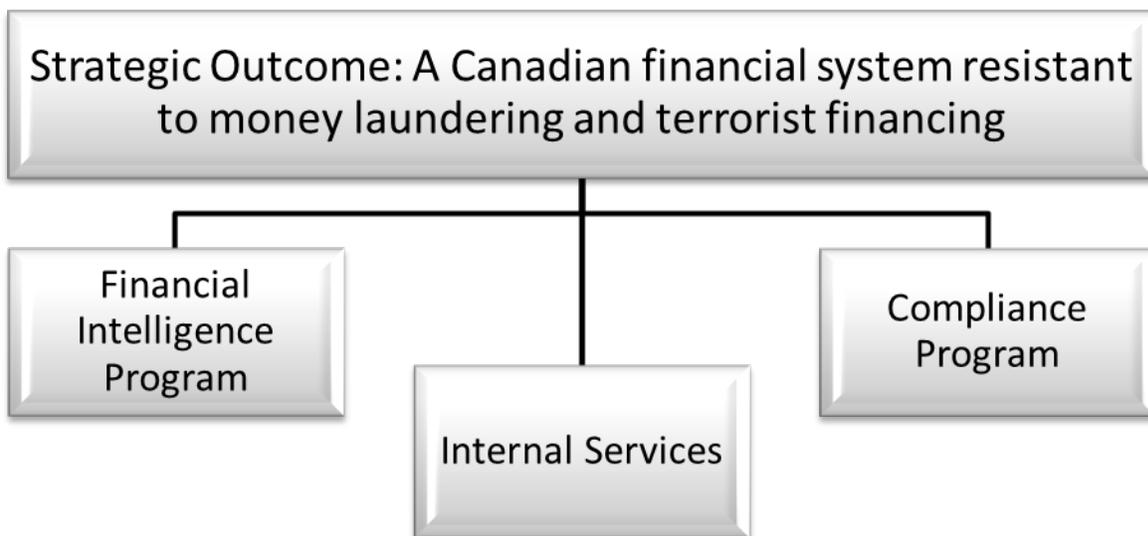
- **Receiving, collecting and analyzing information** on financial transactions;

- **Disclosing tactical financial intelligence** to the appropriate police service, CSIS, or other agencies designated by legislation;
- **Producing and disseminating strategic financial intelligence** to inform government partners and decision-makers, as well as reporting entities about money laundering and terrorist financing trends, methods and issues;
- **Ensuring compliance** of reporting, record keeping and other obligations by those reporting entities subject to the PCMLTFA; and
- **Enhancing public awareness** and understanding of matters related to money laundering.

FINTRAC’s headquarters are located in Ottawa, with three regional offices in Montreal, Toronto and Vancouver having specific mandates related to compliance with the PCMLTFA.

### Strategic Outcome and Program Alignment Architecture (PAA)

To effectively pursue its mandate, FINTRAC aims to achieve a single Strategic Outcome supported by the Program Activity Architecture (PAA) summarized below.



## **Protecting Privacy**

The protection of the personal information that FINTRAC receives is an integral part of the Centre's mandate. The PCMLTFA establishes stringent rules that govern both the management and disclosure of all information contained in the Centre's transaction reports and other records. All facets of FINTRAC's operations are subject to rigorous security measures that ensure the safeguarding of the Centre's physical premises and IT systems, and include the handling, storage and retention of all personal and other sensitive information under its control.

As required pursuant to the PCMLTFA, the Office of the Privacy Commissioner reviews FINTRAC's information protection measures every two years. The second review was conducted in 2012. FINTRAC looks forward to the final report, and to responding to any recommendations that will help to further strengthen the Centre's measures to protect information.

## Organizational Priorities

Priority	Type	Program
Produce quality financial intelligence products that are aligned with our partners' priorities and identify trends related to money laundering and terrorist financing.	Previously committed to	Financial Intelligence Program
<b>Description</b>		
<p><b>Why is this a priority?</b></p> <ul style="list-style-type: none"> <li>• FINTRAC delivers financial intelligence products to facilitate the detection, prevention and deterrence of money laundering, terrorist activity financing and threats to the security of Canada.</li> <li>• FINTRAC's results are determined in large measure by the quality, usefulness and timeliness of the financial intelligence provided to intelligence and law enforcement partners. To be successful the Centre must provide the financial intelligence those agencies need.</li> </ul> <p><b>Plans for meeting the priority</b></p> <ul style="list-style-type: none"> <li>• Deepen and strengthen relationships with key partners to ensure that FINTRAC's tactical and strategic financial intelligence products more effectively align with their investigative and intelligence priorities.</li> <li>• Promote continued client feedback to understand partner needs and ensure the continued effectiveness of FINTRAC's financial intelligence products.</li> </ul>		

Priority	Type	Program
Deliver an effective national risk-based compliance program.	Previously committed to	Compliance Program

**Description**

**Why is this a priority?**

- FINTRAC’s compliance program ensures that the Centre receives the quality and quantity of financial information it needs to analyze and produce financial intelligence on suspected money laundering and terrorist financing.
- The compliance program works with reporting entities and other key stakeholders to assess compliance with the PCMLTFA thereby making Canada’s financial system stronger and more resistant to those who would abuse it to launder money or carry out terrorist activity financing.

**Plans for meeting the priority**

- Refine the compliance risk model to better identify the highest risk of non-compliance among reporting entities and sectors.
- Improve the quality of data that supports the production of financial intelligence.
- Ensure responsible enforcement actions are taken in response to the detection of non-compliance.

Priority	Type	Programs
Pursue policy and legislative opportunities to strengthen the anti-money laundering and anti-terrorist financing (AML/ATF) Regime.	Ongoing	Financial Intelligence Program Compliance Program Internal Services

**Description**

**Why is this a priority?**

- Canada’s AML/ATF legislative and policy frameworks are important tools in the fight against money laundering and terrorist financing.

- Policy and legislative amendments could strengthen these tools both in Canada and internationally.

**Plans for meeting the priority**

- Respond to any opportunities to strengthen the implementation of the legislative and regulatory framework that emerge from the Parliamentary Review of the PCMLTFA.
- Position FINTRAC within the legislative framework to increase its influence in the Government’s national security and intelligence policy agenda and direction.
- Identify emerging trends, through research and environmental scans, to support policy and legislative directions.
- Actively participate and seek to influence policy directions at the international level.

Priority	Type	Programs
Be innovative and collaborative in our approach to operationalizing processes to maximize efficiency and effectiveness.	Previously committed to	Financial Intelligence Program Compliance Program Internal Services

**Description**

**Why is this a priority?**

- On a continuing basis, those who would launder money or finance terrorism are developing new methods and finding new venues for their activities. FINTRAC’s systems need to be kept current to ensure that the Centre does not fall behind sophisticated criminals and terrorists.
- Improving key business processes and technology through innovation and improved sustainability will allow FINTRAC to make the best use of its resources and maximize its impact as part of Canada’s AML/ATF Regime.

**Plans for meeting the priority**

- Analyze options for enhancing key analytic and reporting systems in order to pursue the Centre’s business objectives more effectively.
- Examine internal systems and processes for opportunities to adapt to new technologies, practices and methods that will create stronger linkages between FINTRAC and its partners.
- Work with our partners, clients and stakeholders to identify and prioritize opportunities for technological improvements.

Priority	Type	Programs
Promote excellence in our workforce and strengthen our financial, people, data and security management frameworks.	Previously committed to	Financial Intelligence Program Compliance Program Internal Services

**Description**

**Why is this a priority?**

- FINTRAC strives to have an engaged workforce with the expertise and skills to deliver on the Centre’s mandate.
- The Centre also endeavours to maintain excellence in its corporate policies, practices and systems to support the efficient alignment of resources with business priorities and to ensure relative consistency with the broader public service.

**Plans for meeting the priority**

- Maintain a reputation as an “employer of excellence” with employee recruitment and engagement initiatives that strengthen the capacity of the Centre’s workforce.
- Enhance corporate policies and practices to ensure alignment with business priorities and understanding across the Centre.

- Implement an integrated planning and enhanced reporting framework to provide more timely and comprehensive information in support of corporate decision-making.
- Continue to develop, refine and implement business continuity and emergency management frameworks to mitigate the impact of service disruptions for the Centre.
- Continue to develop an integrated security program to ensure protection of the Centre's information, assets and resources.

## Risk Analysis

FINTRAC is committed to identifying and managing the risks inherent in the delivery of its programs and the achievement of its strategic outcome. As part of its risk management approach, the Centre integrates risk information into its key decision-making and planning activities by utilizing a Corporate Risk Profile. The Corporate Risk Profile helps FINTRAC to identify both the internal and external risks and opportunities inherent to its operating environment.

Through the annual Corporate Risk Profile exercise and various other management practices, tools, and guides, FINTRAC is developing a responsible, risk-smart and opportunity-driven culture that focuses on informed decision-making, integrated business planning, and strategic resource allocation.

FINTRAC recognizes that continuous improvement and maturity of practices are required so that its risk management approach remains effective and relevant. Thus, FINTRAC continues to renew its integrated risk and opportunity management process and tools to reflect leading best practices including its Corporate Risk Profile. By adopting a more robust and sustainable approach to identifying and assessing corporate risks the Centre expects to have a more comprehensive picture of the risk factors that exist in the Centre's operating environment.

The top corporate risks and opportunities from the Corporate Risk Profile are approved by FINTRAC's Executive Committee and are monitored regularly to ensure implementation of mitigation measures when appropriate. The top corporate risks identified in FINTRAC's 2011 Corporate Risk Profile are discussed in the following table.

<b>Key Risks</b>	<b>Risk Summary and Mitigation Measures</b>	<b>Programs</b>
<p><b>Protection of Information</b></p> <p>There is a risk that the information entrusted to FINTRAC may be improperly accessed, used and/or disclosed.</p>	<p>FINTRAC has access to sensitive financial information and is responsible for protecting its confidentiality.</p> <p>To ensure the continued protection of personal and other sensitive information, FINTRAC employs a number of safeguards including: incident monitoring; access controls through information management/information technology (IM/IT) protocols; and a strong information management program.</p>	<p>Financial Intelligence Program</p> <p>Compliance Program</p> <p>Internal Services</p>

	<p>Employees have access to personal information only on a need-to-know basis. They all have a high security clearance, and are trained in their responsibilities involving the protection of personal and other sensitive information. Should a staff member deliberately intend to bypass the legal requirements set out in the PCMLTFA and other legislation, the penalties could be as much as a fine of \$500,000 and/or five years' imprisonment.</p> <p>All of FINTRAC's information protection efforts are led by the Centre's Chief Privacy Officer, a member of FINTRAC's Executive Committee, with responsibility to provide strategic privacy leadership, and to coordinate and oversee privacy related activities for the Centre.</p> <p>These measures are also assessed by reviews conducted every two years by the Office of the Privacy Commissioner.</p>	
<p><b>Compliance Program</b></p> <p>There is a risk that FINTRAC may not have a strong enough compliance program to assist in the detection, prevention and deterrence of money laundering, the financing of terrorist activities and other threats to the security of Canada.</p>	<p>The quality of FINTRAC's financial intelligence stems directly from the quality and quantity of the financial information received by the Centre from those with obligations under the PCMLTFA.</p> <p>Given the large number of entities and individuals that could be conducting financial transactions in the course of their activities that fall within the ambit of the PCMLTFA and its regulations, there is a risk that some of these reporting entities may not comply with their record-keeping and reporting obligations.</p>	<p>Compliance Program</p>

	<p>To address this risk, FINTRAC utilizes a risk-based approach to deliver enforcement, relations and support activities that help ensure compliance with legislative and regulatory obligations.</p> <p>The Centre employs sophisticated analysis to tailor its compliance activities in accordance with the risk of non-compliance by individuals and entities, thereby ensuring that the level of compliance activity undertaken is commensurate with the risk of non-compliance.</p>	
<p><b>Emergency Planning and Business Continuity Plans</b></p> <p>There is a risk that FINTRAC emergency planning and Business Continuity Plans may not be robust enough to ensure continuous operation in the event of an incident.</p>	<p>Canada is not immune to terrorist events or to natural disasters such as fire, flooding or earthquakes. In the event that an incident does occur that impacts its normal operations, FINTRAC must be prepared to respond quickly and effectively.</p> <p>The Centre has, and will continue to develop and implement, strategies and action plans to help mitigate the impact of any incident and to resume its operations in a reasonable amount of time. This will include maintaining an up-to-date Business Continuity Plan and enhancing its incident monitoring and response procedures. The Centre will also explore establishing a separate disaster recovery site that would allow FINTRAC to resume key aspects of its work in the event of a disaster having an impact on the usability of its offices.</p>	<p>Financial Intelligence Program</p> <p>Compliance Program</p> <p>Internal Services</p>

## Planning Summary

### Financial Resources (\$ millions)

<b>Total Budgetary Expenditures (Main Estimates) 2013–14</b>	<b>Planned Spending 2013–14</b>	<b>Planned Spending 2014–15</b>	<b>Planned Spending 2015–16</b>
51.4	54.8	52.9	52.8

Beginning in 2012–13 and on-going, FINTRAC’s financial resources were reduced by \$6.3M due to the transfer of authorities related to functions adopted by Shared Services Canada (\$5.6M) and the sunsetting of funding for the National Anti-Drug Strategy (\$0.7M). Planned spending for all three years includes an estimate for both the Reimbursement of Eligible Paylist Expenditures as well as the Operating Budget Carry Forward.

### Human Resources (Full-Time Equivalents—FTE)

<b>2013–14</b>	<b>2014–15</b>	<b>2015–16</b>
345	345	345

**Planning Summary Table**

(\$ millions)

Strategic Outcome	Program	Actual Spending 2010–11	Actual Spending 2011–12	Forecast Spending 2012–13	Planned Spending			Alignment to Government of Canada Outcomes
					2013–14	2014–15	2015–16	
A Canadian financial system resistant to money laundering and terrorist financing	Detection and deterrence of money laundering and terrorist financing *	42.1	50.6	N/A <sup>i</sup>	N/A	N/A	N/A	A Safe and Secure Canada
	Financial Intelligence Program	N/A <sup>ii</sup>	N/A	23.2	23.3	22.5	22.4	A Safe and Secure Canada
	Compliance Program	N/A	N/A	23.2	23.3	22.5	22.4	A Safe and Secure Canada
<b>Sub –Total<sup>iii</sup></b>		<b>42.1</b>	<b>50.6</b>	<b>46.3</b>	<b>46.6</b>	<b>45.0</b>	<b>44.9</b>	

\* FINTRAC's program, Detection and deterrence of money laundering and terrorist financing, has been removed from display and replaced by the Financial Intelligence Program and Compliance Program for 2012–13 and future years' Estimates and Public Accounts.

**Planning Summary Table for Internal Services**

(\$ millions)

Program	Actual Spending 2010–11	Actual Spending 2011–12	Forecast Spending 2012–13	Planned Spending		
				2013–14	2014–15	2015–16
Internal Services	8.8	8.6	8.2	8.2	7.9	7.9
<b>Sub –Total</b>	<b>8.8</b>	<b>8.6</b>	<b>8.2</b>	<b>8.2</b>	<b>7.9</b>	<b>7.9</b>

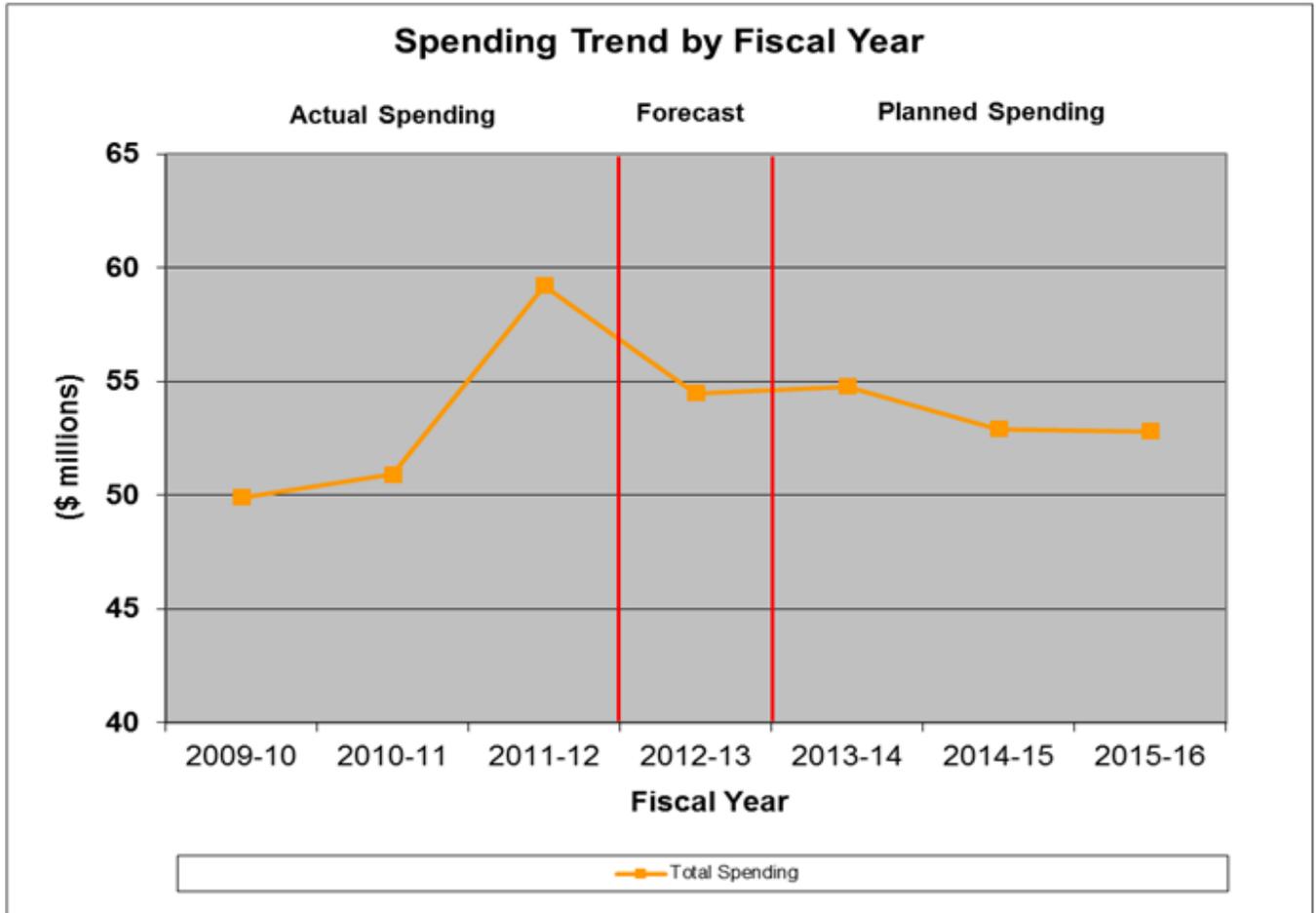
**Planning Summary Total**

(\$ millions)

Strategic Outcome Programs, and Internal Services	Actual Spending 2010–11	Actual Spending 2011–12	Forecast Spending 2012–13	Planned Spending		
				2013–14	2014–15	2015–16
<b>Total</b>	<b>50.9</b>	<b>59.2</b>	<b>54.5</b>	<b>54.8</b>	<b>52.9</b>	<b>52.8</b>

## Expenditure Profile

### Departmental Spending Trend



#### Actual Spending (2009–10 to 2011–12)

The resources available for spending in 2009–10 and 2010–11 were \$53.7M and \$52.6M, respectively. Actual Spending for 2009–10 was \$49.9M and 2010–11 was \$50.9M.

In 2011–12, resources available for spending increased to \$61.9M. The primary reasons for the increase in available resources were:

- The funding received of \$8.0M in 2011–12 to enhance key business functions essential to ensure compliance with the PCMLTFA and additional capacity to meet responsibilities related to tax evasion becoming a predicate offence to money laundering; and

- The receipt of an additional \$4.2M for severance pay and termination benefits. As part of collective agreement negotiations with certain employee groups, and changes to conditions of employment for executives and certain non-represented employees, the accumulation of severance benefits under the employee severance pay program ceased for these employees commencing in 2012. Employees subject to these changes were given the option to be immediately paid the full or partial value of benefits earned to date or collect the full or remaining value of benefits on termination from the public service.

Actual Spending for 2011–12 was \$59.2M.

### **Forecast Spending (2012–13)**

Forecast spending for 2012–13 is \$54.5M. While an additional \$2.5M was included in the reference levels to ensure compliance with the PCMLTFA in 2012–13, FINTRAC’s overall spending is expected to decrease due to the following:

- Transfer of authorities related to functions adopted by Shared Services Canada (SSC);
- The termination of funding for the National Anti-Drug Strategy (NADS);
- Lower expenditures related to severance pay and termination benefits which have ceased to accumulate; and
- Operating efficiencies announced in Budget 2012.

### **Planned Spending (2013–14 to 2015–16)**

Planned spending is expected to be \$54.8M in 2013–14, \$52.9M in 2014–15, and \$52.8M in 2015–16. This trend can largely be attributable to FINTRAC’s Budget 2010 funding, which will decrease from \$10.0M in 2013–14 to \$8.0M in 2014–15 and on-going to enhance the Centre’s ability to ensure compliance with PCMLTFA and meet new responsibilities related to tax evasion becoming a predicate offence to money laundering.

### **Estimates by Vote**

For information on our organizational appropriations, please see the [2013–14 Main Estimates](#)<sup>iv</sup> publication.

## Section II: Analysis of Programs by Strategic Outcome

### Strategic Outcome: A Canadian financial system resistant to money laundering and terrorist financing

FINTRAC's role of assisting in the detection, prevention and deterrence of the laundering of criminal proceeds and the financing of terrorist activities is a vital component of Canada's Anti-Money Laundering and Anti-Terrorist Financing (AML/ATF) Regime and supports the achievement of the Centre's strategic outcome of "A Canadian financial system resistant to money laundering and terrorist financing."

The following section describes FINTRAC's programs and identifies the expected results, performance indicators and targets for each of them. This section also contains a discussion of plans surrounding FINTRAC's program activities, explains how FINTRAC plans on meeting the expected results and presents the financial and non-financial resources that will be dedicated to each program activity.

### Program: Financial Intelligence Program

#### Program Description

FINTRAC's Financial Intelligence Program, mandated by the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (PCMLTFA), is a component of the broader national security and anti-crime agenda. The program strives to disrupt the ability of criminals and terrorist groups that seek to abuse Canada's financial system and to reduce the profit incentive of crime. The main method of intervention used by the program is to analyze reported financial transactions and other information the Centre is authorized to receive and collect under the PCMLTFA to produce financial intelligence products including tactical case disclosures and strategic intelligence products that are relevant to the investigation, prosecution or understanding of money laundering and terrorist financing activities.

**Financial Resources (\$ millions)**

<b>Total Budgetary Expenditures (Main Estimates) 2013–14</b>	<b>Planned Spending 2013–14</b>	<b>Planned Spending 2014–15</b>	<b>Planned Spending 2015–16</b>
21.8	23.3	22.5	22.4

**Human Resources (Full-Time Equivalent—FTE)**

<b>2013–14</b>	<b>2014–15</b>	<b>2015–16</b>
147	147	147

<b>Program Expected Results</b>	<b>Performance Indicators</b>	<b>Targets</b>
Disclosures of Financial intelligence make an important contribution to investigations of money laundering and terrorist financing.	Percentage of feedback forms indicating that a disclosure was useful in support of key partner priority investigations.	70%
	Percentage of feedback forms indicating that a proactive disclosure was useful in intelligence and investigative efforts of key partners.	50%
Strategic financial intelligence products align with the priorities of investigators, intelligence analysts, policy and decision-makers.	Percentage of strategic intelligence produced in support of a partner priority or a request.	70%

## Planning Highlights

This program activity encompasses all of FINTRAC’s financial intelligence activities. These activities are complemented by research, partnership and government relationship activities, both domestically and internationally. In order to achieve the expected results, FINTRAC plans to undertake the following activities during the 2013–14 fiscal year:

- Continue to produce quality financial intelligence products that address the needs and priorities of investigative and intelligence partners.
- Identify and communicate money laundering and terrorist financing trends, methods and issues.
- Collaborate with partners and stakeholders to evaluate the effectiveness of FINTRAC’s financial intelligence products.
- Seek opportunities to modernize technological infrastructure and adopt new practices and methods that support FINTRAC’s ability to produce high quality financial intelligence.
- Enhance relationships, both domestically and internationally, that strengthen FINTRAC’s role in combating money laundering and terrorist financing.

## Program: Compliance Program

### Program Description

FINTRAC's Compliance Program is responsible for ensuring compliance with Part 1 of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA)* and associated regulations. The Compliance Program utilizes a risk-based approach to deliver enforcement, relations and support activities that help ensure compliance with legislative and regulatory obligations that apply to individuals and entities operating in Canada's financial system.

#### Financial Resources (\$ millions)

<b>Total Budgetary Expenditures (Main Estimates) 2013–14</b>	<b>Planned Spending 2013–14</b>	<b>Planned Spending 2014–15</b>	<b>Planned Spending 2015–16</b>
21.8	23.3	22.5	22.4

#### Human Resources (Full-Time Equivalent—FTE)

<b>2013–14</b>	<b>2014–15</b>	<b>2015–16</b>
147	147	147

<b>Program Expected Results</b>	<b>Performance Indicators</b>	<b>Targets</b>
Non-compliance among reporting entities is detected and addressed.	Percentage of cases where compliance behaviour is improved.	Upward trend. Target to be established in 2013–14.
Entities have access to timely and accurate information.	Percentage of general inquiries answered within established timeframes.	90%

## Planning Highlights

FINTRAC's Compliance Program is made up of numerous activities, of which the most prominent are: undertaking awareness activities to ensure understanding among reporting entities of their legal obligations under the PCMLTFA; providing technical support to facilitate reporting; building relations with regulators and key stakeholders; taking responsible enforcement actions, which include reports monitoring and compliance assessment functions; maintaining a money services business (MSB) registry; and taking appropriate remedial action when non-compliance is detected, which may result in administrative penalties, or disclosure of non-compliance to law enforcement.

During the planning period, FINTRAC will undertake the following activities to support the Centre's compliance priorities:

- Pursue opportunities to enhance the quality of report data.
- Leverage technology to continue to raise awareness among reporting entities of their legislative obligations under the PCMLTFA.
- Provide clear and consistent technical support to reporting entities to facilitate reporting.
- Enhance relations with regulators and key stakeholders.
- Provide feedback to reporting entities on the quality of prescribed financial transaction reports.
- Seek opportunities to modernize technological infrastructure that will enhance data integrity and ensure that report data is ready for analysis.
- Direct enforcement and reports monitoring activities based on risk, and demand rapid and concentrated remedial action by reporting entities when non-compliance is detected, including measured use of administrative monetary penalties or non-compliance disclosures.

## Program: Internal Services

### Program Description

Under the Internal Services program activity are services that support the function of the organization and act as enablers for the organization’s other program activity. Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; Acquisition Services; and Travel and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

#### Financial Resources (\$ millions)

<b>Total Budgetary Expenditures (Main Estimates) 2013–14</b>	<b>Planned Spending 2013–14</b>	<b>Planned Spending 2014–15</b>	<b>Planned Spending 2015–16</b>
7.8	8.2	7.9	7.9

#### Human Resources (Full-Time Equivalent—FTE)

<b>2013–14</b>	<b>2014–15</b>	<b>2015–16</b>
51	51	51

### Planning Highlights

The priority for Internal Services over the planning period will be to focus on promoting excellence in the Centre’s workforce and to strengthen business and people management frameworks. To realize these objectives, FINTRAC will undertake the following activities:

- Maintain a reputation as an “employer of excellence” with employee recruitment and engagement initiatives that strengthen the Centre’s expertise in alignment with business priorities.

- Renew and update FINTRAC’s Policy on Learning and Development to ensure that investments support current and emerging business priorities, as well as employees’ professional development.
- Reinforce financial management capacity through improvements to financial forecasting and reporting and strengthened internal financial controls.
- Enhance and integrate corporate planning and reporting systems to strengthen the alignment of people and financial resources with business priorities.
- Continue to develop, refine and implement business continuity and emergency management frameworks to mitigate the impact of service disruptions for the Centre.
- Continue to develop the integrated security program to ensure protection of the Centre’s information, assets and resources.
- Examine opportunities to enhance key technological infrastructure in order to pursue the Centre’s business objectives more effectively and create capacity to respond to future challenges.



## Section III: Supplementary Information

### Financial Highlights

The future-oriented financial highlights presented within this RPP are intended to serve as a general overview of FINTRAC's financial position and operations. These statements have been prepared on an accrual basis to strengthen accountability and improve transparency and financial management.

The variance between the figures that follow and the planned spending amounts provided in other sections of this report relate to such items as services without charge received from other government departments, amortization, refund of previous year expenditures, severance and vacation pay liability adjustments, and prepaid expense adjustments.

#### **Future-Oriented Condensed Statement of Operations and Departmental Net Financial Position**

For the Year (Ended March 31)

(\$ millions)

	<b>% change</b>	<b>Planned Results 2013–14</b>	<b>Estimated Results 2012–13</b>
<b>Total expenses</b>	<b>4%</b>	<b>63.8</b>	<b>61.4</b>
<b>Total revenues</b>	<b>N/A</b>	<b>0.0</b>	<b>0.0</b>
<b>Net cost of operations before government funding and transfers</b>	<b>4%</b>	<b>63.8</b>	<b>61.4</b>
<b>Departmental net financial position</b>	<b>2%</b>	<b>6.5</b>	<b>6.3</b>

FINTRAC is projecting \$63.8M in expenses based on 2013–14 Main Estimates, estimated allocations from Treasury Board central votes, and accrued information. Amounts for 2013–14 do not include Supplementary Estimates and represent a \$2.4M increase from 2012–13 results which is attributable to estimated year-end used authorities trending slightly below approved levels in 2012–13.

### Future-oriented Condensed Statement of Financial Position

For the Year (Ended March 31)

(\$ millions)

	% change	Planned Results 2013–14	Estimated Results 2012–13
<b>Total liabilities</b>	<b>-9%</b>	<b>7.1</b>	<b>7.9</b>
<b>Total net financial assets</b>	<b>1%</b>	<b>4.9</b>	<b>4.8</b>
<b>Departmental net debt</b>	<b>-26%</b>	<b>2.3</b>	<b>3.0</b>
<b>Total non-financial assets</b>	<b>-7%</b>	<b>8.8</b>	<b>9.4</b>
<b>Departmental net financial position</b>	<b>2%</b>	<b>6.5</b>	<b>6.3</b>

The decrease in liabilities from 2012–13 to 2013–14 is attributable to the projected decrease in contingent liabilities. Non-financial assets are projected to decrease in 2013–14 as a result of the slower rate of acquisition of tangible capital assets, mainly attributable to the completion of the building retrofit of FINTRAC’s national office in 2012–13.

### Future-Oriented Financial Statements

The financial highlights presented above are intended to serve as a general overview of FINTRAC’s operations reported in the [Department’s future-oriented financial statements](#)<sup>v</sup>.

### List of Supplementary Information Tables

All electronic supplementary information tables listed in the 2013–14 Reports on Plans and Priorities can be found on FINTRAC’s Web site.

- ▶ Greening Government Operations
- ▶ Sources of Respendable and Non-Respendable Revenue
- ▶ Summary of Capital Spending by Program Activity
- ▶ Upcoming Internal Audits and Evaluations over the next three fiscal years

### Tax Expenditures and Evaluations Report

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

## Section IV: Other Items of Interest

### Organizational Contact Information

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## Endnotes

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<sup>i</sup> This 2011–12 program element has been removed from display in 2012–13 and future years' Estimates and Public Accounts.

<sup>ii</sup> FINTRAC's Strategic Outcome and Program Alignment Architecture elements were amended for display in 2012–13 and future years' Estimates and Public Accounts.

<sup>iii</sup> Totals may not add due to rounding.

<sup>iv</sup> Government Expenditure Plan and Main Estimates (Parts I and II), <http://www.tbs-sct.gc.ca/ems-sgd/esp-pbc/me-bpd-eng.asp>

<sup>v</sup> FINTRAC's 2013-14 Future-Oriented Financial Statements, <http://www.fintrac-canafe.gc.ca/publications/reports-rapports-eng.asp#s3>

<sup>vi</sup> Department of Finance's annual Tax Expenditures and Evaluations publication, <http://www.fin.gc.ca/purl/taxexp-eng.asp>