



# Board of Management Oversight Framework

## Assessment of Performance

March 2008



Canada Revenue  
Agency

Agence du revenu  
du Canada

Canada





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## Background

In 2007-2008, the Board of Management (Board) and Agency management worked together to finalize the Board of Management Oversight Framework (BoMOF). The BoMOF clearly defines the Board's statutory responsibilities as set out in the *Canada Revenue Agency Act*. It also sets out the information the Board requires to ensure that it is effectively fulfilling its statutory responsibilities.

During the Treasury Board Secretariat's (TBS) annual Management Accountability Framework (MAF) assessment of the Agency, the Secretariat traditionally refrains from rating the Agency in areas where the Board has oversight. The BoMOF functions as a complement to the MAF. 2007-2008 was the Board's first assessment of the Agency using the BoMOF; therefore, the Board decided it would for the most part, only assess those areas of management not covered by TBS. The Board will conduct annual BoMOF assessments, to facilitate in an evidence-based way, its oversight of Agency management. The Board and Agency management will continue to evolve the BoMOF to be more robust, transparent, and quantifiable.

## Assessment of Performance

There are five general areas of Board oversight:

- Organization of the Agency
- Administration of the Agency
- Management of Resources
- Management of Services
- Management of Personnel

The Board has identified expectations for good management in these areas of oversight. The key related questions were used to provide context. In response, the Agency has prepared evidence-based assessments of performance for these expectations. The evidence to support the assessments was derived from the sources identified in the oversight framework.

The assessments will be published on the Canada Revenue Agency (CRA) and TBS websites to demonstrate transparent management and accountability.

# Organization of the Agency

## Expectation (a): The Board must assure itself that the Agency has an appropriate robust internal accountability structure.

Related Key Questions	Evidence	Evidence In
<ul style="list-style-type: none"> <li>Are accountabilities of executives aligned with corporate plans, priorities and strategic outcomes?</li> </ul>	<ul style="list-style-type: none"> <li>Established internal accountability structure to ensure that the accountabilities of all executives are aligned with corporate plans priorities and strategic outcomes.</li> <li>Process begins with strategic planning sessions held by the Board and senior management leading to the development of the Corporate Business Plan (CBP).</li> <li>Personal performance agreements establish personal accountability for, and alignment with, CBP priorities and planned deliverables, as well as the Government's long term corporate and Public Service-wide objectives.</li> <li>Agency Management Committee sets out ongoing key commitments for Agency executives based on the business priorities as set out in the CBP, Board objectives, mandate letter to the Commissioner from the Clerk of the Privy Council and government-wide priorities.</li> <li>Commissioner issues mandate letters to all Direct Reports.</li> <li>Commissioner's performance objectives and performance agreement are disseminated to the Assistant Commissioners for reference to ensure objectives with the Board and commitments to the Clerk are cascaded down and supported by senior management.</li> <li>Agency encourages senior management disclosure of their agreements with managers and staff in order to inform all areas about their accountabilities and to promote the transparency of the performance management regime.</li> </ul>	<ul style="list-style-type: none"> <li>Performance Agreement Analysis</li> <li>Assistant Commissioners Commitments analysis</li> </ul>

Rating Scale	Board's Assessment and Related Comments	Next Steps
Strong	STRONG	<ul style="list-style-type: none"> <li>Set performance objectives for the Commissioner consistent with the strategic objectives of the Agency as set out in the CBP</li> <li>Provide input into the performance objectives and assessments of the Agency's Chief Financial Officer and the Director General of Corporate Audit and Evaluation</li> <li>Review Executive Cadre foundation table and guidelines</li> </ul>
Acceptable		
Opportunity for Improvement		
Attention Required		

# Administration of the Agency

## Expectation (a): The Board must assure itself that the Agency follows appropriate processes to ensure sound overall administration including sound enterprise risk management (ERM).

Related Key Questions	Evidence	Evidence In
<ul style="list-style-type: none"> <li>Is there a sound risk management process in place to assess and address risk in the Agency?</li> </ul>	<ul style="list-style-type: none"> <li>Risk Management (RM) is an on-going Canada Revenue Agency (CRA) priority and senior executives continue to be highly engaged in managing risks.</li> <li>The Agency has an ERM Framework in place to assess and address risk in the Agency. The elements of the Framework include:               <ul style="list-style-type: none"> <li>ERM Policy approved by the Board in March 2006 (with the underlying theme that RM is everyone's business);</li> <li>ERM Program Implementation Strategy approved by the Board December 2006; and</li> <li>CRA RM process and tools, which enable the consistent and systematic assessment and management of risk at all levels of the Agency (approved by the Board in December 2006).</li> </ul> </li> <li>The Framework ensures the Agency now has:               <ul style="list-style-type: none"> <li>A more disciplined and structured methodology (RM process and tools) that will result in the consistent and systematic assessment and management of risks across the Agency on an on-going basis; and</li> <li>The right process and tools to enable the Agency to continuously identify, analyze, evaluate, address, monitor/evaluate, and communicate risks. It is an approach that provides the Agency with the necessary means to keep its risks up-to-date and to continuously re-prioritize risks as conditions change.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Enterprise Risk Management Policy</li> <li>ERM Program Implementation Strategy</li> <li>Risk management process and tools</li> </ul>
<ul style="list-style-type: none"> <li>Does the Corporate Risk Inventory identify the Agency's top risks?</li> </ul>	<ul style="list-style-type: none"> <li>The CRA Corporate Risk Inventory 2007 identifies the Agency's top risks:               <ul style="list-style-type: none"> <li>The Inventory is based on the extensive analysis of the information generated from the risk assessments conducted in all HQ Branches (involving a significant number of senior managers);</li> <li>The CRA Assistant Commissioner (AC) level ERM Committee was engaged in discussions to provide guidance and validate this analysis; and</li> <li>Agency Management Committee (AMC) confirmed the list of risks and evaluated each risk (voted on likelihood and impact).</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Corporate Risk Inventory (December 2007)</li> </ul>

**Expectation (a): The Board must assure itself that the Agency follows appropriate processes to ensure sound overall administration including sound enterprise risk management (ERM).**

Related Key Questions	Evidence	Evidence In
	<ul style="list-style-type: none"> <li>The Inventory identifies the Agency's top risks, risk drivers, impacts, current controls, ratings (likelihood/impact), sponsor/owner (accountability assigned at the AC level), and the response strategy for each risk.</li> </ul>	
<ul style="list-style-type: none"> <li>Are enterprise-wide risks being assessed and addressed?</li> </ul>	<ul style="list-style-type: none"> <li>Enterprise-wide risks are being assessed and addressed as evidenced by the CRA Corporate Risk Inventory 2007. All 17 risks identified in the current Inventory were assessed (identified, analyzed and evaluated) and are being addressed:                             <ul style="list-style-type: none"> <li>Each risk has been assigned a Risk Response Sponsor at the AC level;</li> <li>All Sponsors have chosen a response strategy for their risks; and</li> <li>Details behind each response strategy will be outlined in the CRA Risk Action Plan. The first phase of the Action Plan (which will provide strategies for the top risks) was presented to the Board in March 2008.</li> </ul> </li> <li>The Agency has also developed a strategy to ensure the currency of the information contained in the Corporate Risk Inventory (i.e. keeping inventories evergreen). This strategy was tabled at AMC in February 2008 and was presented to the Board in March 2008.</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Risk Inventory (December 2007)</li> <li>Risk Management Action Plan – Agency Top Risks (March 2008)</li> <li>Strategy for Ensuring the Currency of the Corporate Risk Inventory (March 2008)</li> </ul>
<ul style="list-style-type: none"> <li>Is risk management embedded in CRA's strategic planning cycle and decision-making processes?</li> </ul>	<ul style="list-style-type: none"> <li>RM has been integrated into the CRA's corporate planning and reporting cycle for a number of years as evidenced in previous Corporate Business Plans (CBP) and Annual Reports. As such, the Agency planning, decision-making and priority setting have been, and continue to be informed by risk.</li> <li>With the maturing of RM in the Agency and the advent of the ERM Program, the CRA has taken additional measures to integrate, embed and align RM into its key core processes. Accomplishments to date include:                             <ul style="list-style-type: none"> <li>Resource Allocation: the CRA has embedded RM into the Resource and Investment Management Committee (RIMC) process. Specifically, RM is an important aspect in the RIMC guidelines which makes the completion of a risk assessment a mandatory requirement for all major investment projects;</li> <li>Performance Management Regime: RM has been included in the Commissioner's 2007-2008 Performance Agreement and in all HQ AC performance agreements. In addition, it is one of the Tailored Special Commitments in the 2007-2008 Guidelines to complete Executive Cadre and Senior Manager Performance Agreements. Because of this, as well as the inclusion of RM in the CBP, RM is an important element in the accountability of many executives and managers across the Agency; and</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Corporate Business Plan</li> <li>Annual Report</li> </ul>

**Expectation (a): The Board must assure itself that the Agency follows appropriate processes to ensure sound overall administration including sound enterprise risk management (ERM).**

Related Key Questions	Evidence	Evidence In
	<ul style="list-style-type: none"> <li>Corporate Audit and Evaluation (CAE): an established information exchange exists between the ERM and the Corporate Audit and Evaluation functions – the Corporate Risk Inventory is one of the sources used in establishing the CAE Plan and results from audits and evaluations are a source of information used for risk identification and evaluation.</li> </ul>	

Board's Assessment	Comments from the Board	Next Steps
Strong	ACCEPTABLE <ul style="list-style-type: none"> <li>Good work done</li> <li>The Board anticipates that ERM will continue to mature over the next few years</li> </ul>	<ul style="list-style-type: none"> <li>Establish corporate risk management function and risk management centre of expertise</li> <li>Inculcate in minds of all CRA managers</li> </ul>
Acceptable		
Opportunity for Improvement		
Attention Required		



**Expectation (b): The Board must assure itself that the Agency follows appropriate processes to ensure sound overall administration including an effective program evaluation function to assess the long-term success of Agency programs.**

Related Key Questions	Evidence	Evidence In
<ul style="list-style-type: none"> <li>Does the evaluation function have an appropriate level of independence?</li> </ul>	<ul style="list-style-type: none"> <li>Strong governance structure, including the Board and Agency Management Committee (AMC), provides appropriate approvals and oversight of the function's policy, plans, study results and program area action plans in response to evaluation findings.</li> <li>Evaluation reports directly to Commissioner through the Director General of the Corporate Audit and Evaluation Branch (CAEB).</li> <li>CAEB's mandate is to support the achievement of the strategic goals by providing the Commissioner and Senior Management with independent and objective information, advice and assurance on the soundness of the management framework and on effectiveness, efficiency and economy of its strategies, programs and practices.</li> <li>Core responsibilities are delivered with A-base funding while additional funding is provided for commitments resulting from Treasury Board business cases.</li> <li>Canada Revenue Agency (CRA) Program Evaluation Policy approved September 2006 includes "the program evaluation function will be independent and not have responsibility or accountability for the areas being reviewed."</li> </ul>	<ul style="list-style-type: none"> <li>The Board Audit Committee Charter</li> <li>CRA Program Evaluation Policy</li> </ul>
<ul style="list-style-type: none"> <li>Does the evaluation function have an effective risk-based planning process?</li> </ul>	<ul style="list-style-type: none"> <li>Annual multi-year, risk-based evaluation plan takes into account Agency-wide risks, priorities, and evaluation commitments related to Treasury Board Secretariat and the Agency's Resource and Investment Management Committee requirements.</li> <li>Evaluation plan is approved by the Commissioner and AMC and reviewed by the Board.</li> <li>Quarterly progress-to-plan reports are provided to the Board's Audit Committee.</li> </ul>	<ul style="list-style-type: none"> <li>CAEB Business Plan</li> </ul>
<ul style="list-style-type: none"> <li>Does the CRA value and make effective use of evaluation information to inform expenditure and policy decisions and program improvement?</li> </ul>	<ul style="list-style-type: none"> <li>Use of evaluation information is related to the quality of reports; processes are established to ensure quality review and the provision of feedback at both the divisional and branch levels within the CAEB function.</li> <li>CRA Program Evaluation Policy 2006 ensures that the function assesses the results of Agency policies, programs, and initiatives, including their effectiveness, relevance, impacts, and alternative ways of achieving expected results.</li> <li>AMC is tasked with assessing the adequacy and progress of management action plans developed in response to program evaluation findings and recommendations.</li> <li>Post-study questionnaires are sent to program areas to obtain feedback on objectivity and quality of evaluation products as well as usefulness of the findings and recommendations; AMC accepted findings and recommendation for both evaluations of HQ-Regions Managers Exchange Program (2007) and Secure Channel – Branches indicated study findings were balanced, constructive and recommendations were appropriate, useful and realistic.</li> </ul>	<ul style="list-style-type: none"> <li>Management concurrence with recommendations</li> <li>Action plans developed</li> <li>Implementation monitored</li> </ul>

**Expectation (b): The Board must assure itself that the Agency follows appropriate processes to ensure sound overall administration including an effective program evaluation function to assess the long-term success of Agency programs.**

Related Key Questions	Evidence	Evidence In
	<ul style="list-style-type: none"> <li>Periodic follow-up activity assesses action taken in response to previous evaluations; June 2007 function reported on the status of the results from three previous evaluations; two cases, the function did not recommend that any further work be done; third case recommended an in-depth follow up of action plans initiated in 2008-2009.</li> </ul>	

Rating Scale	Board's Assessment and Related Comments	Next Steps
Strong	ACCEPTABLE <ul style="list-style-type: none"> <li>Evolving in the right direction</li> <li>Significant progress made</li> </ul>	
Acceptable		
Opportunity for Improvement		
Attention Required		

**Expectation (c): The Board must assure itself that the Agency follows appropriate processes to ensure sound overall administration including a professional internal audit function to provide assurance on the efficacy of the Agency's control framework.**

Related Key Questions	Evidence	Evidence In
<ul style="list-style-type: none"> <li>Does internal audit have appropriate resources (staff qualifications, mix and level of experience of professional staff)?</li> </ul>	<ul style="list-style-type: none"> <li>Focus on professionalism, accreditation (Certified Internal Auditor) and accounting designations with a balance between experience and academic background; support staff with materials, time and training.</li> <li>Financial Management (FI) positions established in Finance Audit Team for conducting financial audits and staffing underway.</li> <li>29% of internal audit management and staff possess one or more professional designation; 66% possess a university degrees.</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Audit and Evaluation Branch 2007-2010 Business Plan</li> <li>CAEB Staff Profiles Database</li> </ul>
<ul style="list-style-type: none"> <li>Is internal audit planning appropriate (risk-base, appropriate approvals, methodology, etc.)?</li> </ul>	<ul style="list-style-type: none"> <li>2006 Institute for Internal Auditors (IIA) certification includes "generally conforms" (highest rating) for planning.</li> <li>Audit Committee of the Board of Management assists the Board in fulfilling its oversight responsibilities by reviewing the Agency's accounting framework, financial and performance information, internal controls and risk tolerance, and compliance with financial and environmental legislation.</li> <li>All members of the Committee are independent of the Agency. All meetings of the Committee are closed meetings unless specified otherwise. The Commissioner, the Chief Financial Officer, the Director General of Corporate Audit and Evaluation and a representative of the Office of the Auditor General of Canada attend as observers in regular closed sessions of Committee meetings.</li> <li>At each meeting of the Committee there shall be an in camera session scheduled on the agenda. The in camera session shall have its own respective agenda. If the Committee so chooses, it may call an official from the Office of the Auditor General to attend either a portion of, or the entire, in camera session.</li> <li>Commissioner, Audit Committee and Office of the Auditor General participate in shaping plan which is subject to an internal challenge process and shared for input with senior management.</li> <li>Risk-based internal audits consider Agency-wide risks, Corporate Business Plan priorities and Corporate Audit and Evaluation Branch's (CAEB) risk assessment of audit universe; risk assessment entails environmental scanning and consultation with Canada Revenue Agency (CRA) management.</li> </ul>	<ul style="list-style-type: none"> <li>Assessment by Institute for Internal Auditors</li> <li>Corporate Audit and Evaluation Branch 2007-2010 Business Plan</li> <li>Follow-Up of 2004-2005 Internal Audit Reports Report</li> </ul>

**Expectation (c): The Board must assure itself that the Agency follows appropriate processes to ensure sound overall administration including a professional internal audit function to provide assurance on the efficacy of the Agency’s control framework.**

Related Key Questions	Evidence	Evidence In
	<ul style="list-style-type: none"> <li>Risk is first driver of audit priority; other factors include: timing for audit work, ability to audit, extent of previous audit or external oversight, audit coverage, mandatory requirements, Enterprise Risk Management, program dimension, major change initiatives from Resource Investment Management Committee or Treasury Board Secretariat and audit assurance needs of stakeholders.</li> <li>Internal Audit Management Committee and the Board annually approve internal audit plan.</li> <li>Quarterly progress-to-plan reports are provided to Audit Committee.</li> <li>Consistent with IIA standards, business advisory services are considered as recommended alternative where that type of engagement is most effective way of improving controls and risk management; however, business advisory services are considered on an exception basis only; 94% direct hours providing assurance services, 6% towards business advisory services.</li> </ul>	
<ul style="list-style-type: none"> <li>Are internal audit reports objective, reliable, accurate and of high-quality?</li> </ul>	<ul style="list-style-type: none"> <li>2006 IIA certification includes “generally conforms” for communicating results.</li> <li>Processes in place ensure quality review and provision of feedback.</li> <li>Commissioner and Audit Committee indicate reports are objective, reliable, accurate, timely and of high quality.</li> <li>Management feedback indicates about 90% of internal audit reports are good quality.</li> <li>CAEB review indicates audits are in accordance with IIA standards, reports are supported by working papers and that risk-assessment is documented.</li> <li>Final reports are proactively posted on CRA Internet site.</li> </ul>	<ul style="list-style-type: none"> <li>Assessment by Institute for Internal Auditors</li> <li>CAEB 2006-2007 Annual Report</li> <li>Post Internal Audit Questionnaires</li> <li>Commissioner and Board feedback</li> </ul>

Rating Scale	Board’s Assessment and Related Comments	Next Steps
Strong	<p><b>STRONG</b></p> <ul style="list-style-type: none"> <li>Significantly beyond standards set for other government departments</li> </ul>	
Acceptable		
Opportunity for Improvement		
Attention Required		

**Expectation (d): The Board must assure itself that the Agency follows appropriate processes to ensure sound overall administration including ensuring that sustainable development (SD) is embedded in the way we do business.**

Related Key Questions	Evidence	Evidence In
<ul style="list-style-type: none"> <li>Does the CRA have a reliable reporting framework in place for SD?</li> </ul>	<ul style="list-style-type: none"> <li>CRA's Sustainable Development Strategy is supported by the National SD Action Plan that consists of goals, objectives, targets, activities, due dates, offices of responsibility, outputs, and measures.</li> <li>Using identified measures, all SD reports outline, with various levels of detail, progress against the targets, activities, and outputs established in the Action Plan.</li> <li>Sustainable Development Steering Committee, a senior-level forum for discussion and action on SD, reports twice a year to the Commissioner and the Agency Management Committee on progress towards our Sustainable Development Strategy commitments and related initiatives.</li> <li>Agency uses modern management tools, systems, and processes to effectively integrate SD into both our operations and service delivery.</li> <li>Framework instruments include corporate SD and Environment Policies, an Environmental Management System, and supporting programs and tools such as SD Action Plans, Communications Strategy, Learning Strategy, and Results-based Management Accountability Framework.</li> <li>SD program is led by the SD Division (Finance and Administration Branch) the centre of expertise for planning, implementation and reporting and is supported by a network of SD practitioners in all CRA branches and regions.</li> <li>In accordance with the current SD Strategy, all Assistant Commissioners and most of the Executive Cadre had SD integrated into their performance agreements.</li> <li>Management at all levels are responsible for providing support and direction for planning and implementing sustainable development activities at the CRA.</li> <li>Employees are responsible for being aware of the principles of SD, and for applying these principles in their work.</li> <li>Compared with 2005-2006, CRA lowered its internal paper consumption by about 10%, increased its purchases of greener products by about 30%, and significantly exceeded its solid waste diversion target.</li> </ul>	<ul style="list-style-type: none"> <li>SD reports</li> </ul>
<ul style="list-style-type: none"> <li>How does the Commissioner of the Environment and Sustainable Development view CRA's SD Reports?</li> </ul>	<ul style="list-style-type: none"> <li>Commissioner of the Environment and Sustainable Development monitors agencies' and departments' SD performance against the commitments published in individual SD strategies, including that of the CRA.</li> </ul>	<ul style="list-style-type: none"> <li>Annual Report of Commissioner of Environment and Sustainable Development</li> </ul>

**Expectation (d): The Board must assure itself that the Agency follows appropriate processes to ensure sound overall administration including ensuring that sustainable development (SD) is embedded in the way we do business.**

Related Key Questions	Evidence	Evidence In
	<ul style="list-style-type: none"> <li>• CRA has received favourable assessments in the annual reports of the Commissioner of the Environment and Sustainable Development, specifically for progress in the areas of solid waste management and green procurement.</li> <li>• Agency also received the best rating for its 2004 SD Strategy from among all federal government departments.</li> </ul>	

Rating Scale	Board's Assessment and Related Comments	Next Steps
Strong	STRONG	
Acceptable		
Opportunity for Improvement		
Attention Required		

# Management of Resources

## Expectation (a): Project Management – Investment decisions are based on program priorities and affordability, and possible future liabilities are identified.

Related Key Questions	Evidence	Evidence In
<ul style="list-style-type: none"> <li>Does the Agency have an appropriate project management framework in place that includes policies, processes, and an explicit accountability framework that support effective decision-making oversight, monitoring and review?</li> </ul>	<ul style="list-style-type: none"> <li>The Board approved the Project Management Policy that applies to all Agency projects.</li> <li>Resource and Investment Management Committee (RIMC) was created with a mandate to establish budget priorities and requirements according to the Corporate Business Plan, oversee the allocation and control of Agency financial resources, and oversee the management and progress of major investment projects.</li> <li>RIMC Secretariat facilitates awareness and understanding of the project approval process, accountability framework, and documentation requirements.</li> <li>RIMC worked with all branches throughout 2007-2008 to fulfil the corporate challenge function in assessing project proposals, approval-in-principle granted to two proposed projects, denied to a third.</li> <li>RIMC Secretariat established RIMC Mandate, Administrative Procedures, and Document Guidelines, which are part of the Resource Management volume of the Finance and Administration Manual, including the approval and monitoring processes for major investment projects in accordance with the Canada Revenue Agency Project Management Policy.</li> <li>RIMC Secretariat has developed a reporting framework for the Board, the Capital Investment Project Portfolio dashboard, that provides for quarterly reporting on project delivery performance (schedule, cost and scope on three capital investment projects – Integrated Revenue Collections, Individual Identification Renewal, and Compliance Systems Redesign) – initial report on the first quarter 2007-2008 presented September 2007.</li> <li>Major strategic investment projects that have been reviewed by RIMC and received approval from AMC, and have lifecycle development costs that are expected to exceed the threshold of \$20 million will be referred to the Board for review and approval of the governance structure, the monitoring framework and the planned expenditures.</li> <li>RIMC Secretariat has developed a policy paper for RIMC to consider whether the Agency should formalize a priority setting mechanism for investment selection, improve the granularity of the estimating process, and continually re-assess each investment's value to the Agency in light of program priorities and budgetary considerations.</li> </ul>	<ul style="list-style-type: none"> <li>Project Management Policy</li> <li>RIMC/Agency Management Committee reports, minutes, Board of Management Records of Discussion</li> <li>Capital Investment Project Portfolio Dashboard</li> <li>RIMC Mandate, Administrative Procedures and Documentation Guidelines</li> </ul>

Rating Scale	Board's Assessment and Related Comments	Next Steps
Strong	STRONG	<ul style="list-style-type: none"> <li>• Oversee the refinement of the Agency's project management costing and reporting practices</li> <li>• Monitor major projects including the implementation of the human resources component of the Corporate Tax Administration for Ontario</li> </ul>
Acceptable		
Opportunity for improvement		
Attention required		



**Expectation (b): Asset Management – Real property strategy to address current and future accommodation needs; methodology for tracking and divesting moveable asset with individual value of more than \$10K.**

Related Key Questions	Evidence	Evidence In
<ul style="list-style-type: none"> <li>Is appropriate long-term capital planning and long-term investment planning in place?</li> </ul>	<ul style="list-style-type: none"> <li>A Three-year Asset Management Plan has been developed that identifies Information Technology planned expenditures for the current and upcoming two fiscal periods.</li> <li>The Asset Management Plan Review Committee, comprising cost centre managers and other key stakeholders, meets monthly to oversee Information Technology Branch’s central budget plans.</li> <li>The Agency’s Five-year Fleet Capital Replacement plan was updated in November 2005, a strategy for acquiring vehicles was completed, and the plan was adhered to throughout 2006-2007.</li> <li>A lifecycle management approach is used for materiel handling and mail equipment.</li> <li>Nationally, the Long Term Accommodation Investment Plan (LTAIP) sets out the strategic direction for the planning and management of Canada Revenue Agency’s (CRA) accommodation portfolio and national five-year investment plan.</li> <li>Regional Accommodation Plans provide key input to the LTAIP on operational influences on real property services.</li> </ul>	<ul style="list-style-type: none"> <li>Three-year asset management plan</li> <li>LTAIP</li> <li>Regional Accommodation Plans</li> <li>Fleet plans</li> </ul>
<ul style="list-style-type: none"> <li>Is there an appropriate real property management framework in place for leasees?</li> </ul>	<ul style="list-style-type: none"> <li>Since 2000-2001 the real property function has operated under a Real Property Management Framework that sets out a governance structure and investment-planning process.</li> <li>Resource and Investment Management Committee acknowledged that the Real Property Management Framework is consistent with the principles set out in the Agency’s Project Management Policy.</li> <li>The Real Property Strategic Investment Board provides accountability and audit trail for real property investment.</li> <li>Management of the real property program is reported annually to the Finance and Administration Branch planning processes.</li> <li>CRA and Public Works and Government Services (PWGSC) operate under a Real Property Services Agreement, approved in 2007, which ensures continuity of PWGSC expertise and CRA’s ability to exercise its legislated authority.</li> <li>CRA uses the PWGSC Occupancy Accommodation System Report to ensure that the accommodation costs and space usage are controlled and respect CRA standards, and that the national inventory is complete and accurate.</li> </ul>	<ul style="list-style-type: none"> <li>Real Property Management Framework</li> <li>LTAIP</li> <li>Real Property Services Agreement with PWGSC</li> <li>Internal audits and evaluations</li> </ul>

**Expectation (b): Asset Management – Real property strategy to address current and future accommodation needs; methodology for tracking and divesting moveable asset with individual value of more than \$10K.**

Related Key Questions	Evidence	Evidence In
<ul style="list-style-type: none"> <li>Is there an appropriate materiel management framework in place?</li> </ul>	<ul style="list-style-type: none"> <li>As, indicated in Corporate Administrative System (CAS) Financial Audit Report, the Assistant Commissioner is responsible for all aspect of materiel management.</li> <li>Examples of technologies applied in 2006-2007 to enhance warehousing practices include “Carousel Technologies” in the Eastern Distribution Centre, and implementation of CAS controls such as Materiel Requirements Planning and Inventory Management. Work also began to implement the Ascent Shipping System to ensure the most cost-effective service provider and automatic update of CAS information .</li> <li>Methodology for tracking and divesting moveable assets over \$10 K implemented in 2006-2007.</li> </ul>	<ul style="list-style-type: none"> <li>Life-cycle management</li> <li>Materiel management technologies</li> <li>Internal Audit Reports</li> </ul>

Rating Scale	Board’s Assessment and Related Comments	Next Steps
Strong	STRONG	
Acceptable		
Opportunity for improvement		
Attention required		

**Expectation (c): A contracting policy in place that meets the Board’s legal requirements and ensures that day to day operations respect the provisions of the policy.**

Related Key Questions	Evidence	Evidence In
<ul style="list-style-type: none"> <li>Is Agency oversight of procurement and contracting effective in ensuring the transparency and integrity of those functions?</li> </ul>	<ul style="list-style-type: none"> <li>Policies and procedures that ensure procurement and contracting are in accordance with trade agreements, are compliant with delegation of authorities, are reviewed on an ongoing basis, and are included in the Materiel Management volume of the Finance &amp; Administration Manual.</li> <li>Information Technology (IT) Procurement Strategy Committee, an Assistant Commissioner level committee, meets regularly to review IT-related contracts over \$1M.</li> <li>Finance and Administration Branch Management Committee, chaired by the Agency’s Chief Financial Officer, meets regularly to review non-IT related contracts over \$1M.</li> <li>Agency Management Committee (AMC) receives periodic reports on contracting and are briefed on all contracts estimated at over \$1M.</li> <li>Follow-Up Audit of Canada Revenue Agency Contracting Processes (November 2006) concluded that the overall progress made towards the implementation of the four point action plan, developed from the original audit (September 2004), was satisfactory.</li> <li>As a result, capacity in the Agency to manage the contracting process has been enhanced, delegated authorities are no longer decentralized, and communications to contracting officers and budget managers to support them in carrying out their duties has improved.</li> </ul>	<ul style="list-style-type: none"> <li>Procurement policy framework</li> <li>Internal audits and evaluation</li> </ul>
<ul style="list-style-type: none"> <li>Are the Agency’s end to end procurement processes cost-effective?</li> </ul>	<ul style="list-style-type: none"> <li>E-procurement and acquisition card transactions represent 89% of total business transaction volume.</li> <li>In accordance with Treasury Board Secretariat estimates, costs associated with supporting these types of transactions is only 8% of the cost of using traditional procurement contracts.</li> <li>Contracts/other arrangements (i.e., non e-procurement and non acquisition card), totalling \$436M, represents 92.4% of total business dollar volume, demonstrating Agency focus of procurement expertise and resources on high-value, high-risk transactions.</li> <li>Fifty-nine active Strategic Arrangements are currently in place and represent 17% of total business transaction volume.</li> </ul>	<ul style="list-style-type: none"> <li>Use of e-procurement, acquisition cards, contracts and other arrangements</li> <li>Strategic arrangements</li> <li>Internal audits and evaluations</li> </ul>

Rating Scale	Board’s Assessment and Related Comments	Next Steps
Strong	STRONG	
Acceptable		
Opportunity for improvement		
Attention required		

**Expectation (d): The Board must assure itself that the Agency has and follows the appropriate control framework for the management of Information Technology.**

Related Key Questions	Evidence	Evidence In
<ul style="list-style-type: none"> <li>Are we managing information technology risks well? Are adequate business continuity plans in place to mitigate the effects of a processing interruption?</li> </ul>	<ul style="list-style-type: none"> <li>Following a rigorous review and evaluation, a number of internal and external risks to the IT Branch have been identified.</li> <li>Risk mitigation plans are currently under development and quarterly reviews occur at the Branch Executive Committee to effectively manage these risks. Of interest, are two key risk management initiatives, namely:                             <ul style="list-style-type: none"> <li>Data Centre; and</li> <li>IT Responsiveness and Sustainability.</li> </ul> </li> <li>Business continuity plans were exercised and improved where required as a result of the March 2007 outage.</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Risk Inventory (CRI)</li> <li>CRA IT Strategy</li> <li>IT Service availability (Quarterly Report)</li> </ul>
<ul style="list-style-type: none"> <li>How does the Agency ensure that IT investments are managed to ensure value?</li> </ul>	<ul style="list-style-type: none"> <li>Resource Investment Management Committee (RIMC) – IT multi-year investments/business cases are presented to RIMC to assist in sound decision making in the context of the Strategic Investment Plan.</li> <li>IT Branch Priorities Committee reviews IT investments and establishes priorities within the IT Branch.</li> <li>Major Project Review Committee (MPRC):                             <ul style="list-style-type: none"> <li>MPRC was established to provide a succinct project status report and to provide Senior Executive decision-making, guidance and recommendations for high profile projects and portfolios;</li> <li>Executive Team selects projects and portfolios to be presented at MPRC during a quarterly review and/or as required;</li> <li>MPRC decision-making authority includes the ability to examine, question, and provide recommendations on all aspects related to the project or portfolio being presented. This includes escalating or resolving issues impacting capabilities to deliver on time, within budget, and with agreed upon functionality to eliminate or reduce project risks; and</li> <li>Risk is reviewed from a joint IT and Business perspective through reporting against receipt of requirements, IT architecture solutions and deployment of resources.</li> </ul> </li> <li>Architecture Steering Committee (ASC) oversees and guides the Agency's Architecture Steering Program to ensure compliance with strategic directions including:                             <ul style="list-style-type: none"> <li>Review and identify the scope of the Architecture Program;</li> <li>Identify the linkages between Architecture activities;</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>RIMC (records of decision)</li> <li>IT Strategy</li> <li>MPRC minutes</li> <li>ASC (records of decision)</li> <li>Branch Forward Schedule for Change</li> <li>Solutions Application Catalogue</li> <li>Solutions Configuration Items</li> <li>Solutions Costing Model</li> <li>Solutions Measurement Program</li> <li>Solutions Sustainability Assessment</li> </ul>

**Expectation (d): The Board must assure itself that the Agency has and follows the appropriate control framework for the management of Information Technology.**

Related Key Questions	Evidence	Evidence In
	<ul style="list-style-type: none"> <li>• Define Architecture Program priorities;</li> <li>• Review the Branch's Constituent Architecture project plans on a regular basis; and</li> <li>• Provide approval of mitigation plans tabled during the escalation of architectural issues.</li> <li>• Review and support direction of project steering committees, including the following activities:               <ul style="list-style-type: none"> <li>• Business Intelligence Steering Committee;</li> <li>• Computer-Assisted Software Engineering (CASE) Steering Committee;</li> <li>• Corporate Information Management Steering Committee(CIMSC)/ Information Management Advisory Committee (IMAC); and</li> <li>• Security Steering Committee.</li> </ul> </li> <li>• The ITB Quality Program is directed at continuous improvement and alignment of performance measures, project and risk management, development and maintenance practices, and quality controls in order to improve our ability to meet clients' needs.</li> <li>• The Quality Program supports application development and maintenance with quality practices, processes, tools and templates. Current initiatives underway include:               <ul style="list-style-type: none"> <li>• Improved maintenance release processes;</li> <li>• Improved artifact review processe; and</li> <li>• Improved Incident reporting and root cause analysis.</li> </ul> </li> <li>• Measures are designed to improve our ability to meet clients' needs in a cost effective, flexible and responsive manner.</li> </ul>	

**Expectation (d): The Board must assure itself that the Agency has and follows the appropriate control framework for the management of Information Technology.**

Related Key Questions	Evidence	Evidence In
<ul style="list-style-type: none"> <li>Is the level of corporate engagement in IT management (senior executive accountability, corporate and IT governance, IT planning) sufficient?</li> </ul>	<ul style="list-style-type: none"> <li>IT Branch is responsible for the CRA's IT Strategy; the management and operation of the network and computing infrastructure; and the development and maintenance of IT/IM systems to enable program delivery.</li> <li>IT Support community is responsible for providing end user support services as documented in the National IT Support Program.</li> <li>The Assistant Commissioner &amp; Chief Information Officer (CIO) of Information Technology Branch reports directly to the Commissioner. The CIO provides clear and consistent direction, guidance and authority over information technology initiatives and activities throughout the Agency.</li> <li>The AC/CIO sits on many of the Agency governance committees. IT and Client bi-laterals are held through the year to ensure engagement from both business and IT.</li> </ul>	<ul style="list-style-type: none"> <li>Agency Management Committee</li> <li>Resource and Investment Management Committee</li> <li>Strategic Direction and Business development Committee</li> <li>Operations Committee</li> <li>IT Strategy is approved by AMC and Board</li> <li>Board of Management Resources Committee</li> </ul>

Board's Assessment	Comments from the Board	Next Steps
<ul style="list-style-type: none"> <li>Strong</li> <li>Acceptable</li> <li>Opportunity for improvement</li> <li>Attention required</li> </ul>	<p>STRONG</p>	<ul style="list-style-type: none"> <li>Consider for next year additional key questions that would assist in the assessment of this area of management</li> </ul>

# Management of Services

**Expectation (a): The Board must assure itself that the Agency has established a sound management framework for the services it delivers including a service strategy that is adaptable to meet the evolving needs of taxpayers and benefit recipients and client governments.**

Related Key Questions	Evidence	Evidence In
<ul style="list-style-type: none"> <li>Does the Agency have an approved service strategy and an inventory of its services?</li> </ul>	<ul style="list-style-type: none"> <li>The Agency's Service Strategy will articulate the Agency's approach to service delivery and provides direction to guide the development and implementation of integrated products and services.</li> <li>The Service Strategy includes a Service Vision, approved by the Board in June 2007, with a view to minimizing the effort required to pay taxes and collect benefits by providing secure access to necessary Canada Revenue Agency (CRA) information and tools.</li> <li>The Service Strategy includes a Service Inventory: a high-level snapshot of current CRA services, channels and taxpayer segments that is intended to build on the Service Vision to further the deliberations on a Service Strategy – accepted by the Board in September 2007.</li> <li>The Service Strategy Outline presented to the Board in December 2007 will be developed into the CRA Service Strategy.</li> </ul>	<ul style="list-style-type: none"> <li>Board minutes for June, September and December 2007</li> </ul>

Rating Scale	Board's Assessment and Related Comments	Next Steps
Strong Acceptable Opportunity for improvement Attention required	<b>ACCEPTABLE</b> <ul style="list-style-type: none"> <li>The Agency has established a service vision, principles and key priorities for the next three years. This represents noteworthy progress that will be consolidated when a full strategy is prepared.</li> </ul>	<ul style="list-style-type: none"> <li>Present the CRA Service Strategy to the Board for approval</li> <li>Develop implementation plans for elements of the Service Strategy including strategies for identified priority segments</li> </ul>

**Expectation (b): The Board must assure itself that the Agency has established a sound management framework for the services it delivers including performance targets for key service elements.**

Related Key Questions	Evidence	Evidence In
<ul style="list-style-type: none"> <li>Do performance targets exist for key service elements, and are they used for public reporting and management accountability?</li> </ul>	<ul style="list-style-type: none"> <li>The Agency service standards related to tax, benefits, appeals and corporate service programs have grown from 27 standards in 2000-2001 to 46 in 2007-2008.</li> <li>Service standards performance against identified targets is provided in the Annual Report, the Departmental Performance Report, and internal documents including Service Standards at a Glance.</li> <li>In making performance against these service standards public, the CRA demonstrates its commitment to transparent management, accountability for results, and citizen-focused delivery.</li> <li>Service standards serve as a CRA management tool used to highlight any improvements to service that need to be undertaken.</li> <li>Service standards are integrated into the performance agreements of the Agency's executive cadre.</li> <li>Service standards and key indicators are reviewed in the Agency's quarterly performance reports when there are issues of concern.</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Business Plans</li> <li>Report on Plans and Priorities</li> <li>Departmental Performance Report</li> <li>Annual Report</li> <li>Service Standards at a Glance</li> <li>Executive Cadre performance agreements</li> <li>Quarterly reports</li> </ul>

Rating Scale	Board's Assessment and Related Comments	Next Steps
Strong	STRONG	
Acceptable		
Opportunity for improvement		
Attention required		



**Expectation (c): The Board must assure itself that the Agency has established a sound management framework for the services it delivers including a service redress mechanism to address service complaints in a timely fashion.**

Related Key Questions	Evidence	Evidence In
<ul style="list-style-type: none"> <li>Do service users have available a readily accessible service redress mechanism?</li> </ul>	<ul style="list-style-type: none"> <li>In 2006-2007 the CRA introduced and/or supported several new initiatives to further demonstrate its commitment to quality service delivery; these include the Taxpayer Bill of Rights, CRA-Service Complaints and the Taxpayers' Ombudsman.</li> <li>These initiatives add to the Agency's current recourse processes by adding a formalized Agency-wide system of recourse for the resolution of service complaints.</li> </ul>	<ul style="list-style-type: none"> <li>CRA internet site</li> <li>Service Strategy Outline</li> </ul>

Rating Scale	Board's Assessment and Related Comments	Next Steps
Strong	ACCEPTABLE <ul style="list-style-type: none"> <li>The structures are in place</li> <li>Ombudsman was appointed in February 2008</li> </ul>	<ul style="list-style-type: none"> <li>Review reports from the Office of the Taxpayers' Ombudsman</li> <li>Monitor management's responses, including action plans, to reports and recommendations by the Office</li> </ul>
Acceptable		
Opportunity for improvement		
Attention required		

**Expectation (d): The Board must assure itself that the Agency has established a sound management framework for the services it delivers including a service redress mechanism to address service complaints in a timely fashion.**

Related Key Questions	Evidence	Evidence In
<ul style="list-style-type: none"> <li>Are client satisfaction survey results used to improve performance in areas that matter to service users?</li> </ul>	<ul style="list-style-type: none"> <li>Since 2005 the Canada Revenue Agency's (CRA) annual corporate survey has addressed aspects of client satisfaction at the organizational level, although not at specific program levels, using core Common Measurement Tool questions.</li> <li>The CRA faces a few challenges with respect to conducting client satisfaction surveys. Section 241 of the <i>Income Tax Act</i>, and its counterpart in the <i>Excise Tax Act</i>, specifically prohibit the CRA from sharing taxpayer information (e.g., contact information) with any third party, including third parties who do surveys, without the express consent of the taxpayer.</li> <li>These provisions are much stricter than those found in the <i>Privacy Act</i>, which governs the activities of other government departments.</li> <li>Despite these restrictions, the CRA participates in surveys and undertakes studies to improve client-focused service and to assess public perceptions, although the degree to which the results of satisfaction surveys are used to improve performance is unclear. However, we have recently committed substantial resources to improving telephone accessibility for general enquiries. Other examples of surveys and studies include:               <ul style="list-style-type: none"> <li>Telephone Accuracy Survey – The Tax Services area co-ordinates, reviews, and communicates the results of the telephone accuracy survey, which measures the accuracy of CRA general, business, and international agent responses to public telephone enquiries;</li> <li>Service Enhancement Program (SEP) – The CRA co-ordinates SEP activities for the identification of potential service issues by local offices and the resolution of these issues by the functional owner of the business process in which the issue arose;</li> <li>Trend Analysis and Demographic Study – The Agency analyzes data from its data warehouse and associated data marts to identify possible client service “gaps” and opportunities for service improvement; and</li> <li>In-Person Survey – The CRA is currently developing a survey of in-person service users to replace the former survey of counter service.</li> </ul> </li> <li>In addition, the Agency obtains and analyzes the results of a number of surveys concerning public perception of government overall and/or CRA services, including the EKOS and Taking Care of Business Citizen's First surveys.</li> </ul>	<ul style="list-style-type: none"> <li>Annual Corporate Survey</li> </ul>

Rating Scale	Board's Assessment and Related Comments	Next Steps
Strong	STRONG	
Acceptable		
Opportunity for improvement		
Attention required		

# Management of Personnel

## Expectation (a): The Board must assure itself that the Agency has a Human Resources management regime that promotes Canada Revenue Agency (CRA) values and ethics.

Related Key Questions	Evidence	Evidence In
<ul style="list-style-type: none"> <li>Do employees believe that CRA leaders foster a culture that is consistent with CRA values?</li> </ul>	<ul style="list-style-type: none"> <li>2005 Employee Survey provides quantifiable evidence that CRA employees believe their leaders foster a culture consistent with CRA values; for example:               <ul style="list-style-type: none"> <li>75% of respondents believe they get adequate recognition from their immediate supervisor when they do a good job (73% in 2002);</li> <li>73% of respondents believe that the Agency works hard to create a workplace that prevents harassment and discrimination (76% in 2002); and</li> <li>72% of respondents know where to go for help to resolve an ethical dilemma or conflict between values in the workplace (71% in 2002).</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Employee responses in employee surveys</li> </ul>
<ul style="list-style-type: none"> <li>Does the public believe that CRA employees exhibit the values of professionalism and respect?</li> </ul>	<ul style="list-style-type: none"> <li>Public perception: 2007 CRA Annual Corporate Survey found that:               <ul style="list-style-type: none"> <li>78% of respondents agree that CRA acts in a professional manner (80% in 2006); and</li> <li>77% of respondents agree that CRA treats public with respect (81% in 2006).</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Annual Corporate Survey</li> </ul>
<ul style="list-style-type: none"> <li>Does the CRA take steps to foster and promote the values of the Agency?</li> </ul>	<ul style="list-style-type: none"> <li>CRA's national action plan developed in response to the 2005 CRA Employee Survey includes initiatives targeting staffing, career development, leadership, harassment and discrimination, and workplace well-being; progress against the Action Plan is posted on the InfoZone.</li> <li>The 2006 report on governance of the Values and Ethics Environment found that most of the fundamental elements of the Agency's Values and Ethics Framework are established and most intermediate elements are being developed.</li> <li>Values and Ethics Champion's mandate includes the related 3-year action plan for the framework.</li> <li>Business case to secure funding to advance the work related to values and ethics will be brought forward to the Resource and Investment Management Committee during the winter of 2008.</li> <li>Policies, processes, initiatives and resources are established to support and promote CRA values, these include: CRA Code of Ethics and Conduct, CRA Conflict of Interest Policy and Office of Dispute Management.</li> </ul>	<ul style="list-style-type: none"> <li>National Action Plan for 2005 CRA Employee Survey</li> <li>Governance of the Values and Ethics Environment</li> <li>Employee responses in employee surveys</li> </ul>

**Expectation (a): The Board must assure itself that the Agency has a Human Resources management regime that promotes Canada Revenue Agency (CRA) values and ethics.**

Related Key Questions	Evidence	Evidence In
<ul style="list-style-type: none"> <li>Is the CRA workforce guided by CRA values and ethics?</li> </ul>	<ul style="list-style-type: none"> <li>Messages from senior management including the Commissioner and the Assistant Commissioner of Public Affairs regularly remind employees of the important role they play and the need for high professional standards.</li> <li>Executive Cadre (EC) performance agreements contain commitments to values-based ethical decision-making and behaviours.</li> <li>The Board's Human Resource Committee assists the Board in fulfilling its oversight responsibilities by reviewing the management of human resources within the Agency and providing recommendations and advice on the Agency's human resources management strategies, initiatives, policies and work plans.</li> <li>Manager's Charter commits managers to "Act according to our corporate values of integrity, professionalism, respect and cooperation" and "Encourage open, constructive communications and working relationships."</li> <li>New employees are made aware of the Agency's values, ethics and codes of conduct upon initial hire: letters of offer require them to abide by CRA values and ethics; CRA InfoZone lays out required expectations; and, employees must sign an Employee Certification that they have read and understood the expectation.</li> <li>Employees are encouraged to talk to their managers if they find themselves in a conflict situation or witness a situation or an individual acting in an inappropriate manner.</li> </ul>	<ul style="list-style-type: none"> <li>Employee responses in employee surveys</li> <li>Guidelines to complete Executive Cadre and Senior Manager Performance Agreements</li> <li>Manager's Charter</li> </ul>

Rating Scale	Board's Assessment and Related Comments	Next Steps
Strong	STRONG	
Acceptable		
Opportunity for improvement		
Attention required		

**Expectation (b): The Board must assure itself that the Agency has a Human Resources (HR) management regime that maintains a workforce that is productive and adaptable and effectively manages employee performance through the use of best practices.**

Related Key Questions	Evidence	Evidence In
<ul style="list-style-type: none"> <li>Does the Agency's workforce meet ongoing and new business goals?</li> </ul>	<ul style="list-style-type: none"> <li>Agency's workforce has demonstrated its ability to meet ongoing and new business goals, adapt to change (e.g. 2-D Barcoding for T1, tax implications related to United States Softwood Lumber Agreement and new workloads from other Government departments) and new businesses (Corporate Tax Administration for Ontario).</li> <li>Canada Revenue Agency (CRA) invests approximately 6% of its annual salary budget on training and learning and supports employees' education through educational assistance, recognizing employees' service and achievements through CRA's Awards and Recognition program and providing a healthy and productive work environment through the Agency's Employee Assistance Program services and conflict dispute resolution channels.</li> <li>Workforce is diverse and reflects the Canadian population; services provided in both official languages.</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly reports</li> <li>Annual Report</li> <li>CRA Annual Report on Official Languages</li> </ul>
<ul style="list-style-type: none"> <li>Does the Agency demonstrate best practices in managing employee performance?</li> </ul>	<ul style="list-style-type: none"> <li>Employee Performance Management Policy and Guidelines support and strengthen organizational and individual performance through the management of human resources by establishing expectations, identifying measurement criteria, where applicable, and by providing performance feedback.</li> <li>Effective People Management, a mandatory performance accountability component for executives and managers is reviewed and revised annually to ensure personal accountabilities of all executives and managers are aligned with corporate plans, priorities and strategic outcomes.</li> <li>The Corporate Administrative System, an electronic decision support system that ensures milestone information is captured, facilitates use of MG performance management information for talent management; in 2006-2007 it indicated 72% of eligible MGs and 62% of eligible employees with completed performance assessments.</li> <li>Review Committees monitor and report on the MG performance reward process to ensure fair and consistent administration and quality process results.</li> <li>Human Resources Branch completes an annual review of the employee and MG cycles and reports to the Agency Management Committee on Review Committee results and makes recommendations for priority enhancements to the performance management process.</li> <li>Agency Management Committee, chaired by the Commissioner, decides executive performance awards through rigorous process to ensure that the performance pay is seen as a reward for results and not as an entitlement.</li> </ul>	<ul style="list-style-type: none"> <li>Performance Management Regime</li> </ul>

**Expectation (b): The Board must assure itself that the Agency has a Human Resources (HR) management regime that maintains a workforce that is productive and adaptable and effectively manages employee performance through the use of best practices.**

Related Key Questions	Evidence	Evidence In
	<ul style="list-style-type: none"> <li>• Performance Management Program is monitored through the HR Monitoring Framework to ensure program objectives are met, timely corrections enabled, and best practices and efficiency opportunities incorporated.</li> <li>• CRA Performance Management Program model is being used as a reference in order to build a Performance Management Framework for the core public administration population.</li> </ul>	

Rating Scale	Board's Assessment and Related Comments	Next Steps
Strong	STRONG	
Acceptable		
Opportunity for improvement		
Attention required		

**Expectation (c): The Board must assure itself that the Agency has a Human Resources management regime that is sustainable – recruits, develops and retains the right talent.**

Related Key Questions	Evidence	Evidence In
<ul style="list-style-type: none"> <li>Does the Canada Revenue Agency (CRA) workforce have a sustainable capacity to perform its duties (e.g. its size, mix of skills, and diversity of backgrounds)?</li> </ul>	<ul style="list-style-type: none"> <li>CRA has focused on student and new graduate hiring through established recruitment programs such as the Cooperative Education/Internship Program, the Management Trainee Program, the Financial Officer Recruitment and Development Program and the Post-Secondary Recruitment Campaign and specialized recruitment programs such as the Auditor Apprenticeship Program, the Aboriginal Tax Office Apprenticeship Program and the Aboriginal Student Employment Program.</li> <li>An action plan and recruitment strategy are being developed from feedback from students and new graduates.</li> <li>In 2006 CRA reinstated its Student Ambassador Program with the objectives attracting new talent through peer-to-peer marketing, increasing CRA's visibility on college and university campuses across Canada and promoting employment opportunities (30 new student ambassadors in 2007-2008).</li> <li>Summer student recruitment and student bridging have increased over recent years.</li> <li>Managers are being encouraged to raise the education prerequisites for certain external recruitment processes to help build career paths for new employees and strengthen future workforce capacity (e.g. some external selection processes for entry-level positions are opening the area of selection to students for placement upon graduation).</li> <li>CRA has actively communicated and developed partnerships with academic institutions, participated at career fairs at colleges and universities, coordinated outreach events and used student bridging as a vehicle for recruitment. In response to the Government-wide emphasis on Public Service Renewal, the CRA has surpassed the target of 165 new graduate recruitments for 2007-2008.</li> <li>CRA will develop and implement a succession-planning framework for non-Executive Cadre (EC) positions by end of 2007-2008.</li> <li>Talent management framework is being developed which will help managers to strategically manage the flow of talent through the Agency, i.e., close the gaps between the talent the organizations has and the talent it needs to successfully respond to current and emerging business challenges; framework will focus on: attracting and developing talent; allowing talent to develop and thrive; positioning the right people with the right jobs at the right time; and avoiding loss of talent to other organizations.</li> <li>EC succession planning ensures that a capable and representative executive cadre is continually ready and available for the changing business needs of the Agency.</li> </ul>	<ul style="list-style-type: none"> <li>Time to staff</li> <li>Key loss rates</li> <li>Ratio of indeterminate appointments to separations</li> <li>Succession plans and recruitment strategies</li> <li>Percentage of external hires compared to internal hires</li> <li>Talent Management Framework</li> </ul>



**Expectation (c): The Board must assure itself that the Agency has a Human Resources management regime that is sustainable – recruits, develops and retains the right talent.**

Related Key Questions	Evidence	Evidence In
	<ul style="list-style-type: none"> <li>Senior management has identified 64 key positions that are mission-critical for the functioning of the Agency; however, they have also taken measures to ensure a supply of six times the number of key positions; for the 519 classified EC positions, 944 potential successors have been identified; 178 candidates identified in pre-qualified pools, which exceed the demand of approximately 80 annual EC vacancies.</li> </ul>	

Rating Scale	Board's Assessment and Related Comments	Next Steps
Strong	STRONG	<ul style="list-style-type: none"> <li>Succession Planning and Talent Management – Strategies to address:                             <ul style="list-style-type: none"> <li>The large numbers of vacancies in the senior leadership ranks; and</li> <li>Significant competition for talent, especially knowledge workers</li> </ul> </li> </ul>
Acceptable		
Opportunity for improvement		
Attention required		

**Expectation (d): The Board must assure itself that the Agency has a Human Resources management regime that encourages continuous learning, improvement and innovation.**

Related Key Questions	Evidence	Evidence In
<ul style="list-style-type: none"> <li>Does the Canada Revenue Agency's (CRA) learning strategy align with Agency priorities and management improvement objectives?</li> </ul>	<ul style="list-style-type: none"> <li>Agency has a series of processes in place to guide its efforts to align learning with business needs.</li> <li>Learning Council, comprised of senior representatives from the Branches and Regions, is consulted on a regular basis to ensure alignment with business needs and to discuss future learning needs.</li> <li>Branches and Regions have Learning Advisors and Learning Coordinators to administer the business required technical training of their staff.</li> <li>Agency learning strategy envisages both the corporate needs and the individual needs.</li> <li>Agency has a formal process (the individual learning plan (ILP)) to foster a discussion between employee and immediate manager on learning; enhance the learning based on an individual evaluation of every employee's learning needs and aspirations, as determined by both the manager and employee, to foster an engaged workforce that the Agency can nurture, retain and support to reach excellence.</li> </ul>	<ul style="list-style-type: none"> <li>Individual learning plans in place</li> <li>Employee responses in Employee Survey</li> <li>Return on Investment (ROI) with respect to training (Phillips' ROI)</li> </ul>
<ul style="list-style-type: none"> <li>Is the CRA workforce versatile, innovative and continuously learning?</li> </ul>	<ul style="list-style-type: none"> <li>ILP is part of a Learning Management process which improves the CRA's ability to identify learning and development trends, provide management reports on learning requests, make decisions on planning and funding of learning and development activities.</li> <li>ILP starts by linking the learning events to the CRA competency framework and allows employees to clearly identify which competencies they will be addressing with the learning events they plan to attend.</li> <li>CRA uses various e-learning techniques to provide flexible, on the job learning opportunities to its employees.</li> <li>CRA's emphasis on coaching for supervisors and peers is highly conducive to fostering a continuously learning environment and to promoting versatility.</li> <li>Work assignments also contribute to employee innovation by exposing employees to different work practices that they can influence by bringing new perspectives and conversely bring back best practices to their initial work environment when they return from their assignments.</li> <li>Agency managers have access to management learning through an Agency specific Leadership and management suite of learning products and through the more general Public Service courses available through the Canada School of Public Service.</li> <li>Agency is a continuous learning and a responsive organization</li> <li>The CRA is analysing the learning needs of various specialized streams, i.e. senior auditors, ruling officers, and appeals officers, within the Agency.</li> </ul>	<ul style="list-style-type: none"> <li>Successful implementation of new strategies</li> <li>Employee perceptions from employee survey</li> <li>Agency learning policy and learning plan</li> </ul>

Rating Scale	Board's Assessment and Related Comments	Next Steps
Strong	STRONG	
Acceptable		
Opportunity for improvement		
Attention required		

**Expectation (e): The Board must assure itself that the Agency has a Human Resource management regime that ensures that collective agreements are respected.**

Related Key Questions	Evidence	Evidence In
<ul style="list-style-type: none"> <li>Are employment and workplace practices fair and are labour relations effective?</li> </ul>	<ul style="list-style-type: none"> <li>Maintaining good relationships between Unions and management is of paramount importance in the Canada Revenue Agency (CRA).</li> <li>Agency has a Union-Management Initiative (UMI) in place to cultivate understanding between the parties and cooperation in the development of new policies and practices which impact upon employees.</li> <li>Managers are to receive training on the UMI: begun in 2007, training will continue until all managers have attended the training sessions.</li> <li>Collective agreements are published on InfoZone, and employees receive copies of new agreements.</li> <li>Employees are encouraged to approach their managers if they feel any aspect of a collective agreement is being breached.</li> <li>Through CRA communications, employees are encouraged to report any perceived breaches of collective agreements, and are reminded that it is their right and no retribution will be taken against an employee who files a grievance.</li> <li>CRA follows all steps defined in collective agreements to deal with any grievances raised by employees.</li> <li>CRA employees have easy access to their union representatives should it be felt that an aspect of a collective agreement is not being respected.</li> <li>Data from the administration of grievances confirm that large numbers of grievances are denied, and that many grievances get withdrawn indicating a high compliance level of collective agreement provisions.</li> <li>Component of performance rewards for managers is for Effective People Management which implicitly includes respect for collective agreements; executive performance agreements explicitly include UMI.</li> <li>As an Agency, the CRA negotiates its own collective agreements with bargaining agents.</li> <li>Recent settlement with the Public Service Alliance of Canada was reached in record time in advance of the expiration of the previous contract, thereby also permitting the implementation of the new Services and Programs (SP) classification.</li> <li>It is important to note that there have not been any major changes in collective agreement of the past few negotiation cycles indicating that the collective agreements are widely understood, and work well from both management and bargaining agent's perspectives.</li> </ul>	<ul style="list-style-type: none"> <li>Grievances – number received, closed, resolved or denied</li> <li>Employee responses in employee survey</li> <li>Percentage of recourse requests and resolution</li> <li>SP Classification</li> </ul>

Rating Scale	Board's Assessment and Related Comments	Next Steps
Strong	STRONG	<ul style="list-style-type: none"> <li>Monitor the progress of the negotiations with the Professional Institute of the Public Service of Canada and direct management on the negotiating mandate</li> </ul>
Acceptable		
Opportunity for improvement		
Attention required		<ul style="list-style-type: none"> <li><b>PROTECTED</b></li> </ul>

**Expectation (f): The Board must assure itself that the Agency has a Human Resources management regime that adheres to applicable legislation.**

Related Key Questions	Evidence	Evidence In
<ul style="list-style-type: none"> <li>Does workplace reflect appropriate Official Language balance?</li> </ul>	<ul style="list-style-type: none"> <li>Canada Revenue Agency (CRA) adheres to Official Languages, Employment Equity and the Canada Labour Code legislation.</li> <li>CRA meets its obligations under the <i>Official Languages Act</i> and its workplace reflects an appropriate official languages balance; as of September 2007, the percentage of employees and supervisors meeting the bilingual requirements of their jobs is as follows:               <ul style="list-style-type: none"> <li>83.2% of employees providing services to the public meet the language requirements of their position;</li> <li>86.4% of employees providing internal services meet the language requirements of their position;</li> <li>86.6% of supervisors meet the language requirements of their position; and</li> <li>99% of executives meet the language requirements of their positions.</li> </ul> </li> <li>Agency's objective is to further improve these results as it is stated in the CRA's Action Plan for the Renewal of Official Languages for 2005-2008, through, for example, the Committee of Official Languages Champions.</li> </ul>	<ul style="list-style-type: none"> <li>Official Languages – Percentage of employees and supervisors meeting bilingual requirements of their jobs</li> </ul>
<ul style="list-style-type: none"> <li>Do Employment Equity representation rates for employees and executives match or exceed labour market availability?</li> </ul>	<ul style="list-style-type: none"> <li>As of March 31, 2007, the representation rates for each employment equity groups in the CRA have increased from the previous year, continuing to equal or surpass labour market availability (LMA) at the national level.</li> <li>Aboriginal Peoples and persons with disabilities, have remained fully represented in every Employment Equity Occupational Group for the second consecutive year.</li> <li>CRA continues to bridge the under-representation of women in the Professional, and in the Program Administration and Senior Clerical Personnel Groups, and of visible minorities in the Middle and Other Managers, and Supervisors Occupational Groups.</li> <li>CRA has surpassed its LMA rates for the Executive Cadre (EC) Group for three designated groups.</li> <li>As of September 2007, the representation of visible minorities in the EC was 7.1%, compared to 6.4% as of March 31, 2007, while their LMA is at 11.3%; Senior Management has made a commitment to reduce this gap by increasing the number of qualified visible minorities appointed to the EC group by March 31, 2008.</li> </ul>	<ul style="list-style-type: none"> <li>Employment Equity – representation rates compared to labour market availability</li> <li>Strategic Direction for Employment Equity</li> </ul>

**Expectation (f): The Board must assure itself that the Agency has a Human Resources management regime that adheres to applicable legislation.**

Related Key Questions	Evidence	Evidence In
<ul style="list-style-type: none"> <li>Does the CRA adhere to safe workplace conditions according to the Canada Labour Code?</li> </ul>	<ul style="list-style-type: none"> <li>As an ongoing commitment to maintaining a healthy and safe work environment, and in keeping with the Canada Labour Code, Part II (CLC, Part II), the CRA has a joint Union-Management National Health and Safety Policy Committee (NHSPC), which meets quarterly.</li> <li>NHSPC is responsible for overseeing the development of the CRA Occupational Health and Safety (OHS) program and policies at the national level, and addressing OHS issues that are national in scope, as well as unresolved local issues that are referred to it.</li> <li>CRA established local Work Place Committees, or Health and Safety Representatives at all work locations, as required by the CLC, Part II, which are responsible for addressing health and safety matters.</li> </ul>	<ul style="list-style-type: none"> <li>Canada Labour Code – data on occupational health and safety completing, work refusals, and injuries, as well as harassment complaints</li> </ul>

Rating Scale	Board's Assessment and Related Comments	Next Steps
Strong	STRONG	
Acceptable		
Opportunity for improvement		
Attention required		