



Board of Management Oversight Framework Assessment of Performance 2008-2009

March 2009



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 CRA, the Secretariat traditionally refrains from rating the Agency in areas where the Board has oversight responsibility. The BoMOF functions as a complement to the MAF. The 2007-2008 fiscal year was when the Board first assessed of the Agency using the BoMOF.

What's New for 2008-2009

The 2008-2009 Framework approved by the Board in December included updated, related key questions and management performance measures.

Changes to the 2008-2009 BoMOF Assessment of Performance include the following:

- The performance management measures are now populated with data from 2007-2008. As this is the first reporting year for the measures, the 2007-2008 data will be used as the benchmark for trending and analysis in the coming years. Interim results for the 2008-2009 fiscal year are included when available in the Management Performance Measures section.
- In 2007-2008, the BoMOF Assessment included a four-level rating scale (Strong, Acceptable, Opportunity for Improvement, Attention Required). The scale has been further developed to include rating criteria which provide clear, consistent, and objective assessment standards. The rating criteria will both facilitate and add rigour to the process by acting as a guide to the overall assessment of each area of management.

Organization of the Agency

Strong	Acceptable	Opportunity For Improvement	Attention Required
<p>The Agency demonstrates a rigorous, systematic approach to accountability through performance management practices that support the effective achievement of priorities and program results.</p> <ul style="list-style-type: none"> • The Agency's accountability structure generates the optimal amount of coordination, innovation, and performance. • High alignment and integration exists between the executive cadre performance agreements, the Agency's priorities and the Board's objectives. • Accountabilities for results are clearly assigned and appropriate, and executive commitments are of high quality. 	<p>Agency accountability structures and processes support the achievement of priorities and program results.</p> <ul style="list-style-type: none"> • The Agency's accountability structure generates an acceptable amount of coordination and accomplishment. • Adequate alignment and integration exists between the executive cadre performance agreements and the Agency's priorities and the Board's objectives. • Accountabilities for results are assigned and executive commitments are of good quality. 	<p>Additional improvements are required to meet minimum levels of acceptable accountability; achievement of priorities and program results may be at risk.</p> <ul style="list-style-type: none"> • Deficiencies within the accountability structure of the Agency are identified and tentative steps are taken to address the issues. • Policies, processes, and practices are currently in development and require further integration within the Agency. 	<p>Achievement of priorities and program results are at risk due to serious deficiencies in accountability.</p> <ul style="list-style-type: none"> • Little or no corporate oversight exists regarding the development of appropriate accountability instruments. • There is little or no alignment between Agency priorities and management actions.

Administration of the Agency

Strong	Acceptable	Opportunity For Improvement	Attention Required
<p>The Agency possesses rigorous, systematic administrative functions that support the effective achievement of priorities and program results.</p> <ul style="list-style-type: none"> The management of risks on an enterprise-wide level is embedded into the Agency's planning and management functions, including continually updated corporate and branch/regional risk inventories and mitigation strategies. Comprehensive, risk-based, adequately resourced internal audit and program evaluation functions exist and inform enterprise risk management and business planning processes. Internal audit and program evaluation recommendations are acted upon, and their progress regularly tracked and reported to senior management. Sustainable development (SD) is integrated into management systems and practices, and the CRA meets its SD targets. 	<p>Agency administrative functions support the achievement of priorities and program results.</p> <ul style="list-style-type: none"> An enterprise risk management program exists, including corporate and branch/regional risk inventories and mitigation strategies. Internal audit and program evaluation functions exist and sometimes inform enterprise risk management and business planning processes. Internal audit and program evaluation recommendations are sometimes acted upon and their progress tracked. A sustainable development strategy exists, including measures and targets. 	<p>Additional improvements are required for administrative functions; achievement of priorities and program results may be at risk.</p> <ul style="list-style-type: none"> Risks are managed in a non-systematic way at the business-unit level. Risk inventories and mitigation strategies exist in some areas. Internal audit and program evaluation functions exist but do not factor into business planning. Internal audit and program evaluation recommendations are seldom acted upon. A sustainable development strategy is in development. 	<p>Achievement of priorities and program results are at risk due to serious deficiencies in administrative functions.</p> <ul style="list-style-type: none"> Little consideration is given to the management of risks in the organization, leaving it vulnerable and reactive. Internal audit and program evaluation functions are in development. The Agency does not assess the effectiveness and costs of its programs in a systematic, evidence-based way. Sustainable development does not form part of the Agency's management or planning processes.

Management of Resources

Strong	Acceptable	Opportunity For Improvement	Attention Required
<p>The Agency demonstrates a rigorous, systematic approach to resource management that supports the effective achievement of priorities and program results.</p> <ul style="list-style-type: none"> • Clear and effective management policies governing Agency resources exist and are well communicated throughout the organization. • Appropriate investment decisions with respect to the Agency's real property, accommodations, moveable assets, and information technology are based on rigorous cost/benefit analyses. • Sound financial controls exist and compliance is regularly monitored and reported to senior management; non-compliance is acted upon. • A project management framework exists, including well-documented accountabilities and decision-making, monitoring, and reporting processes. 	<p>Agency resource management infrastructure and practices support the achievement of priorities and program results.</p> <ul style="list-style-type: none"> • Management policies governing Agency resources exist and are well communicated throughout the organization. • Investment decisions with respect to the Agency's real property, accommodations, moveable assets, and information technology are sometimes based on cost/benefit analyses. • Sound financial controls exist and compliance is sometimes monitored and reported to senior management; non-compliance is sometimes acted upon. • A project management framework exists, including well-documented accountabilities and decision-making processes. 	<p>Additional improvements are required for resource management infrastructure and practices; achievement of priorities and program results may be at risk.</p> <ul style="list-style-type: none"> • Management policies governing Agency resources exist but are not well communicated in the organization. • Cost/benefit analyses are seldom performed in investment decisions with respect to the Agency's real property, accommodations, moveable assets, and information technology. • Some financial controls exist but compliance is seldom monitored or reported to senior management; non-compliance is not acted upon. • A project management framework is in development. 	<p>Achievement of priorities and program results are at risk due to serious deficiencies in resource management.</p> <ul style="list-style-type: none"> • Significant gaps exist in management policies governing Agency resources. • Little analysis informs investment decisions with respect to the Agency's real property, accommodations, moveable assets, and information technology. • Significant gaps in financial controls exist; no monitoring for compliance occurs. • Significant projects are not managed in a systematic way.

Management of Services

Strong	Acceptable	Opportunity For Improvement	Attention Required
<p>The Agency possesses a sound, comprehensive strategy for the delivery of its services, including clear goals, objectives, and measurement criteria.</p> <ul style="list-style-type: none"> • Progress against the strategy is regularly assessed and reported to the Board of Management. • Client feedback results are acted upon and integrated into the business planning processes of the Agency. • Service targets are continually met and the Agency is well positioned to meet future service opportunities and challenges. 	<p>The Agency possesses a strategy for the delivery of its services.</p> <ul style="list-style-type: none"> • Progress against the strategy is regularly assessed and reported to senior management. • Client feedback mechanisms exist, and the resulting data are acted upon. • The Agency generally meets service targets. 	<p>Deficiencies within the management of services are identified and tentative steps are taken to address the issues.</p> <ul style="list-style-type: none"> • Policies, processes, and practices are currently in development and require further integration within the Agency. • Additional improvements are required to meet minimum levels of acceptable management. 	<p>Services are delivered on an ad hoc basis to different client groups with little or no leveraging of existing and new infrastructure and knowledge.</p> <ul style="list-style-type: none"> • Different clients receive different service experiences and infrastructure may be duplicated.

Management of Personnel

Strong	Acceptable	Opportunity For Improvement	Attention Required
<p>The Agency possesses the strong leadership and rigorous infrastructure necessary for the timely and effective management of human resources, leading to achievement of priorities and program results.</p> <ul style="list-style-type: none"> • Clear and effective management policies governing human resources exist and are well communicated throughout the organization. • Executive leaders are engaged in an ongoing dialogue with employees to ensure the Agency's processes and work environment adapt to meet the needs of its workforce. • The Agency is able to sustain capacity, attract quality people, and remain responsive to changing environments and new challenges. 	<p>The Agency possesses the leadership and infrastructure necessary for the timely and effective management of human resources in support of its priorities and program results.</p> <ul style="list-style-type: none"> • Management policies governing human resources exist and are well communicated throughout the organization. • Executive leaders regularly communicate with employees and make corresponding improvements to Agency processes and the work environment responsive to the needs of its workforce. • The Agency is able to maintain capacity and attract the necessary talent. 	<p>Deficiencies in human resource management infrastructure and practices are identified and tentative steps are taken to address the issues; achievement of priorities and program results may be at risk.</p> <ul style="list-style-type: none"> • Policies, processes, and practices are currently in development and require further integration within the Agency. • The Agency has limited success in hiring and retaining necessary talent. 	<p>Achievement of priorities and program results are at risk due to serious deficiencies in human resource management infrastructure and practices.</p> <ul style="list-style-type: none"> • There is little or no development of appropriate policies, processes, and/or practices with respect to the management of Agency personnel. • The Agency is unable to mobilize its employees to achieve Agency priorities.

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	Sources of Evidence
<ul style="list-style-type: none"> Does the Agency have an internal accountability framework and model that specify the functioning of the Canada Revenue Agency (CRA)? 	<ul style="list-style-type: none"> The CRA has a unique governance structure characterized by a governance triumvirate: <ul style="list-style-type: none"> minister fully accountable to Parliament for all aspects of the CRA's operations and administration; Board of Management responsible for overseeing the organization and administration of the CRA, the management of its resources, services, property, personnel, and contracts, and the development of the Agency's corporate business plan (CBP); and commissioner, who has a dual accountability, being responsible for the day-to-day management of the CRA under the Board's oversight, and also accountable to the minister for the administration of program legislation. The CRA has six corporate committees, made up of senior managers [assistant commissioners (ACs) from all branches and regions]. All of the corporate committees are chaired by the commissioner. The main decision-making body is the Agency Management Committee (AMC), which is made up of the commissioner and all Headquarters (HQ) and regional ACs. 	<ul style="list-style-type: none"> <i>Canada Revenue Agency Act</i> CRA Board of Management Governance Manual (including Committee Charters) Board and Committee Work Plans Strategic Planning Meetings – Agendas and Minutes Corporate Committee Protocols
<ul style="list-style-type: none"> Are accountabilities of executives aligned with corporate plans, priorities and Board objectives? 	<ul style="list-style-type: none"> Executive performance agreements translate into action the priorities and deliverables identified in the CBP and the Clerk of the Privy Council's priorities for the Public Service of Canada, as well as address performance gaps noted in the Agency's annual report (AR). Each year a list of mandatory commitments is developed and distributed to all members of the Executive Cadre (EC) in the form of a foundation table and accompanying <i>Guidelines to Complete EC Performance Agreements</i>. Once all performance agreements are completed at the senior executive levels (AC, deputy assistant commissioner and director general), those, as well as a sample of all other EC agreements, are analyzed. The goals of the analysis are to: ensure compliance with the foundation table; ensure the commissioner's commitments to the Board and the Clerk of the Privy Council (PCO) are well supported; and perform a quality assurance review, specifically to ensure commitments and performance measures are clear and assessable. There was sufficient alignment of ECs' performance commitments with corporate plans, priorities, and Board objectives in 2008-2009. 	<ul style="list-style-type: none"> AC Performance Agreement Matrix Comparison Chart Guidelines to Complete EC Performance Agreements 2008-2009 Planning Placemat Performance Agreement Analysis

Management Performance Measures

Are accountabilities of executives aligned with corporate plans, priorities and Board objectives?

- In 2008-2009, all EC performance agreements were to be completed by June 15, 2008. Performance pay for the previous year was withheld in the absence of a completed agreement for 2008-2009. Of agreements, 88% were filed on time and 96% were filed within one month of the deadline.

Rating Scale	Board's Assessment and Related Comments	Next Steps
Strong	Strong <ul style="list-style-type: none"> Consideration should be given to assessing the effectiveness of horizontal management throughout the Agency. 	<ul style="list-style-type: none"> For 2009-2010, emphasis is being placed on continually improving the quality of performance measures in agreement guidelines. The due date to receive all 2009-2010 EC agreements is being advanced two weeks to May 30. This is in order to have all management performance agreements in place as close as possible to the beginning of the fiscal year, since MG agreements typically cascade from EC agreements. A flow chart will be shared with the Board outlining the EC performance management process.
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.

Related Key Questions	Evidence	Sources of Evidence
<ul style="list-style-type: none"> Is there a sound risk-management process in place to assess and address risk in the Agency? 	<ul style="list-style-type: none"> Risk management (RM) is an ongoing CRA priority, and senior executives continue to be highly engaged in managing risks. The Agency has an Enterprise Risk Management (ERM) Framework in place to assess and address risk in the Agency. The elements of the framework include: <ul style="list-style-type: none"> An ERM policy approved by the Board in March 2006 (with the underlying theme that RM is everyone's business); Improved CRA RM process and tools, which strengthen the alignment between risks and expected results; and An ERM program strategy, presented to the Board in December 2007, which introduced two ERM program goals: to implement and sustain a solid corporate risk-management function that supports effective decision making; and to establish an effective risk-management centre of expertise to assist CRA employees in managing risks proactively on a daily basis. The framework ensures the Agency has: <ul style="list-style-type: none"> A disciplined and structured methodology (RM process and tools) that results in the consistent and systematic assessment and management of risks across the Agency on an ongoing basis; and The right process and tools to enable the Agency to continuously identify, analyze, evaluate, address, monitor, and communicate risks. It is an approach that provides the Agency with the necessary means to identify risks and to continuously reprioritize risks as conditions change. 	<ul style="list-style-type: none"> ERM Policy ERM Program Implementation Strategy (October 2007) Risk-management process and tools (September 2008)
<ul style="list-style-type: none"> Does the Corporate Risk Inventory identify the Agency's top risks? 	<ul style="list-style-type: none"> The CRA Corporate Risk Inventory (CRI) 2007 was endorsed by the Board in December 2007: <ul style="list-style-type: none"> The CRI is based on the extensive analysis of the information generated from the risk assessments conducted in all Headquarters branches (involving a significant number of senior managers); The CRA AC level ERM Committee was engaged in discussions to provide guidance and validate this analysis; and AMC confirmed the list of risks and evaluated each risk (voted on likelihood and impact). 	<ul style="list-style-type: none"> CRI (December 2007) CRA Risk Action Plan (September 2008) Strategy for Ensuring the Currency of the CRI (March 2008)

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

Related Key Questions	Evidence	Sources of Evidence
<ul style="list-style-type: none"> Does the Corporate Risk Inventory identify the Agency's top risks? cont. 	<ul style="list-style-type: none"> The CRI 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. In September 2008, the CRA completed the CRA Risk Action Plan: <ul style="list-style-type: none"> The overall objective of the plan is to ensure that the right approaches for reducing, maintaining, and controlling the growth of the Agency's risk exposure are implemented; The plan is the companion document to the CRI. Developed using a phased approach (Round I – Agency top 5 risks, Round II – Agency highest risks, Final Round – All risks), the final plan outlines the response strategies for addressing all 17 risks identified in the CRI; and The risk response strategies described in the plan are based on the careful consideration of the risk level, the exposure reduction/maintenance potential for each risk, and existing resource constraints and limitations. The strategies are also aligned with CRA priorities as outlined in the CBP. Consistent with the Strategy for Ensuring the Currency of the CRI, a complete renewal of the CRI is currently underway with the intent of finalizing a new CRI for May 2009 (complete renewals every two years with updates every other year). The rationale behind the timing of the launch was to ensure CRI alignment with the Agency's corporate planning cycle. With new/updated CRIs in place every spring, the AMC and the Board will have the most current risk information available for priority setting, planning, and resource allocation purposes. Furthermore, this second CRI exercise includes a greater regional perspective. 	
<ul style="list-style-type: none"> Are enterprise-wide risks being assessed and addressed? 	<ul style="list-style-type: none"> All 17 risks identified in the current Inventory were assessed (identified, analyzed, and evaluated) and are being addressed through the mitigation strategies developed in support of the CRA Risk Action Plan: <ul style="list-style-type: none"> The foundation of the CRI is built on branch/regional risk assessments involving the entire CRA senior management cadre. All assessments are facilitated using the Agency-approved risk-management (RM) process and tools, thus raising awareness and building proficiency in the use of the CRA RM process and tools across the Agency; Each Agency risk is assigned a risk sponsor at the AC level; <ul style="list-style-type: none"> All sponsors develop a response strategy for their risks; and Details behind each response strategy are outlined in the CRA Risk Action Plan. The CRA's RM information, approach, process, and tools are made available to employees in a variety of ways: RM InfoZone site; formal training for MGs and EC01/02s; and internal messaging from the chief risk officer. 	<ul style="list-style-type: none"> CRI (December 2007) CRA Risk Action Plan (September 2008) Corporate Risk Inventory Summary 2007 Guidelines to Complete Executive Cadre Performance Agreements for 2008-2009

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

Related Key Questions	Evidence	Sources of Evidence
<ul style="list-style-type: none"> Are enterprise-wide risks being assessed and addressed? cont. 	<ul style="list-style-type: none"> The ERM centre of expertise provides support to any group in the Agency seeking help to undertake a risk assessment. Support varies (depending on the requirements), for example— coaching, facilitating, providing information, reviewing documents;and Awareness/information sessions are provided to groups across the Agency upon request. The CRA communicates and monitors progress of mitigation strategies at the senior management level by: <ul style="list-style-type: none"> Actively embedding risk information in the CRA planning, reporting, and performance process; Promoting the inclusion of RM in EC performance agreements. Accountabilities at lower levels follow the ones established at the AC and EC levels as managers and team leaders are responsible for operationalizing concrete responses to risks for which ACs and ECs are the sponsors; and Requiring risk sponsors to report on the development and implementation of their risk action plans, as deemed necessary, to the AMC and the Board. 	
<ul style="list-style-type: none"> Is risk management embedded in the CRA's strategic planning cycle and decision making processes? 	<ul style="list-style-type: none"> RM has been included in the Commissioner's 2008-2009 performance agreement and in all AC performance agreements. In addition, it is one of the tailored special commitments in the <i>Guidelines to Complete Executive Cadre Performance Agreements for 2008-2009</i>. Because of this, as well as the inclusion of information in the CBP, RM is an important element in the accountability of many executives and managers across the Agency. The risk information generated during the development of the CRI is also used to provide the Agency with detailed risk information that is explicitly used to inform CRA planning, reporting, performance, and the resource allocation process: <ul style="list-style-type: none"> Risk information generated for the development of the CRI is linked to the corporate priorities reflected in the CRA CBP; Corporate priorities are reflected in the risk sponsors' choice of mitigation strategies when developing the CRA risk action plan. As such, the implementation of the risk mitigation strategies fully supports corporate performance; and RM is now a specific requirement for the development of business cases for all major investment projects presented to the Resource and Investment Management Committee (RIMC). 	<ul style="list-style-type: none"> Guidelines to Complete Executive Cadre Performance Agreements for 2008-2009 CBP Annual Report RIMC Guidelines

Management Performance Measures

Is there a sound risk-management process in place to assess and address risk in the Agency?

- In Round VI (2008-2009) of the Management Accountability Framework (MAF) assessment, the CRA received a rating of “strong” for the area of management relating to risk management.

Rating Scale	Board’s Assessment and Related Comments	Next Steps
Strong	Strong <ul style="list-style-type: none"> CRA’s ability to deal with mitigation strategies relies on the active participation and support of partners such as TBS and Public Works and Government Services Canada (PWGSC) in a reasonable time frame. 	<ul style="list-style-type: none"> A monitoring and reporting process will be developed along with key risk indicators to identify any change that could potentially impact 1) the level of severity of risks in the CRI and 2) the accuracy of the risk information contained in the CRI. A risk-management training strategy describing the delivery approach will be developed over the March 2009 to February 2010 period.
Acceptable		
Opportunity for Improvement		
Attention Required		

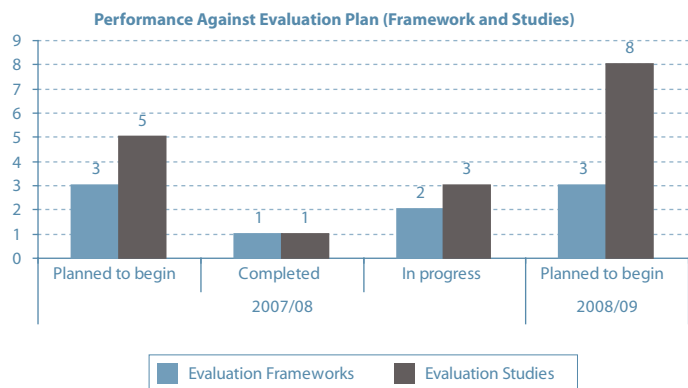
Expectation (b): The Board must assure itself that the Agency follows appropriate processes to ensure sound overall administration including an effective program evaluation function to assess the long-term success of Agency programs.

Related Key Questions	Evidence	Sources of Evidence
<ul style="list-style-type: none"> Does the evaluation function have an appropriate level of independence? 	<ul style="list-style-type: none"> The CRA Program Evaluation (PE) Policy states “the program evaluation function will be independent and not have responsibility or accountability for the areas being reviewed.” The director general of the Corporate Audit and Evaluation Branch (CAEB) reports directly to the commissioner. The Management Audit and Evaluation Committee (MAEC) reviews the plans and output of PE: <ul style="list-style-type: none"> To ensure appropriate follow-up to evaluations; and To ensure appropriate assurances for the Board. Core responsibilities are delivered with A-base funding. 	<ul style="list-style-type: none"> CRA Program Evaluation Policy (approved September 2006) MAEC Terms of Reference Board Audit Committee Charter CAEB 2008-2011 Business Plan
<ul style="list-style-type: none"> Does the evaluation function have an effective risk-based planning process? 	<ul style="list-style-type: none"> The CAEB’s multi-year risk-based evaluation plan is prepared annually and considers the priorities and challenges of the Agency as described in the CBP and the CAEB’s risk-assessment of Agency activities. Focused risk-planning starts mid-year with a review of current work in progress, an initial environmental scan of internal and external potential risks, and a review of known risks. Branch senior managers hold discussions with selected senior managers from functional and regional areas to ensure all critical risks are considered. The PE plan also considers evaluation and performance measurement commitments related to TBS and RIMC requirements. The PE plan is integrated into the CAEB business plan, approved by the commissioner and the MAEC, and reviewed by the Board. 	<ul style="list-style-type: none"> CAEB 2008-2011 Business Plan CBP CAEB Master Control Spreadsheet CRI Program Evaluation Division Plan
<ul style="list-style-type: none"> Does the CRA value and make effective use of evaluation information to inform expenditure and policy decisions and program improvement? 	<ul style="list-style-type: none"> Relative to the size of the Agency, the evaluation group is very small; therefore evaluation coverage of the Agency’s program activity architecture has been very limited. Three evaluations will be completed in 2008-2009: <ul style="list-style-type: none"> GST Delinquent Filing and Remitting Evaluation; GST Registration Evaluation; and Charities Partnership and Outreach Evaluation. 	<ul style="list-style-type: none"> CAEB 2008-2011 Business Plan PE Status Reports (June, September, December and March)/CAEB Annual Report Discussion Paper on Measuring and Reporting on the Benefits of a RIMC Project PE Client Surveys

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	Sources of Evidence
<ul style="list-style-type: none"> Does the CRA value and make effective use of evaluation information to inform expenditure and policy decisions and program improvement? cont. 	<ul style="list-style-type: none"> Quarterly progress-to-plan reports and a CAEB annual report are provided to the Board's Audit Committee. In addition to evaluations, PE provides advice and guidance to CRA project teams with the development of approaches to performance measurement and evaluation to satisfy requirements of the RIMC business case process. 	

Management Performance Measures



Does the CRA value and make effective use of evaluation information to inform expenditure and policy decisions and program improvement?

- In 2007-2008, one evaluation (HQ-Managers Exchange Pilot Implementation) produced three recommendations. There was no management response.
- In 2008-2009, two completed evaluations (GST/HST Registration Compliance and Charities Partnership and Outreach Program) included a combined seven recommendations. All seven recommendations were accepted by management.
- In 2008-2009, PE advised senior management on performance measurement on 13 different projects.
- Client satisfaction surveys indicated that clients were very satisfied with the service provided by PE staff in terms of level of expertise, timeliness, and consistency of advice.

Management performance will be demonstrated by trending the results of planned versus completed evaluations (frameworks and studies). (see graph)

- The 2007-2008 data will be used as the benchmark for analysis and performance discussion in subsequent BoMOF assessments.

Rating Scale	Board's Assessment and Related Comments	Next Steps
Strong	<p>Acceptable</p> <ul style="list-style-type: none"> This function has appropriately been refocussed to deal with benefits measurement. 	<ul style="list-style-type: none"> Program coverage will be considered as a factor in developing future evaluation plans.
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	Sources of Evidence
<ul style="list-style-type: none"> Does internal audit have appropriate resources (staff qualifications, mix and level of experience of professional staff)? 	<ul style="list-style-type: none"> The CAEB continues to place a focus on professionalism including accreditations such as the certified internal auditor (CIA) designation and professional accounting designations. The CAEB continues to demonstrate support to all staff pursuing their designations by providing them with the necessary materials, allowing them time to study, and providing them with access to any relevant training. In addition, the CAEB continues to strive for a balance between staff with strong program experience and strong academic backgrounds. 	<ul style="list-style-type: none"> CAEB Business Plan CAEB Staff Profiles Database
<ul style="list-style-type: none"> Is internal audit planning appropriate for example —risk-based, appropriate approvals, methodology? 	<ul style="list-style-type: none"> Internal audits are identified using a risk-based approach that includes consideration of Agency-wide risks and CBP priorities as well as CAEB's risk assessment of the audit universe. The risk assessment entails environmental scanning and consultation in regions and at Headquarters. Level of risk is the first driver to establish audit priority. Other factors that influence audit selection include: <ul style="list-style-type: none"> Timing for audit work for example— systems under-development audits. It is not appropriate to audit a project too early in its development, nor too late); Ability to audit; and Extent of previous audit or planned external oversight (that is—CAEB internal audit plans are co-ordinated with the OAG to avoid duplication or gaps). Evidence of the effectiveness of this approach is demonstrated in the number of recommendations and other areas for improvement resulting from audits performed. The CAEB, using preliminary guidance from the TBS/Office of the Comptroller General (OCG), is working towards achieving the following to ensure it will be well-positioned to deliver on the TBS policy requirements for a substantiated holistic opinion on risk management, control, and governance processes: 	<ul style="list-style-type: none"> Assessment by Institute for Internal Auditors CAEB business plan Follow-up of 2004-2005 Internal Audit Report Audit Committee charter Corporate risk inventory Corporate business plan ERM Framework

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	Sources of Evidence
<ul style="list-style-type: none"> Is internal audit planning appropriate for example—risk-based, appropriate approvals, and methodology?cont. 	<ul style="list-style-type: none"> Linking Internal Audit Reporting to Corporate Risk Analyses and Plans. In preparation for the annual CAEB Business Plan Update, the CAEB is establishing the linkages between proposed internal audits and the corporate risk analysis as well as the TBS MAF and BoMOF elements. In this way, the CAEB will be better positioned to report audit results to the CRA's senior management and the Board in a more thematic context. Including in the CAEB Business Plan for 2009-2012 the first stages of a strategy to work towards being able to provide an overall perspective on the state of CRA risk-management, control and governance processes for the fiscal year ended March 31, 2011. This strategy and perspective would take into consideration such inputs suggested by the TBS/OCG as follows: <ul style="list-style-type: none"> The results of completed risk-based internal audits; The status of management action plans for all audit work affecting the Agency (that is, including the reports of the auditor general); The results of TBS Management Accountability Framework (MAF) assessments (including BoMOF assessments as a unique element for the CRA); Environmental scans, corporate priorities, change management strategies, and risk profiles; Other sources of assurance, including monitoring and studies performed by management, and the work of other independent reviews of the Agency. This overall perspective will include caveats to highlight where assurances provided are not at as high a level as would be associated with an audit. It will provide a foundation for moving towards the provision of subsequent holistic assurances across the full spectrum of the management objectives defined by MAF and focusing on the high-level assurance of key risk areas. In addition, the CAEB is striving to provide input into the Agency's risk scoring system. The CAEB is using the output of the CRI, Round 2 exercise in our current business planning process. The CAEB is currently performing a mapping exercise in relation to the core controls that will be shared with the ERM to inform the discussion on the CRI. Within CAEB audit coverage (that is, without systematically aiming to examine all activities in the Agency, the CAEB strives to ensure sufficient coverage of key functions to determine whether proper controls are in place and functioning as intended, for example—a cyclical approach is taken for financial type audits). Also, consideration is given to mandatory requirements (that is, some issues may be ranked as relatively low risk but must be audited given commitments in Treasury Board (TB) submissions or memoranda of understanding with other organizations). 	

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	Sources of Evidence
<ul style="list-style-type: none"> Is internal audit planning appropriate for example—risk-based, appropriate approvals, and methodology? cont. 	<ul style="list-style-type: none"> Other factors taken into consideration are integration with input provided from the ERM team; program dimensions in terms of full-time equivalents, and fiscal impact; and major change initiatives from RIMC or TBS, for example— where CAEB work is integrated into the oversight framework and meeting the key audit assurance needs of key stakeholders such as the commissioner and the Board's Audit Committee. The risk-based plan is subject to an internal challenge process and shared for input with Agency senior management. The CAEB’s primary clients— the commissioner and the Audit Committee of the Board of Management—participate in shaping the plan along with the OAG. The MAEC and the Board Audit Committee approve the risk-based internal audit plan. 	
<ul style="list-style-type: none"> Are internal audit reports objective, reliable, accurate, and of high-quality? 	<ul style="list-style-type: none"> Both the Commissioner's and the Board Audit Committee's feedback indicate that reports are objective, reliable, accurate, timely and of high quality. Processes in place ensure quality review and the provision of feedback at both the divisional and branch levels within the CAEB. Post-internal audit questionnaires are sent to program areas to obtain feedback on the objectivity and quality of internal audit products, as well as the usefulness of the findings and recommendations. Management feedback on the quality of internal audit reports indicates the vast majority are of good quality. The CAEB’s internal professional practices reviews indicate that audits are conducted in accordance with IIA standards, that reports are well supported by working papers, and that risk-assessment is documented. The CAEB final reports (both internal audit and program evaluation) are proactively posted on the CRA Internet site and are thus completed in such a manner as to withstand the scrutiny that publishing them in a public domain entails. 	<ul style="list-style-type: none"> Assessment by Institute for Internal Auditors CAEB Annual Report Post Internal Audit Questionnaires Commissioner and Board feedback Minutes of the Board Audit Committee

Management Performance Measures

Does internal audit have appropriate resources (staff qualifications, mix, and level of experience of professional staff)?

- 30% of audit staff have one or more professional designation;
- 66% possess a university degree; and
- 68% have either one or more professional designation and some type of university degree.

Is internal audit planning appropriate (for example—risk-based, appropriate approvals, and methodology)?

- The Institute for Internal Auditors (IIA) certification of CRA's internal audit function in 2006 included a "generally conforms" (highest IIA rating possible) to the IIA standard for planning. The CAEB continues to strive to maintain this rating in anticipation of another review in 2011. Adherence to the IIA Standards is a priority of the CAEB.

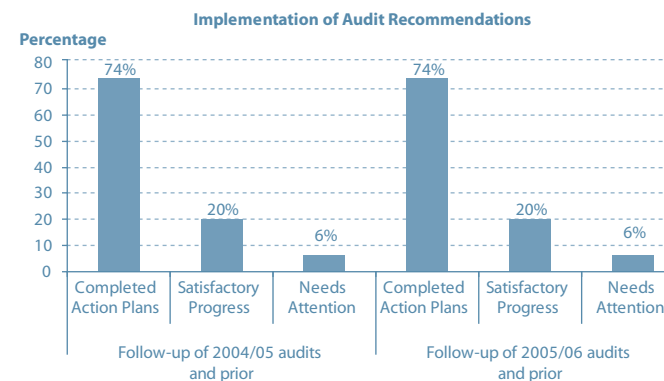
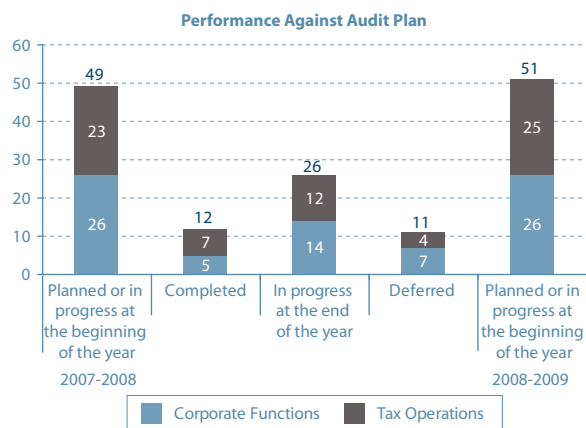
Are internal audit reports objective, reliable, accurate and of high-quality?

- The IIA certification of the CRA's internal audit function in 2006 included a "generally conforms" (highest IIA rating possible) to the IIA standard for communicating results.

Management performance will be demonstrated by trending the results of the following:

- Percentage of audits completed as identified in the audit plan; and
- Percentage of audit recommendations implemented.

The 2007-2008 data will be used as the benchmark for analysis and performance discussion in subsequent BoMOF assessments.



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 follows appropriate processes to ensure sound overall administration ensuring that sustainable development is embedded in the way we do business.

Related Key Questions	Evidence	Sources of Evidence
<ul style="list-style-type: none"> Does the CRA have a reliable reporting frameworks in place for sustainable development? 	<ul style="list-style-type: none"> The CRA's Sustainable Development (SD) Strategy is supported by the National SD Action Plan that consists of goals, objectives, targets, activities, due dates, offices of responsibility, outputs, and measures. SD is incorporated in key CRA planning and reporting documents, including the RPP, CBP, and AR. Management at all levels is responsible for providing support and direction for planning and implementing sustainable development activities at the CRA. 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. The Agency uses modern management tools, systems, and processes to effectively integrate SD into both our operations and service delivery. The SD program is led by the SD Division, the centre of expertise for planning, implementation, and reporting, and is supported by a network of SD practitioners in all CRA branches and regions. The CRA's Environment Policy includes requirements to reduce the consumption of materials and other resources (for example—energy) in its operations, and reduce waste and minimize pollution resulting from operations. The Commissioner of the Environment and Sustainable Development monitors the Agency's SD performance against the commitments published in individual SD strategies, including that of the CRA. Environment Canada's 2008 management review of departmental SD strategies named several of the CRA's SD program elements as successes and best practices. 	<ul style="list-style-type: none"> Sustainable Development Strategy 2007-2010 SD National 2007-2010, Branch and Regional Action Plans RPP/CBP SD/CRA Environment Policy Online SD Performance Reporting Tool OPI, Network, and Progress SD Quarterly/Semi-Annual Reports SD Annual Report Communications/Learning Strategy Results-Based Management Accountability Framework AC and EC performance agreements Reports of the Commissioner of the Environment and Sustainable Development Sustainable Development Strategies Management Review Sustainable Development Employee Survey, prepared by Ekos Research Associated Inc. – March 2008 CRA Performance Report on Sustainable Development, April 1, 2007 to March 31, 2008 Minutes of the Board Audit Committee

Management Performance Measures

Does the CRA have a reliable reporting framework in place for sustainable development?

- 97% of ECs included an SD measure in their performance agreements for 2008-2009.
- The results of the November 2007 SD awareness survey indicated that 89% of employees were aware of SD efforts at the CRA. This increased from 72% in 2004. The Agency's awareness target is 95% by March 2010.
- The results of the 2007-2008 satisfaction survey of the SD Network indicated an overall approval rating of 78% for services provided by the SD Division.
- The number of sheets of multi-purpose office paper used per employee was reduced by 0.7% or 40 sheets, moving from 5,761 sheets in 2006-2007 to 5,721 sheets in 2007-2008.
- The CRA included environmental specifications in two of two strategic sourcing contracts issued during the period. In addition, 11.4% of total product spending went to green product purchases—exceeding the Agency target of 10% for 2007-2008.

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

Management of Resources

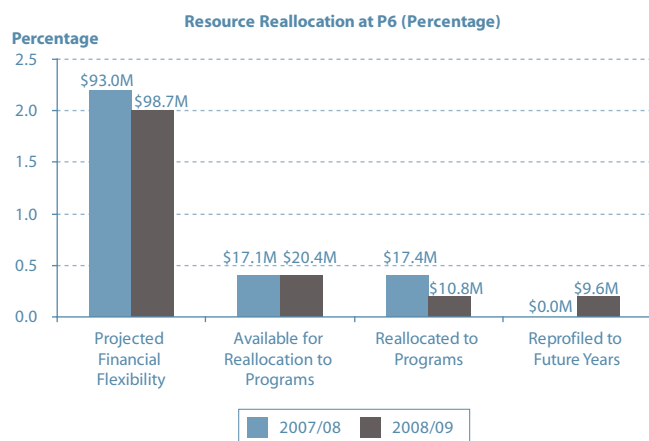
Expectation (a): The Board must assure itself that the Agency has and follows the appropriate control framework for the management of its financial resources

Related Key Questions	Evidence	Sources of Evidence
<ul style="list-style-type: none"> Does the Agency appropriately manage its finances according to the authorities provided by Parliament? 	<ul style="list-style-type: none"> The Board receives a resource management report on a quarterly and annual basis. In addition, period reports are provided to senior management for periods 5, 8, and 10. The report facilitates the effective management of resources by providing detailed information on the CRA's: operations (regional and HQ branch perspectives), forecasts, financial status, and historical comparisons, as well as a strategic commentary on the Agency's resource investment strategy. The preparation of the report includes a multi-dimensional corporate oversight challenge function [at the branch/regional level with AC sign-off and at the Agency level by the corporate centre with the chief financial officer's (CFO) sign-off to ensure the accuracy and completeness of the information and to support the Agency's commitments to transparency and accountability. The report includes an assurance by the CFO that the CRA is managing its finances according to the authorities provided by Parliament. In 2008-2009, the CRA took steps to document and validate the design and effectiveness of its internal controls over financial reporting (ICOFR) by launching a project aimed at certifying key ICOFR, starting with the 2011-2012 financial statements. <ul style="list-style-type: none"> The certification will include the effectiveness of ICOFR in detecting or preventing significant misstatements due to non-compliant/unauthorized transactions. In 2008, the CRA provided provincial and territorial deputy ministers of finance with one Canadian Institute of Chartered Accountants (CICA) Handbook Section 5970 report covering all key controls over financial reporting on the corporation income tax program (T2) under federal-provincial tax collection agreements (TCAs). <ul style="list-style-type: none"> The report on T2 controls, including the auditor's report, should be distributed to provincial/territorial governments in the spring of 2009. The report includes information on controls that helps ensure that the recording and reporting of transactions are consistent with the terms of the TCAs. As part of the <i>Federal Accountability Act</i> Action Plan, the Government of Canada made a commitment to strengthen TB financial management policies. TBS has announced a plan to move to six core policies. As of January, 1, 2009, only one has come into effect. 	<ul style="list-style-type: none"> Quarterly Resource Management Reports (Financials) Quarterly Performance Reports AR (includes audited financial statements) RIMC Internal audits and evaluations Auditor General reports Minutes of Board Resources Committee Minutes of Board Audit Committee Audit Committee Charter

Expectation (a): The Board must assure itself that the Agency has and follows the appropriate control framework for the management of its financial resources

Related Key Questions	Evidence	Sources of Evidence
<ul style="list-style-type: none"> Does the Agency appropriately manage its finances according to the authorities provided by Parliament? cont. 	<ul style="list-style-type: none"> Under section 30 of the <i>Canada Revenue Agency Act</i>, the CRA is subject to TBS financial management policy. As such, the CRA has performed a strategic review of the approved and draft policies to determine the impact of the new TBS policies and has identified the following next steps: <ul style="list-style-type: none"> Development of a CRA Financial Management Framework; Development of core CRA policies corresponding to the new TB policies; and Revision of supporting CRA policy instruments as necessary. For fiscal 2007-2008, the CRA received an unqualified OAG opinion on its audited financial statements for both the Agency and administered activities for the year. The CRA continues to strengthen and develop financial management capacity by enhancing efforts for recruitment, retention, and training strategies for staff including: <ul style="list-style-type: none"> Launch of the Financial Officers Apprenticeship Program (FIAP) (pending senior management approval), with the objective of building a talent pool of specialized finance officers to meet the current and future business needs of the CRA; Within the FIAP, developmental opportunities will be provided to candidates to allow them to acquire new skills and competencies and allow for career progression; and Formal training courses and hands-on experience, along with mentoring and networking opportunities and the promise of career advancement, will be made available to the participants. 	

Management Performance Measures



Does the Agency appropriately manage its finances according to the authorities provided by Parliament?

- For the Round VI (2008-2009) MAF assessment, the CRA received a rating of "Strong" for its financial management capacity. The Agency earned this rating for the emphasis it places on training, development, succession planning, and the existence of a position dedicated to the management and development of the financial management community.

Management performance will be demonstrated by trending the results of actual expenditures at year-end with the annual expenditures plan (AEP) forecasted at the end of the second quarter. (see graph)

- The 2007-2008 data will be used as the benchmark for analysis and performance discussion in subsequent BoMOF assessments.

In 2007-2008, the year-end expenditures were 0.3% of the AEP at second quarter.

Rating Scale	Board's Assessment and Related Comments	Next Steps
Strong	Strong	<ul style="list-style-type: none"> New questions to be developed dealing with administered activities.
Acceptable		
Opportunity for improvement		
Attention required		

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

Related Key Questions	Evidence	Sources of Evidence
<ul style="list-style-type: none"> 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? 	<ul style="list-style-type: none"> The Board approved the Project Management Policy in 2006. The RIMC was created with a mandate to establish budget priorities and requirements according to the CBP, oversee the allocation and control of Agency financial resources, and oversee the management and progress of major investment projects. The RIMC performs the corporate challenge function in assessing project proposals. The RIMC Secretariat established the RIMC mandate, administrative procedures, and document guidelines, including the approval and monitoring processes for major investment projects in accordance with the CRA Project Management Policy. The RIMC Secretariat facilitates awareness and understanding of the project approval process, accountability framework, and documentation requirements. The RIMC Secretariat 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 four capital investment projects: Integrated Revenue Collections, Individual Identification Renewal, Corporate Tax Administration for Ontario (CTAO), and Compliance Systems Redesign). <ul style="list-style-type: none"> Compliance Systems Redesign: The project is proceeding within the approved budget and scope. Due to a delay in the procurement of the Analytical Tool, it will be necessary to carry forward the associated funding from 2008-2009 to 2009-2010. CTAO: The project is proceeding on schedule, and within the approved budget and scope. The anticipated lapse in 2008-2009 (currently estimated at \$12.0 million) will be carried forward and made available for CTAO-related activities in 2009-2010. Individual Identification Renewal: The project is proceeding on schedule, within the approved scope and budget. Integrated Revenue Collections: The project is proceeding on schedule and within the approved scope. It is expected that the projected lapse of \$1.1M will be returned to the Strategic Priorities Reserve at the end of 2008-2009. This will be confirmed in Q4. 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, continue to be referred to the Board for review and approval of the governance structure, the monitoring framework, and the planned expenditures. 	<ul style="list-style-type: none"> Project Management Policy RIMC/AMC reports, minutes Procedure of Board Resource Committee Capital Investment Project Portfolio Dashboard RIMC Mandate, Administrative Procedures, and Documentation Guidelines Portfolio Summary Dashboard Minutes of Board Resources Committee

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

Related Key Questions	Evidence	Sources of Evidence
<ul style="list-style-type: none"> Does the Agency have an appropriate project management framework in place that includes policies, processes, and an explicit accountability framework that supports effective decision-making oversight, monitoring and review? cont. 	<ul style="list-style-type: none"> Enhancements to the RIMC process continue to be made. The measured and methodical approach to project approval, planning, and execution (six “gates” instead of the current four) was introduced and approved by AMC in February 2008, and presented to the Board. This process will: <ul style="list-style-type: none"> Ensure a clear understanding of the business “problem” or “opportunity” and the associated risks from a business perspective, before committing any resources; Allow for better “up-front” planning and scoping, and thereby reduce the likelihood of cost and schedule over-runs; Ensure that the objectives, expected outcomes, and success criteria are clearly articulated at the outset of the project; and Confirm that the expected outcomes / benefits have been realized. 	
<ul style="list-style-type: none"> Do the Agency’s costing and reporting practices demonstrate effective management of project resources and project performance? 	<ul style="list-style-type: none"> The Agency now benefits from the gated approach to project management, widely used in industry to ensure better planning, mitigate cost overruns, and schedule slippage and scope creep. Commencing in 2008-2009, all RIMC projects in the execution phase were required to complete quarterly dashboards. In addition to the established reporting requirements, a set series of default conditions in the quarterly dashboards have been set to trigger additional reporting if the project has demonstrated slippage to cost, schedule, or scope. As an example, these conditions include situations where expenditures have gone outside of the plan for a set period of time. This allows for more timely oversight, addressing significant problem areas as they are detected, rather than just at scheduled intervals. Projects are required to develop a benefits measurement plan in order to measure the benefits of the project once it is complete. 	<ul style="list-style-type: none"> RIMC mandate, Administrative Procedures and Documentation Guidelines.

Management Performance Measures

Do the Agency’s costing and reporting practices demonstrate effective management of project resources and project performance?

- The enhancements to the RIMC process now require projects to have more refined cost estimates. Decisions/approvals are made on projects or their respective components that have +/- 15% accuracy on costs. For those that only have +/- 50%, funds are not allocated but simply earmarked pending refinement of the estimates to the +/- 15%. This provides greater certainty around project expenditures and results in more rigorous funding control.
- Management performance will be demonstrated by trending the results of project portfolio adherence to approved scope, schedule, and budget.
 - Reporting to begin in 2009-2010

Rating Scale	Board's Assessment and Related Comments	Next Steps
Strong	Acceptable <ul style="list-style-type: none"> Strategic Investment Plan is still under development. 	<ul style="list-style-type: none"> A formalized multi-year strategic investment plan (three- to five- year planning horizon) process is currently in development. Implementation is expected in 2009-2010.
Acceptable		
Opportunity for improvement		
Attention required		

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

Related Key Questions	Evidence	Sources of Evidence
<ul style="list-style-type: none"> Is appropriate long-term capital planning and long-term investment planning in place? 	<ul style="list-style-type: none"> Requirements for materiel are assessed and planned using a life-cycle management approach. Capital assets (greater than \$10K) are tracked and depreciated through the Corporate Administrative Systems (CAS). The CRA has a five-year fleet capital replacement plan. A thorough review and analysis of existing fleet management policy instruments is nearing completion. Stakeholder consultation is underway, and it is anticipated that revised policy instruments will be in place within six months. Nationally, the Long-Term Accommodation Investment Plan (LTAIP) sets out the strategic direction for the planning and management of CRA's accommodation portfolio in an annually updated five-year investment plan. Regional accommodation plans provide key input to the LTAIP on operational influences on real property services. 	<ul style="list-style-type: none"> Materiel Management Life Cycle Policy and supporting policy instruments LTAIP Regional accommodation plans Fleet plan, policy, and supporting policy instruments
<ul style="list-style-type: none"> Is there an appropriate real property management framework in place for leasees? 	<ul style="list-style-type: none"> Since 2000-2001 the real property function has operated under the Real Property Management Framework that sets out a governance structure and investment-planning process. RIMC has acknowledged that the Real Property Management Framework is consistent with the principles set out in the Agency's Project Management Policy. The Real Property Strategic Investment Board provides accountability and an audit trail for real property investments. 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. 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. An internal audit of the Real Property function was conducted in 2008, then presented to and approved by the MAEC Committee on January 23, 2009. The "Management Framework of Real Property Audit Report" will be presented to the Board in March. 	<ul style="list-style-type: none"> Real Property Management Framework LTAIP Real Property Services Agreement with PWGSC Internal audits and evaluations
<ul style="list-style-type: none"> Is there an appropriate materiel management framework in place? 	<ul style="list-style-type: none"> Since 1999, the materiel management function has operated in accordance with the Materiel Management Program Framework Policy that was approved by the Board (BoM Decision 99.5). The AC of the Finance and Administration (F&A) Branch is responsible for all aspects of materiel management. 	<ul style="list-style-type: none"> Materiel Management Lifecycle Policy and supporting policy instruments Internal Audit Reports

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

Related Key Questions	Evidence	Sources of Evidence
<ul style="list-style-type: none"> Is there an appropriate materiel management framework in place? cont 	<ul style="list-style-type: none"> The acquisition, storage, transportation, and disposal of materiel and assets support environmental objectives and are in accordance with federal, provincial, and municipal legislation. Methodology for tracking and divesting moveable assets over \$10K implemented in 2006-2007. 	

Rating Scale	Board's Assessment and Related Comments	Next Steps
Strong	Strong	<ul style="list-style-type: none"> At a future meeting, the Board Resource Committee will discuss the scope of its responsibilities for asset management.
Acceptable		
Opportunity for improvement		
Attention required		

Expectation (d): A contracting policy in place that meets the Board’s fiduciary requirements and that day-to-day operations respect the provisions of the policy and a cost-effective procurement process that ensures that goods and services requirements are met.

Related Key Questions	Evidence	Sources of Evidence
<ul style="list-style-type: none"> Is Agency oversight of procurement and contracting effective in ensuring the transparency and integrity of those functions? 	<ul style="list-style-type: none"> The CRA conducts procurement in a fair, open, transparent, and cost effective manner and in accordance with CRA policies, codes of conduct, and government obligations such as Canada's trade agreements, comprehensive land claim agreements, and the Government of Canada's contract reporting requirements. All information technology (IT)-related contracts over \$1million dollars are reviewed by the IT Procurement Strategy Committee, an AC-level committee. All non-IT contracts over \$1million are reviewed by the F&A Branch Management Committee, chaired by the Agency's CFO. AMC is sent periodic reports on contracting and is briefed on all contracts estimated at over \$1million. 	<ul style="list-style-type: none"> Procurement policy and supporting policy instruments CRA Contracts Directive Internal audits and evaluations
<ul style="list-style-type: none"> Are the Agency's end-to-end procurement processes cost-effective? 	<ul style="list-style-type: none"> The use of the Agency's e-procurement catalogues, which are supported by a government acquisition card, results in significant savings. At the CRA, e-procurement and acquisition card transactions represent 93% of total business transaction volume. In accordance with TBS estimates, the cost associated with supporting these types of transactions is only 8% of the cost of using traditional procurement contracts such as local purchase orders. Non e-procurement and non-acquisition card purchases (that is, contracts and other arrangements) total \$414 million and represent 88.5% of total business dollar volume. The Agency's procurement expertise and resources focus on these transactions. Fifty-nine strategic sourcing arrangements (a commodity-based approach that takes advantage of volumetrics) are currently in place and represent 39% of total business transaction volume. A 2008 internal audit confirmed the cost-effectiveness of e-procurement and acquisition card purchasing processes. The action plans based on the audit's recommendations are complete or on track. For example, "Synergy", a Web-based e-procurement tool, was implemented in January 2009. 	<ul style="list-style-type: none"> Use of e-procurement, acquisition cards, contracts and other arrangements Strategic contracting arrangements Internal audits and evaluations

Rating Scale	Board’s Assessment and Related Comments	Next Steps
Strong	<p>Strong</p> <ul style="list-style-type: none"> Additional rigour is embedded in new CRA procurement software. 	
Acceptable		
Opportunity for improvement		
Attention required		

Expectation (e): 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	Sources of Evidence
<ul style="list-style-type: none"> Are we managing information technology risks well? Are adequate business continuity plans in place to mitigate the effects of a processing interruption? 	<ul style="list-style-type: none"> The Information Technology Branch (ITB) conducts ongoing risk assessments of projects, and operational issues. ITB participates in the Corporate Risk Identification and prioritization process. While only certain IT risks are managed at the corporate level, a more extensive list of risks is managed at the ITB level During the ongoing process of completing threat and risk assessments (TRAs), business continuity plans (BCP), and disaster recovery plans (DRP), the ability of current and planned safeguards (to eliminate, lower or mitigate risks) is analyzed to determine if the safeguards are adequate or if additional security is necessary. Site BCPs and Pandemic BCPs are completed and maintained for critical services for all areas in ITB. DRPs for CRA's data centres are maintained and exercises are conducted at least once per year. Baseline TRAs are completed for the mainframe, Intranet backbone, Security Perimeter – Public Access Zone (PAZ) / DMZ & Firewall, Corporate Admin System, and the Distributed Computing Environment. Other TRAs are completed or updated as part of regular operations and project management. The Security Directorate of F&A and IT Security Services work co-operatively to ensure compliance with TBS's Security Standard (MITS) in completion of TRAs, BCPs, and DRPs. 	<ul style="list-style-type: none"> Corporate, ITB, and Project Risk Inventories CRA IT Strategy IT Service availability (Quarterly Report) Post-mortems after each BCP and DRP exercise and response Annual Summary Report Five Year Roadmap for BCP/DCR (Data Centre Recovery) Exercises (Fiscal Years 2007 to 2013) BCPs/DRPs Exercises to test the DRPs Complete baseline TRAs Computing network scans Collection of computer infrastructure log information
<ul style="list-style-type: none"> How does the Agency ensure that IT investments are managed to ensure value? 	<ul style="list-style-type: none"> IT multi-year investments/business cases are presented to RIMC to assist in sound decision making in the context of the strategic investment plan. ITB Priorities Committee reviews IT investments and establishes priorities within ITB. Major Project Review Committee (MPRC): <ul style="list-style-type: none"> 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; Executive Team selects projects and portfolios to be presented at MPRC during a quarterly review and/or as required; 	<ul style="list-style-type: none"> RIMC (records of decision) IT Strategy Major Project Review Committee minutes Architecture Steering Committee (records of decision) Branch Forward Schedule for Change Solutions Application Catalogue Solutions Configuration Items Solutions Costing Model

Expectation (e): 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	Sources of Evidence
<ul style="list-style-type: none"> How does the Agency ensure that IT investments are managed to ensure value? cont. 	<ul style="list-style-type: none"> 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 Risk is reviewed from a joint IT and business perspective through reporting against receipt of requirements, IT architecture solutions, and deployment of resources. The 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"> Review and identify the scope of the Architecture Program; Identify the linkages between Architecture activities; Develop Architecture roadmaps and outlooks to guide project decision making by identifying opportunities for development of common or shared IT services and solutions; Define Architecture Program priorities and assignment of key architecture project plans on a regular basis; Review the Branch's Constituent Architecture project plans on a regular basis; and Approve mitigation plans tabled during the escalation of architectural issues. 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. IT investment decisions are also guided through the Local Solutions Governance Framework. The Application Sustainability program has been launched as a significant multi-year program to guide IT investment decisions in strategic improvements to applications that are deemed to be at risk from a sustainability perspective. The Long Term Capacity Plan (LTCP) is an extension of the Asset Management Plan (AMP). The AMP provides a three-year view of the central budget IT expenditures for hardware, software, and services. The LTCP establishes and maintains a 10-year strategic view of major capital expenditures planned within ITB. These planned expenditures are reviewed annually by the Technology Infrastructure Advisory Committee (TIAC) to validate alignment with the architectural direction and business requirements. <ul style="list-style-type: none"> The items in the LTCP are significant expenditures that are cyclical in nature and based upon the asset lifecycle management. They require additional funding as the central budget does not maintain this level of funding on an annual basis. Partnerships with other departments and Agency (Data Centre Consolidation). 	<ul style="list-style-type: none"> Solutions Measurement Program Solutions Sustainability Assessment Local Solutions Governance Framework Local Application Repository Best Practices CRA DCE Strategy Distributed Services Directorate (DSD) Project Management Office DTIM Project Life Cycle Internal Audits OAG Audits Canadian Revenue Agency Summary Presentation Application Support Benchmark Presented to CRA May 2008 (Gartner) LTCP Asset Management Plan Periodic Reviews by Industry Analysts Business Cases

Expectation (e): 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	Sources of Evidence
<ul style="list-style-type: none"> How does the Agency ensure that IT investments are managed to ensure value? cont. 	<ul style="list-style-type: none"> periodic reviews by industry analysts are performed to ensure that we are applying best practices in the management of our IT investments. We leverage third parties (Gartner) who deal with similar sizes and types of organizations as the Agency to validate our practices and offer feedback on how to improve them. 	
<ul style="list-style-type: none"> Is the level of corporate engagement in IT management (senior executive accountability, corporate and IT governance, IT planning) sufficient? 	<ul style="list-style-type: none"> The AC & chief information officer (CIO) of ITB reports directly to the commissioner. The CIO provides clear and consistent direction, guidance and authority over IT initiatives and activities throughout the Agency. The AC/CIO sits on many of the Agency governance committees. IT representation on the various corporate committees helps facilitate the appropriate governance to ensure standards and processes are in place for consistency of design, development, implementation, operation and maintenance of IT solutions and services across the CRA. Bilaterals are held between Headquarters branches and the ITB, and regional ACs engage directly with the ITB through participation at the various corporate committees, particularly the Operations Committee, and yearly through the Functional Tables meetings. The ITB chairs the TIAC meeting which includes business representatives from every Branch and Region. TIAC is responsible for the prioritization of IT infrastructure–related initiatives. Working within the parameters set by the Agency, this Committee: <ul style="list-style-type: none"> Reviews, endorses, and approves infrastructure projects and investments; Drives strategic and operational changes required within the Agency to implement the Managed Distributed Environment Program; and Acts as a change agent to leverage the IT investment in the delivery of the Agency’s services. ITB works closely with Headquarters branches and regions to improve governance over local IT initiatives in order to leverage local innovation, while ensuring diligent application of security and privacy policies and continued alignment between local needs, national application, and overall IT strategy. ITB provides functional direction in the implementation of IT programs and projects in support of the CRA mandate. 	<ul style="list-style-type: none"> AMC/RIMC/SDC/OPC terms of reference/decisions Board of Management – Resources Committee TIAC decisions/minutes CRA IT Strategy

Expectation (e): 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	Sources of Evidence
<ul style="list-style-type: none"> Do IT investment plans support the priorities of the Agency and are they thereby integrated into the Agency business plans? 	<ul style="list-style-type: none"> Information technology is a core part of the CRA's business, and is fundamental to the delivery of the CRA's programs and services. The Agency business plans rely on reliable, secure, sustainable, efficient, and effective IT services. IT ensures service levels are met within the budget allocation. The CRA IT Strategy is driven by and supports the CRA's CBP priorities for the same period. IT priorities in the CBP include improving the alignment between our business and IT programs; continuing to prudently leverage current and emerging technologies to position the CRA to meet its challenges; and enhancing sustainability and responsiveness through our sustainability assessment initiative and our long-term capital investment plan. The strategy lays out the role IT plays in providing better service to Canadians and in contributing to efficient and effective delivery of government programs. It outlines the collaborative approach ITB takes to support the CRA's effective response to the increased demands and changing needs of our business clients and colleagues that rely on ITB and the CRA IT community to deliver trusted and reliable products and solutions. The CRA IT Strategy documents the key activities undertaken by IT and supported through ITB base funding, inter-branch funding, and investment plan funding. Investments in Human Resources are directed towards developing and maintaining a high performing IT workforce. IT Renewal is a key initiative in ensuring an engaged workforce. 	<ul style="list-style-type: none"> CBP CRA IT Strategy RIMC Investment Plan
<ul style="list-style-type: none"> Does the Agency make use of the appropriate measurement tools to guide IT decisions? 	<ul style="list-style-type: none"> ITB is in the process of developing a performance measurement framework that will allow the IT program to strengthen and build the foundation for successful IT performance reporting. In conjunction with TBS, using industry best practices as a guide, we are developing potential indicators that will, over time, measure efficiency, effectiveness, innovation, transparency, and risk of the IT program at the CRA. 	<ul style="list-style-type: none"> CRA IT Strategy Performance Measures Infrastructure Metrics Solutions Metrics

Management Performance Measures

Are we managing information technology risks well? Are adequate business continuity plans in place to mitigate the effects of a processing interruption?

- CRA Web Applications were down for a total of 90H:34M as at Q2:
 - Fifteen – Severity 1 Disruptions for 81H:31M; and
 - Three – Severity 2 Disruptions for 9H:03M

How does the Agency ensure that IT investments are managed to ensure value?

- Observances from the Application Support Benchmark Report indicate:
 - Staff productivity for CRA is 21% higher than comparable tax organizations;
 - Compared to other industries, CRA relies on reliable and conservative technology, lower software/hardware costs, and the predominant use of employees rather than contractors; and
 - CRA's lower cost is a result of their higher productivity and lower cost/FTE compared to other tax organizations.

Rating Scale	Board's Assessment and Related Comments	Next Steps
Strong	Strong <ul style="list-style-type: none"> • Active partnerships with other government departments are required, in order to help mitigate risks. 	<ul style="list-style-type: none"> • Disaggregate management expectations with respect to management of information technology to all separate ratings of component elements. • Consider separating the discussion on business continuity from that on the long-term strategic risks for IT.
Acceptable		
Opportunity for improvement		
Attention required		

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.

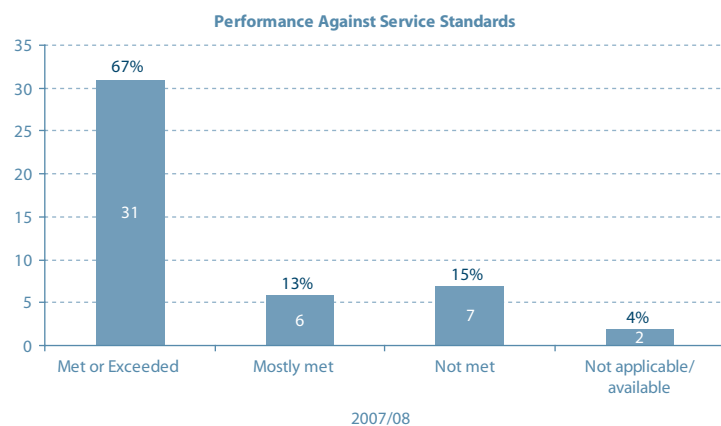
Related Key Questions	Evidence	Sources of Evidence
<ul style="list-style-type: none"> Does the Agency have an approved service strategy and an inventory of its services? 	<ul style="list-style-type: none"> CRA Service Strategy was approved by the Board on December 9, 2008, and will be implemented over a three-year period, beginning April 1, 2009. Performance against objectives and the status of key activities by initiative will be reported annually, and the Service Strategy will feed into both the CBP and the CRA annual report. The Service Strategy was preceded by the CRA Service Inventory—a high-level snapshot of current CRA services, channels, and taxpayer segments. Corporate oversight and management of services and service priorities is provided through corporate committees. Specifically, the OPC oversees the program development and delivery of the Agency's core business of tax and benefit administration. The SDC may also be consulted in early stages of initiatives or transformations, and RIMC is responsible for oversight of large projects. The Director General Service Committee (DGSC) is mandated to guide and advise on the development and implementation of CRA enterprise-level service priorities, objectives, and strategies, and thus plays a leadership role in the horizontal management of service issues for the Agency. 	<ul style="list-style-type: none"> Board minutes for September 2007 and December 2008 SDC minutes for September and December 2008 CRA Service Strategy (December 2008) CRA Service Inventory (September 2007) DGSC Terms of Reference DGSC Records of Discussion for May, June, July, September, and October 2008

Rating Scale	Board's Assessment and Related Comments	Next Steps
Strong Acceptable Opportunity for improvement Attention required	<p>Acceptable</p> <ul style="list-style-type: none"> Service strategy appears strong but will require maturation and monitoring in order to evaluate success. 	

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	Sources of Evidence
<ul style="list-style-type: none"> Do performance targets exist for key service elements, and are they used for public reporting and management accountability? 	<ul style="list-style-type: none"> As of February 2009, the Agency had 47 service standards related to tax, benefits, appeals, and corporate service programs. Performance targets for new and modified service standards are approved through the CBP. Performance against identified service targets is reported publicly in the AR, the DPR, the CRA Web site, and internally in the Service Standards at a Glance document. Achievement of selected service standards is a key measure in several EC performance agreements. To increase visibility and transparency, two service standard documents were posted on the CRA Web site in 2008-2009: <ul style="list-style-type: none"> Current Year Service Standards 2008-2009 – Provides information on service standards in effect in 2008-2009, including performance targets and access and delivery channels. Performance Against Our Service Standards 2002-2007 – Provides historical data on performance against our service standards for the period 2002-2003 through 2006-2007 for the service standards in effect during one or more of those years. 	<ul style="list-style-type: none"> CBP/RPP/DPR/AR Service Standards at a Glance Guidelines to Complete Executive Cadre Performance Agreements for 2008-2009 Quarterly Performance Reports Current Year Service Standards 2008-2009 Performance Against Our Service Standards 2002-2007

Management Performance Measures



Management performance will be demonstrated by trending the results of targets met for key service elements.

- The 2007-2008 data will be used as the benchmark for analysis and performance discussion in subsequent BoMOF assessments.

Rating Scale	Board's Assessment and Related Comments	Next Steps
Strong	Acceptable	<ul style="list-style-type: none"> • Posting of Service Standards At a Glance information on the CRA Web site to further increase transparency. • Service Standard Review Project - Identify and address potential gaps where new standards could be implemented and where existing standards require improvement, modification, or elimination in order to be meaningful and useful to clients. • Expand Web presence of service standards.
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 ongoing monitoring of performance against service targets.

Related Key Questions	Evidence	Sources of Evidence
<ul style="list-style-type: none"> Is performance against service standards monitored on an ongoing basis? 	<ul style="list-style-type: none"> Performance against published service standards is monitored on regular basis: <ul style="list-style-type: none"> Annually to AMC and the Board via "Service Standards at a Glance", which analyzes performance against standards in relation to fluctuations in program volumes; Quarterly to all Agency staff via the CRA intranet report "Service Standards – Interim Results". In this way, Agency managers are provided with regular management information regarding performance against select pre-established program standards and targets, allowing them to shift resources to those areas needing attention or to emerging pressures. The Corporate Strategies and Business Development Branch works closely with service standard "owners" in relevant branches on the development or modification of standards and targets. Service standard owners continuously monitor performance against their standards and report on it through the Performance Measurement Program System. Each branch is required to submit an annual narrative on performance against their service standards for Service Standards at a Glance. The document is reviewed and approved by AMC and is used as a management tool. The OPC oversees program development and delivery of Agency core business and is the forum for discussion and management of the Agency's day-to-day business. The OPC reviews the Agency's quarterly performance reports to address or make recommendations in regard to identified or anticipated program challenges. 	<ul style="list-style-type: none"> AR Service Standards at a Glance Service Standards – Interim results Quarterly Performance Reports

Rating Scale	Board's Assessment and Related Comments	Next Steps
Strong	<p>Strong</p> <ul style="list-style-type: none"> Issues related to services results are identified and acted upon. 	
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	Sources of Evidence
<ul style="list-style-type: none"> Do service users have available a readily accessible service redress mechanism? 	<ul style="list-style-type: none"> The Taxpayer Bill of Rights, CRA-Service Complaints, and the Taxpayers' Ombudsman add to the Agency's current recourse processes by adding a formalized Agency-wide system of recourse for the resolution of service complaints. The <i>2007-2008 CRA-Service Complaints Annual Report</i> was released in July 2008. It provides an overview of the program and a summary of statistical and analytical complaint information for the first year of operation. Internal structures are in place to address service related issues including the National Intake Centre, six centres of expertise, Service Complaints Office in Appeals Branch at Headquarters, and the CRA-Ombudsman Liaison Office. CRA is currently developing a systemic issue identification database to identify and track trends and issues that affect service delivery. The Taxpayers' Ombudsman will release an interim report in early 2009 to provide an update on the activities performed during the first 11 months of operation. The first annual report is due by December 31, 2009. 	<ul style="list-style-type: none"> CRA-Service Complaints Annual Report Systemic Issue Identification Framework

Management Performance Measures

Do service users have available a readily accessible service redress-mechanism?

- 2,263 service complaints finalized for the period of April 2008 to January 2009
 - 40% of complaints were upheld
 - 35% of complaints not upheld
 - 15% of complaints partially upheld
 - 10% of complaints were withdrawn
- Based on last years' data, 400 more complaints are projected to be finalized by year-end with the same breakdown noted above.

Rating Scale	Board's Assessment and Related Comments	Next Steps
Strong	Strong	<ul style="list-style-type: none"> Performance measures to address things such as the timely resolution of service complaints and inventory levels are to be developed.
Acceptable		
Opportunity for improvement		
Attention required		

Expectation (e): The Board must assure itself that the Agency has established a sound management framework for the services it delivers including an appropriate methodology for measuring taxpayer and benefit recipient satisfaction.

Related Key Questions	Evidence	Sources of Evidence
<ul style="list-style-type: none"> Is client satisfaction measurement undertaken by the Agency according to a sound methodology? 	<ul style="list-style-type: none"> Targeting specific aspects of service or specific audiences becomes more difficult, and due to the <i>Privacy Act</i> and the <i>Income Tax Act's</i> Section 241 provisions, sometimes impossible. On February 13, 2008, the federal government announced a number of new restrictions on contracting public opinion research (POR), including a reduction in POR spending, and a need for ministerial approval on all POR plans. As a result, the CRA has only received approval to contract five projects so far this fiscal year. Two of the projects touch on satisfaction: <ul style="list-style-type: none"> 2008 Annual Corporate Survey – Based on the sampling method devised for the baseline study conducted in 2005, an approach peer-reviewed by PWGSC and the PCO. Web site business user survey – A telephone survey of businesses and intermediaries – measuring users' awareness and use of CRA Web-based services, and their experience and satisfaction with the Web site. The 2008 Annual Corporate Survey is complete. Results of the study of Web site business users should be available by the end of the fiscal year. The survey reveals that the CRA is continuing to maintain a consistently positive public image. Overall satisfaction with a recent service contact has not changed and complete satisfaction with key service aspects has either remained stable or slightly increased since a slight dip in 2007. 	<ul style="list-style-type: none"> Client satisfaction survey Annual Corporate Survey

Management Performance Measures

Is client satisfaction measurement undertaken by the Agency according to a sound methodology?

CRA Annual Corporate Survey (July 2007 – June 2008)

- 61% of Canadians who contacted the CRA at some point during the past year are satisfied with the overall service received (35% very satisfied, 26% somewhat satisfied, 18% neither satisfied or dissatisfied, 7% somewhat dissatisfied, 12% very dissatisfied)
- 56% are satisfied with the timeliness of that service (29% very satisfied, 27 % somewhat satisfied, 19 % neither satisfied or dissatisfied, 9% somewhat dissatisfied, 13% very dissatisfied)

Management performance demonstrated by trending the results of satisfaction rates for overall service quality, increase in the volume of self-service, and decrease in the number of complaints received and upheld.

- Reporting to begin in 2009-2010

Rating Scale	Board's Assessment and Related Comments	Next Steps
Strong	<p>Strong</p> <ul style="list-style-type: none"> The Agency's ability to do extensive research on public views is inhibited by new policies on the conduct of public opinion research. 	<ul style="list-style-type: none"> Consider revising the questions.
Acceptable		
Opportunity for improvement		
Attention required		

Management of Personnel

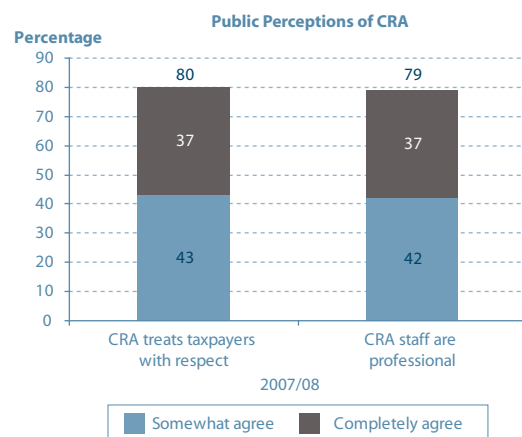
Expectation (a): The Board must assure itself that the Agency has a human resources management regime that promotes Canada Revenue Agency values and ethics.

Related Key Questions	Evidence	Sources of Evidence
<ul style="list-style-type: none"> Do employees believe that CRA leaders foster a culture that is consistent with CRA values? 	<ul style="list-style-type: none"> The CRA uses an employee survey to collect feedback on employee assessment of values and ethics (V&E) at the Agency. Favourable results were found in the 2005 survey. The 2008 employee survey was launched in November 2008 and results are expected in spring 2009. Accountability for V&E is well-rooted within the Agency, as managers are responsible for supporting a V&E culture and specific commitments related to V&E are included in both EC and MG performance agreements. CRA executive leaders communicate and address values and ethics in several ways, including: <ul style="list-style-type: none"> The Trust and Integrity InfoZone site (launched 2003) which provides employees with up-to-date information on policies and guidelines; and Regular employee communications on values and ethics are distributed by senior managers (for example—commissioner). The communications include information on policies, procedures, training, and mechanisms for addressing questions and concerns. CRA has in place sound disciplinary procedures. Where breaches are suspected, investigations are launched by Internal Affairs. 	<ul style="list-style-type: none"> Trust and Integrity Web site Guidelines to Complete Executive/ Cadre Performance Agreements for 2008-2009 CRA Employment Survey
<ul style="list-style-type: none"> Does the public believe that CRA employees exhibit the values of professionalism and respect? 	<ul style="list-style-type: none"> The 2008 Annual Corporate Survey reveals that the CRA is continuing to maintain a consistently positive public image. <ul style="list-style-type: none"> Complete agreement with statements about the CRA's integral values has returned to or achieved the highest levels since tracking began. Agreement remains strongest for "character" values such as confidentiality and professionalism. 	<ul style="list-style-type: none"> Annual Corporate Survey

Expectation (a): The Board must assure itself that the Agency has a human resources management regime that promotes Canada Revenue Agency values and ethics.

Related Key Questions	Evidence	Sources of Evidence
<ul style="list-style-type: none"> Does the CRA take steps to foster and promote the values of the Agency? 	<ul style="list-style-type: none"> A V&E office is being created within the Human Resources Branch (HRB) to oversee the management of values and ethics for the CRA. One of the priorities of the V&E office will be to provide leadership and support to Agency executives and managers who are accountable for ensuring values and ethics are in place within the CRA. Various mechanisms are in place to promote CRA V&E including policies, communication tools and forums (for example—Web site) and training. Employees are provided with opportunities to give feedback directly to managers. Also they can use electronic mailboxes, such as ComDirect to provide comments. A (V&E) risk assessment has been completed in the context of the CRI, and specific actions have been developed to mitigate risks that may occur if employees do not adhere to values and ethics. Internal Audit assesses the effectiveness, efficiency, and compliance of the organization's performance, which includes values and ethics adherence. The Internal Affairs and Fraud Prevention Division investigates breaches of conduct. 	<ul style="list-style-type: none"> Audit Governance of the Values and Ethics Environment Trust and Integrity Web site CRA Policies CRI
<ul style="list-style-type: none"> Is the CRA workforce guided by CRA values and ethics? 	<ul style="list-style-type: none"> Tools are in place within the Agency to articulate the organization's policy and practices pertaining to V&E. These include: <ul style="list-style-type: none"> CRA Code of Ethics and Conduct; CRA Conflict of Interest Policy; Preventing and Resolving Harassment in the Workplace; Gifts, Hospitality and Other Benefits Policy; and Conflict Resolution Policy. Work is presently being undertaken to review and update the policies as necessary. Using the results of the 2005 employee survey, the CRA developed a national action plan, approved by AMC, to address certain issues and improve the workplace for employees. Amongst the action items are initiatives targeting staffing, career development, leadership, harassment and discrimination, and workplace well-being. The action plan was fully implemented and closed in June 2008. Since the introduction of the new <i>Public Service Disclosure Protection Act</i> (April 15, 2007) the CRA has appointed a senior disclosure officer to receive disclosures made under the new act. All employees have been informed of the new legislation as well as the existence of the senior disclosure officer for CRA. The Internal Affairs and Fraud Prevention Division is responsible for conducting investigations falling under the new legislation. 	<ul style="list-style-type: none"> CRA Policies Guidelines to Complete Executive Cadre Performance Agreements for 2008-2009 Manager's Charter National Conflict Resolution Office Web site Internal Affairs Summary of Investigation Activity Internal Disclosures Office Web site

Management Performance Measures



Is the CRA workforce guided by CRA values and ethics?

- There were 94 completed internal investigations involving employee misconduct by September 30, 2008, compared to 78 completed investigations at that time in 2007. This compares to a total workforce of approximately 44,000 employees as of March 31, 2008.

Management performance will be demonstrated by trending the results of public perceptions of the CRA regarding respect and professionalism as revealed in the annual corporate survey.

- The 2007-2008 data will be used as the benchmark for analysis and performance discussion in subsequent BoMOF assessments.

Rating Scale	Board's Assessment and Related Comments	Next Steps
Strong	Strong	<ul style="list-style-type: none"> • Ensure that questions are appropriate and follow in a logical order.
Acceptable		
Opportunity for improvement		
Attention required		

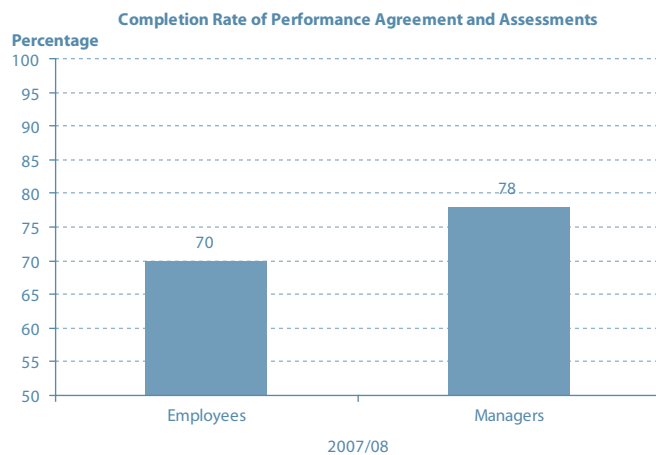
Expectation (b): The Board must assure itself that the Agency has a human resources (HR) management regime, which both maintains a workforce that is productive and adaptable, and effectively manages employee performance through the use of best practices.

Related Key Questions	Evidence	Sources of Evidence
<ul style="list-style-type: none"> Does the Agency's workforce meet ongoing and new business goals? 	<ul style="list-style-type: none"> The 2008-2009 to 2010-2011 Agency Workforce Plan (AWP) is a strategic document based on the business needs outlined in the Agency's CBP. Action plans have been developed over the course of the year to address the HR challenges outlined in the AWP. Several initiatives have been implemented to address the challenges (for example—the learning policy suite is currently being rewritten to clarify and strengthen roles and responsibilities for the Agency's investment in employee development). Some of the actions planned as part of the AWP extend beyond the current fiscal year and the details of those plans will be provided in the next version of the AWP. The 2009-2010 to 2011-2012 AWP is currently being developed and it will be communicated within the Agency by the end of March 2009. Three key human resources management challenge themes have been identified: succession planning and knowledge transfer; targeted investment in employee development; and reducing the time to staff and strategically recruit. The plan will contain specific actions/activities to address these themes. The Workforce Change Advisory Group (WCAG) examines the potential impacts of current and future business changes on the workforce and develops options for strategies to deal with these changes, to achieve the best results possible, and to minimize impacts on business lines and employees. 	<ul style="list-style-type: none"> 2008-2009 to 2010-2011 AWP Quarterly Performance Reports Agency Report Card on Learning
<ul style="list-style-type: none"> Does the Agency demonstrate best practices in managing employee performance? 	<ul style="list-style-type: none"> CRA's performance management program enables managers to optimize the performance and development of their employees in working towards attaining individual and team objectives that are aligned with CRA strategic outcomes. CRA has been recognized as a leader in performance management and has been used as an example for effectively managing employee performance as part of the Public Service Renewal initiative. The CRA 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, providing ongoing feedback, and linking employee performance to talent management in order to drive organizational success. CRA has identified five priority areas for improvement in the employee and MG performance management process: Ease the process for managers; Tools and support for working with performance issues; Accountability for managers; Consistency through review committees; and Cycle timing. Plans to address these areas have been developed. 	<ul style="list-style-type: none"> Performance Management Regime Completed Performance Agreements and Assessments Individual Learning Plans Manager's Corner MG Focal Point
<ul style="list-style-type: none"> Does the Agency demonstrate best practices in managing employee performance? cont. 	<ul style="list-style-type: none"> Mandatory review committees monitor and report on the MG performance process to ensure consistency, quality, and fairness in its application. Additionally, HRB completes an annual review of the employee and MG cycles. Reports are presented to AMC on the results and recommendations for ensuring the performance management process is furthering organizational objectives are also made. The 2007-2008 report is in development. 	

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

Related Key Questions	Evidence	Sources of Evidence
•	<ul style="list-style-type: none"> AMC conducts a rigorous review of EC performance ratings to ensure that performance pay is delivered as a reward for results and not as an entitlement. The actual distribution of ratings for the previous performance cycle fell within guidelines. In 2007-2008, the total cost of performance rewards for MGs and HR/RH equivalents amounted to \$6.5 million (compared with \$6.2 million in the previous year). 	

Management Performance Measures



Does the Agency's workforce meet ongoing and new business goals?

- CRA continues to invest in employee development and training. This investment helps ensure that the CRA workforce has the skills needed to meet business demands. At present, the Agency invests about 6% of its salary budget on learning.
- Management performance will be demonstrated by trending the results of the completion rates of employees and managers with performance expectations and assessments in place. (see chart)
- The 2007-2008 data will be used as the benchmark for analysis and performance discussion in subsequent BoMOF assessments.

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 and retains the right talent.

Related Key Questions	Evidence	Sources of Evidence
<ul style="list-style-type: none"> Does the CRA workforce have a sustainable capacity to perform its duties (for example— its size, mix of skills, and diversity of backgrounds)? 	<ul style="list-style-type: none"> EC Succession Planning ensures that a capable and representative executive cadre is continually ready and available for the changing business needs of the Agency. Succession plans for EC positions exist for each branch and region. Additionally, learning plans for potential successors focus on the EC leadership competencies, specific learning activities, timelines, and impediments to implementation. AMC reviewed succession plans and learning plans for potential successors in October 2008, with a follow-up to take place in February 2009. Non-EC succession planning guidelines have been developed and approval will be sought in February 2009. Pending approval, implementation of the guidelines will start in 2009-2010. The management development programs (MDPs) in place within the Agency are being expanded to ensure future capacity of leaders across the Agency. <ul style="list-style-type: none"> For the next fiscal year (2009-2010) we will be increasing our numbers of participants to 185 (from 152 in 2008-2009). We will continue to gradually increase the number of participants, reaching 212 in 2010-2011, 235 in 2011-2012 and 260 participants by 2013-2014. A Talent Management Policy was developed and approved by the Board on September. 23, 2008. As part of the implementation, work will be undertaken to align the Effective People Management component of MG accountabilities with talent management. Also, talent management will be integrated into existing leadership learning products, namely, Management/Gestion Learning Program. CRA continues to support Public Service Renewal, hiring students and post-secondary graduates through various established recruitment programs such as the Cooperative Education/Internship Program, the Management Trainee Program, and the Financial Officer Recruitment and Development Program, and through our specialized Auditor Apprenticeship Program, the Aboriginal Tax Officer Apprenticeship Program, and the Aboriginal Student Employment Program. As part of a government-wide initiative, the CRA participated in four PCO-led career fair pilots. In addition to promoting the government as a prospective employer, the objective of these career fairs was to test the application of "on-site letters of offer" and ultimately assess the viability of this recruitment tool. 	<ul style="list-style-type: none"> Branch/ Regional Succession Plans and Learning Plans Management Development Program Policy Non-EC Succession Planning Guidelines Key loss rates Ratio of indeterminate appointments to separations Retention rate by regions and groups Competency Based Human Resources Management (CBHRM) Talent Management Framework Career Management Web site (number of visits from February to November 2008: 87,200) Learning Week Web site (number of visits from September to November 2008: 15,792) 2008-2009 Second Quarter Performance Report

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

Related Key Questions	Evidence	Sources of Evidence
<ul style="list-style-type: none"> Does the CRA workforce have a sustainable capacity to perform its duties (for example— its size, mix of skills, and diversity of backgrounds)? cont. 	<ul style="list-style-type: none"> Fundamental steps towards advancing the Agency's CBHRM regime have been taken. Some of the advancements include: <ul style="list-style-type: none"> Pre-qualification processes (PQPs) became mandatory for all internal selection processes (where a job competency profile existed for the position being staffed); Work is underway to move to end-state pre-qualification processes for all internal selection processes by April 1, 2010; and End-state PQP pilots were initiated over the 2008-2009 fiscal year. 	

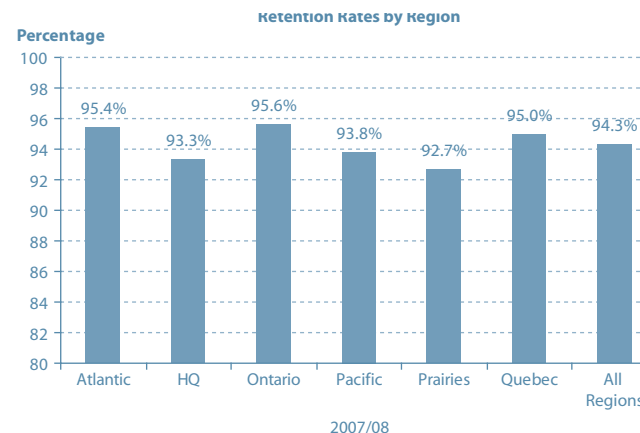
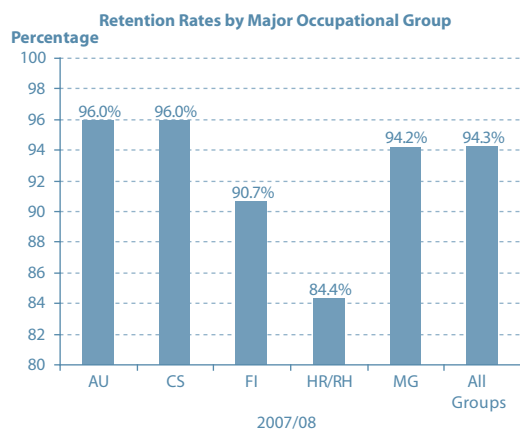
Management Performance Measures

Does the CRA workforce have a sustainable capacity to perform its duties (for example— its size, mix of skills, and diversity of backgrounds)?

- The CRA committed to hiring 300 new post-secondary graduates in 2008-2009 (20% of which would be from the visible minority group). At the end of the second quarter, the Agency had already hired 253 new graduates, suggesting that the target will be surpassed by year's end. 25% of these new hires self-identified as visible minorities.
 - From April 1 to September 30, 2008, the Agency bridged 51 students into permanent positions, already exceeding the number of students bridged for the entire 2007-2008 fiscal year.
- In 2007-2008 the ratio of indeterminate appointments to separations was 1.30, meaning that there was an increase in the CRA workforce. Furthermore, in the last fiscal year 70% of all indeterminate hires were internal while 30% were external.
- In 2007-2008, 54% of total losses were due to retirement, 27% of losses were due to exits to other government departments, and 19% of losses were due to other loss reasons (personal reasons, private-sector opportunities and death).
 - CRA had a total of 71 jobs (+ 10 co-op positions), 21 conditional job offers were made, 18 appointments have been confirmed to date (and currently 36 processes are still ongoing for the above-noted positions).
 - Public Service Commission (PSC)-PCO led career fairs are a viable recruitment tool. It is unlikely that the CRA would be able to generate the same magnitude of exposure or awareness on its own.
 - The on-site letter of offer tool will require further analysis and review.
- In 2007-2008, the average time to staff was 173 days. Due to a significant rise in the number of pre-qualified processes, limited planning prior to launching selection processes, and a less than optimal number of employees with portable competency results, Q2 results for 2008-2009 indicate that time to staff has increased to 183 days. Time to staff is calculated on a two-year period. As lengthier selection processes are completed, time to staff increases, and subsequently may impact this number. Time to staff will be included as a management performance measure in 2009-2010.

Management performance will be demonstrated by trending the results of Agency retention rates by region and retention rates by major occupational group.

- The 2007-2008 data will be used as the benchmark for analysis and performance discussion in subsequent BoMOF assessments. (see graph below)



Rating Scale	Board's Assessment and Related Comments	Next Steps
Strong	<p>Strong</p> <ul style="list-style-type: none"> • CRA has a low turnover rate but also a very high degree of internal movement of staff, thereby maintaining a healthy degree of innovation. • CRA's recruitment program is very strong, particularly with respect to post-secondary recruitment. 	
Acceptable		
Opportunity for improvement		
Attention required		

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

Related Key Questions	Evidence	Sources of Evidence
<ul style="list-style-type: none"> Does the CRA learning strategy align with Agency priorities and management improvement objectives? 	<ul style="list-style-type: none"> Corporate priorities and business line learning needs are communicated throughout the Agency. Timely and effective learning solutions are developed in partnership with the business lines to equip employees to deliver high-quality services to Canadians. This is accomplished by aligning learning with the Agency's business priorities. An updated learning policy will be presented, for approval, to the Board in March 2009. Planning of learning and evaluation directives are currently under development to enhance the strategic alignment of learning with business priorities and to clarify accountabilities in the processes involved. Employees' individual learning plans (ILPs) incorporate learning and development solutions that respond to both the individual's development and the Agency's business requirements. <ul style="list-style-type: none"> It is expected that over 90% of CRA employees will develop ILPs by the end of the fiscal year. EC learning plans focused on leadership competencies, specific learning activities/timelines, and impediments to implementation. The 2008-2009 to 2010-2011 AWP demonstrated the Agency's capacity to integrate human resources and business planning. Feedback received from the PCO regarding the AWP, in the context of the Public Service Renewal initiative, was positive. 	<ul style="list-style-type: none"> Human Resource Monitoring Reports Employee and MG Individual Learning Plans EC Learning Plans Guidelines to Complete Executive Cadre Performance Agreements for 2008-2009 2008-2009 to 2010-2011 AWP
<ul style="list-style-type: none"> Is the CRA workforce versatile, innovative, and continuously learning? 	<ul style="list-style-type: none"> As a key component of effective people management, managers are encouraged to support opportunities for employees to acquire new skills and knowledge and apply them on-the-job. As part of their annual learning planning processes, business lines identify future opportunities and challenges that require or may require learning and/or development interventions. Employees are thus able to acquire the competencies ahead of time that will support future business objectives. 	<ul style="list-style-type: none"> Agency Learning Policy and Learning Plan Investment in learning as a percentage of salary Quarterly Performance Reports Average training days per employee

Management Performance Measures

Is the CRA workforce versatile, innovative, and continuously learning?

- The CRA remains committed to the continuous learning of its employees in order to develop a skilled, capable workforce and to promote excellence in the workplace. This fiscal year-to-date (FYTD), the Agency has invested an average of seven days of training per employee. Currently, the total investment spent on learning is approximately \$100 million FYTD. As a percentage of payroll, this equates to 5.7% and is within range of the Agency's projected annual expenditure of 6%.

Management performance demonstrated by trending the results of Agency investment in learning as a percentage of payroll and average training days per employee. In 2007-2008, the CRA invested approximately \$161.5 million in learning (including language training) which represented 6% of salary budget.

- In 2007-2008, the Agency invested an average of 10 training days per employee.
- The 2007-2008 data will be used as the benchmark for analysis and performance discussion in subsequent BoMOF assessments.

Rating Scale	Board's Assessment and Related Comments	Next Steps
Strong	Strong <ul style="list-style-type: none"> • The CRA has addressed the concerns of the OAG with respect to auditors training. 	
Acceptable		
Opportunity for improvement		
Attention required		

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

Related Key Questions	Evidence	Sources of Evidence
<ul style="list-style-type: none"> Are employment and workplace practices fair and are labour relations effective? 	<ul style="list-style-type: none"> The Agency continues to focus on and maintain good workplace relations. A culture of constructive and collaborative relationships between unions and management is supported through the effective people management component of 2008-2009 MG and EC performance agreements, which includes specific reference to the Union Management Initiative (UMI). The Code of Ethics and Conduct is provided to all employees, and regular communications on conduct are disseminated within the Agency. Employees are encouraged to report collective agreement breaches, unethical or inappropriate behaviours, and any other workplace violations. CRA values are promoted through the Conflict Resolution Program. CRA remains available for discussions with the PIPSC-AFS negotiating team and continues to work towards achieving a settlement. CRA adheres to the collective agreement requirements for managing employee grievances. The number of grievances filed has remained relatively steady, and a significant proportion of open grievances have been closed. Through the establishment of the Human Resources Service Delivery Model, workplace relations centres of expertise have been established in each region. These centres include the Labour Relations, Conflict Resolution, and Employee Assistance Programs to support management in achieving a healthy and productive work environment. These programs are greatly involved in the development and maintenance of union/management relations through their day-to-day activities. 	<ul style="list-style-type: none"> Guidelines to Complete Executive Cadre Performance Agreements for 2008-2009 CRA Policies National Conflict Resolution Office Web site New Conflict Resolution Policy (September 2007) supported by both unions and management. Conflict Resolution Tracking Tool (provides data on promotional activities and services delivered as well as the number of UMI workshops delivered and participants having attended) Minutes from the National Union-Management Consultation Committee 2007-2008 Performance Targets Report

Management Performance Measures

Are employment and workplace practices fair and are labour relations effective?

- The Agency continues to foster working relations with the unions through the UMI initiative. The dialogue contributes to an environment where staff are comfortable bringing forward concerns. As of January 27, 2009, 371 sessions for UMI Phase 1 were delivered to 5,998 participants, and 158 for UMI Phase 2 were delivered to 2,230 participants.
- 942 grievances were filed in 2007-2008.
- 567 grievances filed as of Q2 for 2008-2009.
- CRA is committed to providing a healthy and safe working environment for its employees. In 2007 there were three CRA-related complaints and two refusals to work filed with Human Resources and Social Development Canada. For the 2007-2008 fiscal year, there were 280 disabling accidents (time lost) and 344 minor accidents (no time lost), for a total of 624 accidents.

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

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	Sources of Evidence
<ul style="list-style-type: none"> Does the workplace reflect appropriate official language balance? 	<ul style="list-style-type: none"> Canada Revenue Agency adheres to the <i>Official Languages Act</i> and the workplace continues to reflect the appropriate official language balance. As of April 2008, the Office of the Commissioner of Official Languages (OCOL) no longer distinguishes between "founded" and "unfounded" complaints. At December 31, 2008, CRA had received 14 complaints in total since February 1, 2008, 10 of which were related to service to the public, 3 to language of work, and 1 which was closed by OCOL due to an inability to receive from the complainant the information necessary to proceed with the complaint. The 2008-2011 CRA Action Plan for the Renewal of Official Languages addresses the Agency's weaknesses regarding the frequency of an active offer being made in person. 	<ul style="list-style-type: none"> Official Languages – Percentage of employees and supervisors meeting the language requirements of their bilingual positions Participation of English- and French-speaking employees reflects the Canadian population CRA Annual Report/Quarterly Performance Reports OCOL 2007-2008 Annual Report 2008-2011 CRA Action Plan for the Renewal of Official Languages
<ul style="list-style-type: none"> Do employment equity (EE) representation rates for employees and executives match or exceed labour market availability? 	<ul style="list-style-type: none"> On a national level, the representation of all four designated groups increased over the past year and continues to surpass their labour market availability. 	<ul style="list-style-type: none"> Employment Equity— representation rates compared to labour market availability (executives and non-executives) CRA Annual Report/Quarterly Performance Reports Strategic Direction for Employment Equity

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	Sources of Evidence
<ul style="list-style-type: none"> Does the CRA adhere to safe workplace conditions according to the <i>Canada Labour Code</i>? 	<ul style="list-style-type: none"> CRA continues to adhere to the <i>Canada Labour Code</i>. The Agency has established a National Policy Committee that meets at least four times per year. The minutes of all committee meetings are posted on InfoZone. Workplace committees are in place at all CRA work locations with 20 or more employees. These occupational health and safety (OHS) committees meet at least nine times per year. The minutes are posted at the workplace. A Hazard Prevention Program has been put in place to ensure all hazards are identified and necessary corrective actions are taken. Conflict Resolution services offer various informal alternatives to employees and managers in dealing with workplace issues, while never excluding the possibility of pursuing formal venues; typically, informal options offer more control over the outcome to the individuals involved in the conflict than formal recourse. The Employee Assistance Program provides short-term counseling, information, and referral services to all CRA employees. EAP also provides proactive training services to employees and managers to assist in the creation of healthy workplaces, as well as dealing with the psychological aspects of mental health, change, and stress. 	<ul style="list-style-type: none"> Canada Labour Code CRA OHS Policy OHS Web site EAP Utilization Rates-data on utilization of EAP counseling, Critical Incident Stress Management, and training and wellness services EAP Client Satisfaction Questionnaire results Employee Assistance Program Web site National Conflict Resolution Office Web site Employee Assistance Program Annual Report 2007-2008

Management Performance Measures

Does the workplace reflect appropriate official language balance?

- Of employees who report either official language as their first language, 76% of employees report English and 24% of employees report French, which reflects the composition of both linguistic groups in Canada.
- According to observations made by OCOL and published in its annual report, 2007-2008, the active offer was made 100% of the time over the telephone and 28% of the time in person. The active offer was made visually 98% of the time. Adequate service was provided in 97% of cases over the telephone, and in 74% of cases in person.

Do employment equity (EE) representation rates for employees and executives match or exceed labour market availability?

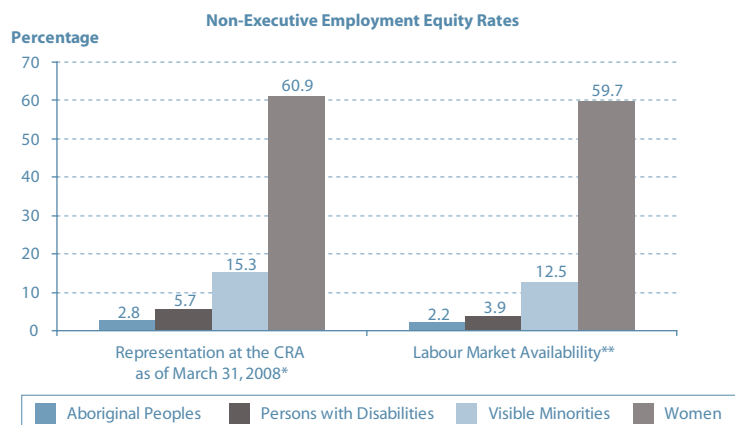
- Representation rate of visible minorities on management development programs continues to exceed the goal of 20% participation as set out in the Strategic Direction for Employment Equity. This should have a positive impact on their representation in the EC group over time.

Does the CRA adhere to safe workplace conditions according to the *Canada Labour Code*?

- 12.7% (5,308/41,904) of employees accessed the program's short-term counselling and information/referral services.
- 9.9% of managers, 7% of union representatives, and 3.8% of HR professionals made use of advisory services during the year.
- 15,929 employees attended over 360 information sessions and EAP sponsored wellness fairs aimed at promoting individual health and wellness practices.

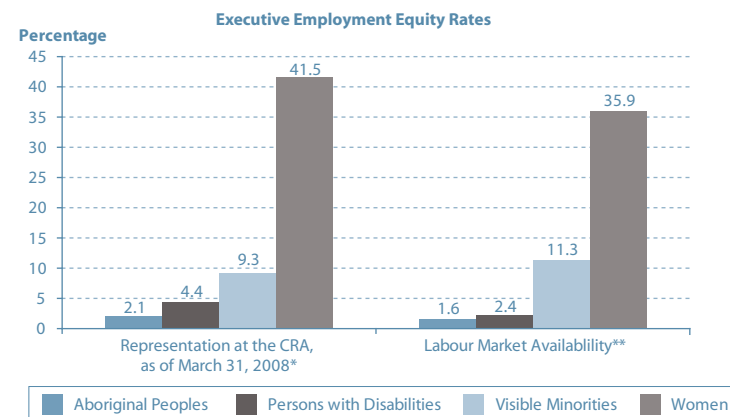
Management performance will be demonstrated by trending the results of the percentage of employment equity representation of self-identified employees (executive and non-executive levels) compared to their respective labour market availability.

- The 2007-2008 data will be used as the benchmark for analysis and performance discussion in subsequent BoMOF assessments.



*Representation at the CRA includes indeterminate employees, term employees over three months, and seasonal employees. The total does not include the Executive Cadre Group (EC 1-6).

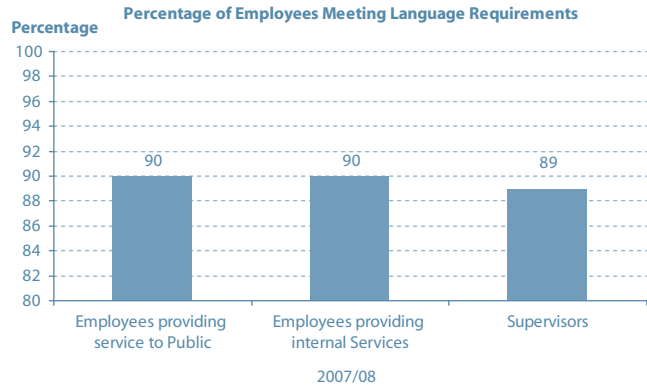
**The labour market availability (LMA) for Aboriginal Peoples, visible minorities, and women is from the 2001 Census of Canada. The LMA for persons with disabilities is from the 2001 Participation and Activity Limitation Survey (PALS).



* Internal Representation includes DM (1) and EC 1-6 (527).

** Labour Market Availability (LMA) for Aboriginal Peoples, visible minorities, and women is from the 2001 Census of Canada. The LMA for persons with disabilities is from the 2001 Participation and Activity Limitation Survey (PALS).

Management Performance Measures



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