

Board of Management Oversight Framework Assessment of Performance 2009-2010



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Introduction

Role of the Board of Management

While still part of the Public Service of Canada, the Canada Revenue Agency (CRA) has a unique governance structure. Under Section 31 of the *Canada Revenue Agency Act*, the Board of Management (Board) is responsible for overseeing the organization and administration of the Agency and the management of its resources, services, property, personnel and contracts. The Board therefore fulfills several of the management oversight functions for the CRA that the Treasury Board Secretariat does for regular departments.

Development of the *Board of Management Oversight Framework*

During 2006-2007, the Board oversaw the development of the Board of Management Oversight Framework (BoMOF), a key accountability instrument that complements the Treasury Board Secretariat's (TBS) Management Accountability Framework (MAF). The BoMOF sets out a clear list of management expectations, addressing directly the oversight responsibilities conferred on the Board under the *Canada Revenue Agency Act*. The BoMOF facilitates for the Board a comprehensive, annual overview of CRA management processes, practices, and results.

Structure of the BoMOF

The BoMOF is structured around the Board's five main Areas of Oversight as outlined in the CRA Act:

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

Each Area of Oversight is further structured according to the Board's Expectations for good management. Each Expectation is supported by Key Questions that further delineate good management practices and provide the basis for the Board's assessment of Agency management.

Annual Assessment of Performance

Each year the Board performs an Assessment of Performance (Assessment) against the BoMOF. The BoMOF Assessment is the most important function the Board fulfills. Traditionally, a sub-committee of the Board has been delegated full authority to perform the Assessment. During the assessment, sub-committee

members discuss management performance in-depth and further probe issues. Assistant Commissioners responsible for corporate functions falling within the Areas of Oversight are present at the Assessment to answer questions and provide context. The Assessment is then presented to the Board for its approval.

Performance information that has been presented to the Board throughout the year is compiled and summarized in the Assessment. Performance narratives and results are substantiated via a list of Sources of Evidence. The Assessment is performed at the Expectation level. Performance against each Expectation is given a rating of Strong, Acceptable, Opportunity for Improvement or Attention Required. Any corrective actions or follow-up required on the part of management are identified in the Next Steps. The Next Steps from the Assessment informs the Board's following year's Corporate Business Plan chapter, Strategic Planning Meeting, Commissioner's objectives with the Board, as well as the Board Plan and the committees' work plans.

Evolution of the BoMOF

Like the MAF and other management assessment instruments, the BoMOF will continue to evolve in concert with management best practices, as well as the management capacity of the CRA. Increased emphasis will continue to be placed on actual management results as the Agency's management systems and processes reach full maturation.

The BoMOF has been structured so as to not duplicate the TBS's MAF except in the areas of Information Technology, Financial Management and Enterprise Risk Management and Internal Accountability Structure. The Board maintains its decision to assess these areas given that they form key parts of its fiduciary oversight responsibilities. A comparison of MAF and BoMOF is provided at the end of this document.

What's New for 2009-2010

Some of the Expectations and Key Questions have been modified or combined for 2009-2010, in line with the Board's direction. In particular, increased focus has been placed on the inclusion of questions that deal with the actual results of management processes and systems. Some formatting changes have also been introduced, such as including the Board's rating and comments from the previous year's Assessment for each Expectation. The rating criteria for each Area of Oversight have been placed at the beginning of each respective section.

The CRA received its final MAF Round VII assessment results in late April. The Agency improved its rating from last year in Information Management, from Opportunity for Improvement to Acceptable. All other ratings remained the same. The results are as follows:

Management Accountability Assessment Ratings for CRA

	BoMOF Expectations	2007-2008	2008-2009	2009-2010	MAF – Areas of Management	2007-2008	2008-2009	2009-2010
Organization of the Agency	<ul style="list-style-type: none"> Internal Accountability Structure <i>Susan Bowen</i> 	ST	ST	ST	<ul style="list-style-type: none"> Corporate Management Structure 	AC	ST	ST
Administration of the Agency	<ul style="list-style-type: none"> Enterprise Risk Management <i>Stephen O'Connor</i> Program Evaluation <i>Patricia MacDonald</i> Internal Audit <i>Patricia MacDonald</i> Sustainable Development <i>Stephen O'Connor</i> 	AC	ST	ST	<ul style="list-style-type: none"> Corporate Risk Management Corporate Performance Framework Contribution to Government-wide Priorities Quality of Analysis in TB Submissions Quality of Performance Reporting 	AC	ST	ST
Management of Resources	<ul style="list-style-type: none"> Financial Management <i>Stephen O'Connor</i> Project Management <i>Stephen O'Connor</i> Asset Management <i>Stephen O'Connor</i> Procurement Management <i>Stephen O'Connor</i> Information Technology – Investments <i>Peter Poulin</i> Information Technology – Security <i>Peter Poulin</i> 	n/a	ST	ST	<ul style="list-style-type: none"> Financial Management and Control Information Management IT Management Management of Security & Business Continuity 	AC	AC	AC
Management of Services	<ul style="list-style-type: none"> Service Strategy <i>Susan Bowen</i> Service Performance Measurement <i>Susan Bowen/Sandra Lavigne</i> Service Redress Mechanism <i>Fred O'Riordan</i> 	AC	AC	AC	<ul style="list-style-type: none"> Citizen-focused Service 	AC	AC	n/a

Management Accountability Assessment Ratings for CRA

	BoMOF Expectations	2007-2008	2008-2009	2009-2010	MAF – Areas of Management	2007-2008	2008-2009	2009-2010
Management of Personnel	• Workforce	ST	ST	ST				
	• CRA Values & Ethics <i>Cheryl Fraser</i>	ST	ST	ST				
	• Learning <i>Cheryl Fraser</i>	ST	ST	ST				
	• Workplace Practices <i>Cheryl Fraser</i>	ST	ST	ST				

Explanation of MAF Ratings

Strong (ST)	No deficiencies in any of the measures and sustained performance for the indicator that exceeds Treasury Board Portfolio's (TBP) expectations and suggests continued strong performance
Acceptable (AC)	No significant deficiencies in any of the measures and meets (TBP) expectations
Opportunity for Improvement (OFI)	Moderate deficiencies, or deficiencies in some of the measures listed for the indicator and evidence of attention to the deficiencies and progress
Attention Required (AR)	Significant deficiencies, or deficiencies in most of the measures listed for the indicator and/or inadequate attention to the deficiencies
Source: Treasury Board of Canada	

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 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 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, 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 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 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.

Expectation: Internal Accountability – The Board must assure itself that the Agency has an appropriate internal accountability structure.

Key Questions	Response	Sources of Evidence
<p>How does the Board interact with senior management?</p>	<ul style="list-style-type: none"> • The staffing of the Deputy Commissioner position in 2009-2010 has allowed the Commissioner to work more closely with the Board of Management on key strategic issues like risk management. • The Board Chair and the Commissioner hold regular calls to discuss key issues. • The Commissioner provides an update on significant CRA activities at each Board in-person meeting and at each quarterly teleconference. • The Board is supported by a Legal Counsel provided by Justice Canada. Legal Counsel participates in all Board/Committee meetings. • Members of the Auditor General’s Office participate in all regular sessions of the Board’s Audit Committee. • Working through the Corporate Secretary, Board members have access to senior management. • Senior management participates in both the Board in-person meetings, its quarterly teleconferences and any other ad hoc meetings where required. • Senior management: <ul style="list-style-type: none"> • works with the Board and committee chairs to develop the committee and Board work plans and meeting agendas. • attends the committee and Board quarterly pre-brief meetings with the Board’s committee chairs to answer any outstanding questions prior to the committee/Board meetings. • is in attendance at the committee/Board meetings and teleconference calls for agenda items related to their respective area of management and at the Board’s annual Strategic Planning Meetings. • The Agency’s Chief Audit Executive participates in closed, in-camera sessions with the Board’s Audit Committee at each quarterly in-person meeting. • Notwithstanding the appointment of a new Minister, Commissioner, Deputy Commissioner and Senior Financial Officer, senior management interaction with the Board has remained effective. 	<ul style="list-style-type: none"> • <i>Canada Revenue Agency Act</i> • Canada Revenue Agency (CRA) Board of Management (Board) Governance Manual (including Committee Charters) • Board and Committee Work Plans • Strategic Planning Meeting-Agendas and Minutes • Infozone Committees page

Expectation: Internal Accountability – The Board must assure itself that the Agency has an appropriate internal accountability structure.

Key Questions	Response	Sources of Evidence
<p>Do robust senior management decision-making structures and processes exist?</p> <p>What processes exist to ensure management and the Board work collaboratively in pursuit of the Agency's business objectives?</p>	<ul style="list-style-type: none"> • Six corporate committees oversee the business operations and the strategic direction of the Agency, and are supported by the Corporate Secretariat. • The Agency Management Committee (AMC) oversees program development and delivery, as well as the day-to-day business operations of the Agency. All business items going before the Board of Management must first be tabled at AMC. • AMC serves as the principal forum for deliberations on operational issues and ensures consistency and coherence in program delivery. AMC meetings are scheduled weekly. In-person, full-day meetings are held at least once per quarter in Ottawa. AMC holds Strategic Planning Meetings once a year to formulate the CRA strategic agenda and assess overall performance. The Commissioner is the Chair of AMC. Membership comprises all direct reports to the Commissioner. • The Corporate Secretary: <ul style="list-style-type: none"> • ensures that there is a reliable information flow between the Board and senior management; • schedules preparatory meetings between senior management and committee chairs and the Board chair to coincide with Board meetings; • records and actions all follow-up actions requested by the Board. • The Board provides input into the performance assessments and performance objectives of the Chief Executive Officer (CEO), Corporate Audit Executive (CAE), Corporate Finance Officer (CFO), Chief Information Officer (CIO) and ACs of Human Resource Branch (HRB) and Corporate Strategies and Business Development Branch (CSBDB) and the Corporate Secretary. • Agency Management works with the Board to develop priorities for the planning cycle during the Corporate Business Plan development process, and participates in the Board's own yearly Strategic Planning Meeting. 	<ul style="list-style-type: none"> • Performance objectives and assessments of the CEO, CAE, CFO, CIO and ACs of HRB and CSBDB • Corporate Business Plan

Expectation: Internal Accountability – The Board must assure itself that the Agency has an appropriate internal accountability structure.

Key Questions	Response	Sources of Evidence
<p>Are accountabilities of executives aligned with corporate plans, priorities and Board objectives?</p> <p>Does the alignment of accountabilities with plans, priorities and Board objectives support the horizontal effectiveness of the Agency?</p>	<ul style="list-style-type: none"> • The Board sets annual performance objectives for the Commissioner and provides input into the performance agreements of the CFO, CAE and CIO. • The Board conducted the annual assessment of two CEOs' performance in 2009-2010, which will be submitted to the Clerk of the Privy Council; and provided input into the performance assessment of the noted senior executives for 2009-2010. • The Board performed a mid-year assessment of progress against the objectives set for the Commissioner for 2009-2010. • Each year a list of mandatory commitments is developed and distributed to all Agency Executives (ECs) in the form of a Foundation Table and accompanying Guidelines, in order to ensure Agency priorities are translated into action and accountabilities are assigned. <ul style="list-style-type: none"> • Commitments for all categories must be accompanied by examples of performance measures in each Executive Cadre (EC) Performance Agreement (PA). • To assist ECs in identifying appropriate performance measures, the guidelines for each commitment include examples of specific measures or other references to aid in the development of measures. • A mid-year (December) review is part of the EC performance management process that ensures a discussion on performance between ECs' and their superiors. • A flow chart outlining the EC performance management process will be presented at the Board's June 2010 meeting, as identified in the 2008-2009 next steps. • Executive performance agreements address performance gaps noted in the Annual Report. • The Corporate Business Plan (CBP) identifies the CRA's priorities and deliverables that feed into senior managers' performance commitments. 	<ul style="list-style-type: none"> • Board of Management Private /In-Camera sessions at the March Board meetings • Commissioner's Key Priorities, Measurable Outputs and Time Frames for Fiscal Year 2009-2010 • 2009-2010 EC Performance Commitments Foundation Table • Performance Agreement Analysis • CRA Corporate Business Plan 2010-2011 to 2012-2013

	2008-2009	2009-2010
Board's Assessment and Related Comments	<p>Strong</p> <p>Consideration should be given to assessing the effectiveness of horizontal management throughout the Agency.</p>	<p>Strong</p> <p>Management has undertaken a review of governance structures and will be implementing changes to those structures.</p>
Next Steps	<p>For 2009-2010, emphasis is being placed on continually improving the quality of performance measures in EC Performance Agreement guidelines. Status: Completed.</p> <p>The due date to receive all 2009-2010 EC agreements is being advanced 2 weeks to May 30th. 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. Status: Completed.</p> <p>A flow chart will be shared with the Board outlining the EC performance management process. Status: Presented to Board at June 2010 meeting.</p>	<p>The Board will review the changes and take action in areas where it can add value.</p>

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 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. Effective 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 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 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 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.

Expectation (a): Risk Management – The Board must assure itself that the Agency follows sound enterprise risk management practices.

Key Questions	Response	Sources of Evidence
<p>What measures are in place to ensure that enterprise risks are being assessed and addressed?</p>	<ul style="list-style-type: none"> • The Canada Revenue Agency (CRA) uses a systematic and comprehensive approach to managing risks at all levels in and across the organization to ensure that risks from all sources are addressed from an organization-wide perspective. • At its November 2009 Strategic Planning Meeting, the Board strengthened its risk governance role to ensure effective risk direction and oversight. • In December 2009, a Chief Risk Officer (CRO) position was created to provide independent, objective risk information to the Commissioner and the Board of Management. The CRO will be staffed at the Assistant Commissioner level, will report directly to the Commissioner, and will report regularly to the Board. • An ongoing environmental scanning function is in place within the Enterprise Risk Management (ERM) Program to provide information which may affect the Agency's risk context. 	<ul style="list-style-type: none"> • CRA Risk Management (RM) Process and Tools • CRA Risk Environmental Scan (included in the Corporate Risk Inventory) • Corporate Risk Inventory – 2009 • CRA Risk Action Plan – 2009 (will be presented to the Board of Management in March 2010) • Commissioner's Key Priorities, Measurable Outputs and Time frames for Fiscal Year 2009-2010 with the Board of Management • Risk Monitoring and Reporting Strategy • 2009-2010 Guidelines to Complete EC Performance Agreements <p>ERM Joint Template for the development of Action Plans</p>

Expectation (a): Risk Management – The Board must assure itself that the Agency follows sound enterprise risk management practices.

Key Questions	Response	Sources of Evidence
<p>What measures are in place to ensure that enterprise risks are being assessed and addressed? Cont'd.</p>	<ul style="list-style-type: none"> • A Corporate Risk Inventory (CRI) is developed every two years (and updated during off-cycle years) using the CRA RM Process and Tools. • The CRI is based on the extensive analysis of the information generated from the risk assessments conducted in all Headquarters (HQ) branches and the following regions: Prairies, Ontario and Quebec. • An Assistant Commissioner level steering committee, chaired by the CFO/CRO, was engaged in discussions to provide guidance and to validate the CRI. • The Agency Management Committee (AMC) confirmed the risk information in the CRI and evaluated each corporate risk (voted on the likelihood and impact of the 14 risks). Agency Management Committee (AMC) also identified risk sponsors and strategies for addressing the 14 risks in the inventory. • The CRA Risk Action Plan – 2009 was developed in February 2010. This companion document to the CRI provides the response strategies for addressing all risks in the CRI. The overall objective of the plan is to ensure that the right approaches for reducing, maintaining, or controlling the growth of the Agency's risk exposure are implemented. • A risk monitoring and reporting approach is being implemented in a phased-in approach. Phase I of implementation will be completed in March 2010. It is considered a first step in formalizing the risk reporting and monitoring process. It encompasses the following two elements: 1) reporting on the progress of the implementation of the risk response strategies set out in the CRA Risk Action Plan – 2008 (scheduled to be presented to the Board in March 2010); and 2) developing measures to track CRA's performance against the strategies described in the CRA Risk Action Plan – 2009. This responds to a next step identified by the Board in the 2008-2009 BoMOF-Assessment of performance. • Work on the Update to the CRI – 2009 began in January 2010 and will conclude in June of the same year. 	

Expectation (a): Risk Management – The Board must assure itself that the Agency follows sound enterprise risk management practices.

Key Questions	Response	Sources of Evidence
<p>What measures are in place to ensure that enterprise risks are being assessed and addressed? Cont'd.</p>	<ul style="list-style-type: none"> • Risk Management is included in the Commissioner’s 2009-2010 priorities with the Board of Management, thereby ensuring that risks in the CRA are properly managed and integrated in all aspects of the Agency’s decision-making. • Risk Management was a mandatory commitment for all ACs in the 2009-2010 Executive Cadre (EC) Performance Agreements and is in the 2010 Foundation Table. • The ERM team has begun to establish networks within the organization to foster a culture of “integrated” risk management and continuous learning. For example, the Compliance Review II (CR II) Working Group was established to ensure that the tax programs and corporate approaches for managing strategic and operational risks are aligned and based on best practices. Both the CR II and ERM groups discussed best practices in risk management and brought different sets of risk expertise to the table. For the first time at the CRA, the development of risk strategies for addressing key compliance risks will have been based on a 100 percent concerted effort between various programs and the ERM Team. • Responding to a next step identified by the Board in the 2008-2009 BoMOF-Assessment of performance, the implementation of the Risk Management Learning Strategy began in the spring of 2009, with the following initiatives: <ul style="list-style-type: none"> • Roll-out of the 1.5 day Risk Management in-class course designed for senior managers (MGs and EC-01/02s) began in March 2009. A regional network of facilitators was established (6 trained facilitators) to work with ERM subject matter experts in delivering the course. In total, 12 session courses were delivered and approximately 220 senior managers attended (which is above the Strategy target of 160). • Provision of RM subject-matter experts as part of the Management Group Learning Program (MGLP). • The Agency is in the process of appointing a dedicated Chief Risk Officer. • All AMC sub-committee mandates are being revisited to ensure that they include RM as a specific element. • Posting of new products on the ERM InfoZone website, including the risk management guidelines, revised vision/mission/mandate, frequently asked questions, and the 2009 environmental scan. • Delivery of RM awareness/information sessions to groups across the Agency (e.g., ERM WebEx sessions delivered in February 2010). • Provision of support to many groups in the Agency seeking help with undertaking a risk assessment including coaching, facilitating, providing information to reviewing documents, etc. 	

Expectation (a): Risk Management – The Board must assure itself that the Agency follows sound enterprise risk management practices.

Key Questions	Response	Sources of Evidence
<p>Does the management of risks influence planning, priority setting and allocation of resources in the Agency?</p>	<ul style="list-style-type: none"> • The RM process is aligned with the strategic planning cycle at the Agency. Risk information generated at the corporate level is used to inform the discussion during the CRA Agency Management Committee (AMC) Strategic Planning Retreat. Both the CRI and the CRA Risk Action Plan play a key role in influencing priorities for the Agency. • Risk information generated through the CRA Enterprise Risk Management (ERM) approach continues to be embedded into the CRA Corporate Business Plan (CBP) and Annual Report. The integration of the CRA risks into the CBP shows that Agency risks are being addressed at multiple levels in the organization. • Since the development of the first CRI (in 2007) and its companion document, the CRA Risk Action Plan – 2008, a number of risk response strategies have influenced planning decisions affecting policy direction and program design. For example: <ul style="list-style-type: none"> • The structure for the CRA strategic investment planning process was modified based on a project portfolio approach (Risk #4 – Resourcing); • The CRA Workforce Plan was developed – this plan will be pursued over the next three years to achieve the integration of business and human resource planning, an essential component of workplace excellence (Risk #9 – Human Resources Capacity and Capability); • The Emergency Management (EM) Program is undergoing a major change in terms of direction. A key expectation of the EM Program Strategy is that the organization’s ability to respond to and manage emergencies will be focused on a horizontal assessment of key services and interdependency awareness (Risk #13 – Key Services Disruption); • A CRA Internal Fraud Policy was developed and implemented (Risk #10 – Values and Ethics); and • A strategy to strengthen the security program was developed (Risk #16 – Protection of Information). • RM is entrenched in the Resource and Investment Management Committee (RIMC) process and is a specific requirement for all major investment projects. <ul style="list-style-type: none"> • Projects brought forward for RIMC consideration are required to: 1) describe the linkages between the projects’ objectives and desired outcomes and key corporate risks as identified in the CRA, and 2) identify project level risks and mitigation strategies. • Allocations of functional budgets are aligned with Agency mandated workload and key priorities. As risk information is used to inform priority setting and corporate business planning, resources are therefore assigned according to the needs of the organization. 	<ul style="list-style-type: none"> • Agenda for Strategic Planning Retreat • Corporate Business Plan • ERM MAF Submission 2009-2010 • RIMC Guidelines • Corporate Audit and Evaluation Plan • Risk Monitoring and Reporting Strategy

Expectation (a): Risk Management – The Board must assure itself that the Agency follows sound enterprise risk management practices.

Key Questions	Response	Sources of Evidence
<p>Does the management of risks influence planning, priority setting and allocation of resources in the Agency? Cont'd.</p> <p>Does the Agency have a mechanism in place to monitor the effectiveness of the strategies outlined in the CRA risk action plan?</p>	<ul style="list-style-type: none"> • An established information exchange is fostered between the ERM and Corporate Audit and Evaluation (CAE) functions – the CRI is one of the sources used in establishing the CAE plan, and results from audits and evaluations are a source of information used for risk identification and evaluation. • In addition, a convergence strategy is being implemented (using a phased approach) to focus on streamlining corporate processes (strategic planning, monitoring, reporting, resource allocation, etc.). The strategy aims to create a platform to initiate the design and implementation of a true Agency integrated planning and performance framework. This platform is founded in the belief that risk information is one of the key elements that creates connections between Agency decision-making processes. As a first step, the ERM team has established partnerships with key corporate process owners in order to leverage the existing knowledge at the Agency (e.g., CR II, CBP, CAE). • The Risk Monitoring and Reporting Strategy was approved by the CFO/CRO and is being implemented in a phased-in approach. The strategy's main objective is to provide managers and executives with enabling tools to consistently identify, manage, and monitor emerging risks. Best practices on the integration of RM/decision-making processes and the streamlining of performance and risk management information greatly influenced the strategy. • The Risk Reporting and Monitoring Strategy focuses on the following two main elements: 1) effectiveness of the risk action plans, and 2) changes in risk exposure. The CRA risk monitoring approach integrates the two perspectives: <ul style="list-style-type: none"> • The first element of the approach focuses on monitoring the progress and performance against risk action plans (from the CRA Risk Action Plan). The CRA developed performance measures in order to effectively gauge progress against expected results. This approach allows for the identification of management issues concerning the implementation of risk strategies and also provides information on the implementation of new controls for managing the risks from one cycle to the other. • The second element of the approach considers changes to CRA's business environment (i.e., risk drivers) and how those changes affect current risk exposure. To this end, key risk indicators were and continue to be developed. 	<ul style="list-style-type: none"> • Risk Monitoring and Reporting Strategy

	2008-2009	2009-2010
Board's Assessment and Related Comments	<p>Strong</p> <p>CRA's ability to deal with mitigation strategies relies on the active participation and support of partners such as Treasury Board Secretariat (TBS) and Public Works and Government Services Canada (PWGSC) in a reasonable time frame.</p>	<p>Strong</p>
Next Steps	<p>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 Corporate Risk Inventory (CRI) and 2) the accuracy of the risk information contained in the CRI.</p> <p>Status: Completed.</p> <p>A risk management training strategy describing the delivery approach will be developed over the March 2009 to February 2010 period. Status: Completed.</p>	<p>None indicated.</p>

Expectation (b): Program Evaluation – The Board must assure itself that the Agency has an effective program evaluation function to assess the long-term success of Agency programs.

Key Questions	Response	Sources of Evidence
Does the CRA have an effective evaluation function in place?	<p>Policy</p> <ul style="list-style-type: none"> The CRA Policy on Program Evaluation was revised in the fall of 2009 and was presented to the Management Audit and Evaluation Committee (MAEC) on January 18, 2010. The policy emphasizes the organizational independence of the Program Evaluation Division and specifies key responsibilities and accountabilities with respect to management, implementation and oversight of the evaluation function. The MAEC recommended that the policy be approved. The policy was sent to the Agency Management Committee (AMC) in February 2010 and the Board of Management in March 2010. <p>Evaluation Planning and Program Coverage</p> <ul style="list-style-type: none"> The Program Evaluation plan is based on a number of considerations, including CRA priorities, corporate risks, Treasury Board Secretariat (TBS) requirements for evaluations, Resource and Investment Management Committee (RIMC) requirements, as well as the need to complete evaluations commenced in 2009-2010. The evaluation planning process takes into account the audit work that has been performed or is planned by the CAEB Internal Audit Divisions and the Office of the Auditor General (OAG). As identified as a next step in the BoMOF Assessment of Performance for 2008-2009, program coverage is taken into account as a factor in developing evaluation plans. The CRA's Program Activity Architecture (PAA) is considered to be the "evaluation universe" for planning purposes. The Program Evaluation Division Workplan summarizes evaluation coverage of the PAA. Evaluation coverage reflects the evaluation universe while at the same time recognizing that significant elements of the universe are already covered by CRA internal audit or OAG audits that have been recently completed or are planned. <p>2009-2010 Resources</p> <ul style="list-style-type: none"> Program Evaluation Division resources for 2009-2010 were approximately 12 Full Time Equivalent (FTEs): <ul style="list-style-type: none"> Director 2 Evaluation Managers 1 Senior Advisor, Methodology and Analysis 6.3 Evaluators 1.5 Administrative Support Staff 1 Student (May – September) 	<ul style="list-style-type: none"> CRA Program Evaluation Policy (approved March 2010) MAEC Terms of Reference Board Audit Committee Charter CAEB 2009-2010 Business Plan

Expectation (b): Program Evaluation – The Board must assure itself that the Agency has an effective program evaluation function to assess the long-term success of Agency programs.

Key Questions	Response	Sources of Evidence
<p>Does the CRA have an effective evaluation function in place? Cont'd.</p>	<p>Training and Professional Development</p> <ul style="list-style-type: none"> In partnership with three other federal departments, CRA's Program Evaluation Division sponsored a 2 week Evaluator Professional Development Program delivered by professors from Carleton University in June 2009. This course, which covered the Treasury Board of Canada's evaluation policy, research design, logic models, performance indicators, data analysis techniques, cost-effectiveness analysis and the presentation of evaluation findings, was attended by most members of the Division. In addition, several staff members attended the annual Canadian Evaluation Society conference held in Ottawa in May 2009. <p>Evaluation Framework & Studies Completed in 2009-2010</p> <ul style="list-style-type: none"> Three evaluation frameworks Five evaluation studies* (3 completed and 2 forecast to be completed in 2009-2010) One baseline measurement study One management letter One evaluation follow-up (forecast completion in 2009-2010) <p>Interdepartmental Evaluations</p> <ul style="list-style-type: none"> The Program Evaluation Division also plays a coordinating or liaison role with respect to interdepartmental evaluations led by other federal government departments. During 2009-2010, the Division has been involved in three interdepartmental evaluations (lead department in brackets): <ul style="list-style-type: none"> 2010 Olympics (Canadian Heritage) Universal Child Care Benefits (Human Resources and Skills Development Canada) Anti-Money Laundering/Anti-Terrorism Financing (Department of Finance) 	
<p>Does the evaluation function provide effective advice and guidance to CRA management on results measurement?</p>	<ul style="list-style-type: none"> Program Evaluation continues to respond to requests for assistance regarding results measurement from branches. The majority of these requests are related to projects subject to the RIMC approval process. During 2009-2010 the Program Evaluation Division responded to requests for advice on results measurement for 12 projects. Client surveys and other feedback received from branches about advice and guidance provided by the Program Evaluation Division continue to be very positive. 	<ul style="list-style-type: none"> Measuring and Reporting the Benefits of a RIMC Project – Guide for Business Case Owners Program Evaluation Work Plan 2009-2010 CAEB Business plan

Expectation (b): Program Evaluation – The Board must assure itself that the Agency has an effective program evaluation function to assess the long-term success of Agency programs.

Key Questions	Response	Sources of Evidence
<p>Does the evaluation function provide effective advice and guidance to CRA management on results measurement? Cont'd.</p>	<ul style="list-style-type: none"> • Average ratings from the program areas surveyed (14 respondents over the past 15 months) for six attributes of client satisfaction, measured on a seven point scale, were as follows: <ul style="list-style-type: none"> • Timely response to requests: 5.9 • Expertise: 6.6 • Communication: 6.3 • Consistency of advice: 6.3 • Expectations met: 6.3 • Effort made to understand challenges: 6.3 • The document, Measuring and Reporting the Benefits of a RIMC Project: Guide for Business Case Owners, was prepared to assist those involved with RIMC projects in understanding the benefits measurement planning and reporting requirements at each stage of the RIMC process. It provides guidance to those responsible for preparing the required benefits measurement plans. • In addition, the Program Evaluation Division developed a new document to provide an overview of the program evaluation function within the CRA. The document, Program Evaluation in the CRA, is intended to provide CRA managers with an explanation of how programs are selected for evaluation, what type of advice and guidance is available from the program evaluation function, what steps are involved in the evaluation process and what methodologies may be used. 	
<p>Does the CRA make effective use of evaluation information to inform expenditure and policy decisions and program improvement?</p>	<ul style="list-style-type: none"> • It is difficult to conclude on the extent to which program changes have been made as a result of an evaluation until a follow-up evaluation is done. However there are some examples of change being initiated as a result of some recent evaluations: <ul style="list-style-type: none"> • HQ-Region Managers Exchange Program Evaluation (completed June 2009): The evaluation recommended that the program be discontinued. This recommendation was accepted by the two Assistant Commissioners responsible for the program. The Agency Management Committee was briefed and advised that the program would be discontinued. • GST/HST Delinquent Filing and Remitting Evaluation (completed April 2009): Some progress on recommendations has been noted. Progress has been made on the recommendation regarding the return of account maintenance functions to the Taxpayer Services and Debt Management Branch (TSDMB) regional personnel in order to move payments within GST accounts. 	

Expectation (b): Program Evaluation – The Board must assure itself that the Agency has an effective program evaluation function to assess the long-term success of Agency programs.

Key Questions	Response	Sources of Evidence
Does the CRA make effective use of evaluation information to inform expenditure and policy decisions and program improvement? Cont'd.	<ul style="list-style-type: none"> GST/HST Registration Fraud Management Letter (completed July 2009): This management letter recommended that Compliance Program Branch and Assessment and Benefit Services Branch establish a working group to propose options for responding to the issues raised in the management letter regarding current risks associated with GST/HST Registration Fraud. Both branches agreed to the recommendation and have met to discuss the issues raised in the letter. 	

	2008-2009	2009-2010
Board's Assessment and Related Comments	<p>Acceptable</p> <p>This function has appropriately been refocussed to deal with benefits measurement.</p>	<p>Acceptable</p>
Next Steps	<p>Program coverage will be considered as a factor in developing future evaluation plans. Status: Ongoing.</p>	<p>The Agency is re-examining its evaluation framework to ensure that high priority evaluations are undertaken on a timely basis.</p>

Expectation (c): Internal Audit –The Board must assure itself that the Agency has a professional internal audit function to provide assurance on the efficacy of the Agency’s control framework.

Key Questions	Response	Sources of Evidence												
Does internal audit have appropriate resources (staff qualifications, mix and level of experience of professional staff)?	<ul style="list-style-type: none"> • Corporate Audit and Evaluation Branch (CAEB) management is proactive in addressing the need to attract and retain both auditors and evaluators. CAEB management is taking measures to determine talent requirements through strategic workforce planning including succession planning. • The CAEB Workforce Plan supports the CRA Workforce Plan and is linked to the Public Service Renewal initiative. • Staffing requirements are a key component of the CAEB annual planning exercise in ensuring the skills are available to do the planned audits. In the 2006 IIA external review, CAEB received a generally meets (the highest rating possible) for the IIA standard relating to a professional workforce. • CAEB began participating in job fairs at local universities in 2009 to promote internal audit in the CRA. • The Agency is following the lead of the Office of the Comptroller General by supporting internal auditors to become professionally accredited as a Certified Internal Auditors (CIA) by the Institute of Internal Auditors (IIA) in order to meet the growing need for need for qualified internal auditors and evaluators within government. • Total of Employees/Internal Audit 80 • Total of Employees with Degree 51 (64%) • Total of Employees with Designation 25 (31%) • Total/Designation 42 (47%) <p>Designation Total %</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">• CIA 9 11.25%</td> <td style="width: 33%;">CA 4 5.00%</td> </tr> <tr> <td>• CISA 6 7.50%</td> <td>CCSA 2 2.50%</td> </tr> <tr> <td>• CGA 9 11.25%</td> <td>MBA 2 2.50%</td> </tr> <tr> <td>• CPA 1 1.25%</td> <td>CMA 5 6.25%</td> </tr> <tr> <td>• ISACA 1 1.25%</td> <td>ISO 2 2.50%</td> </tr> <tr> <td>• None 46 57.50%</td> <td></td> </tr> </table>	• CIA 9 11.25%	CA 4 5.00%	• CISA 6 7.50%	CCSA 2 2.50%	• CGA 9 11.25%	MBA 2 2.50%	• CPA 1 1.25%	CMA 5 6.25%	• ISACA 1 1.25%	ISO 2 2.50%	• None 46 57.50%		<ul style="list-style-type: none"> • CAEB Business plan, CAEB Staff Profiles Data base • 2006 IIA external assessment report • CAEB workforce PLa
• CIA 9 11.25%	CA 4 5.00%													
• CISA 6 7.50%	CCSA 2 2.50%													
• CGA 9 11.25%	MBA 2 2.50%													
• CPA 1 1.25%	CMA 5 6.25%													
• ISACA 1 1.25%	ISO 2 2.50%													
• None 46 57.50%														
Is internal audit planning appropriate (risk-based, addresses the right risks, appropriate approvals, methodology, etc.)?	<ul style="list-style-type: none"> • The Corporate Audit and Evaluation Branch (CAEB) Business Plan focuses primarily on the provision of assurance and evaluation services to the Agency’s Commissioner and the Board while ensuring appropriate attention is directed at addressing areas of government-wide interest. 	<ul style="list-style-type: none"> • External IIA Assessment Report • CAEB Business Plan • Follow-up of 05/06 and 06/07 reports 												

Expectation (c): Internal Audit –The Board must assure itself that the Agency has a professional internal audit function to provide assurance on the efficacy of the Agency’s control framework.

Key Questions	Response	Sources of Evidence
<p>Is internal audit planning appropriate (risk-based, addresses the right risks, appropriate approvals, methodology, etc.)? Cont’d.</p>	<ul style="list-style-type: none"> • Internal Audit (IA) engagements were selected using a risk based approach that starts with an examination of the audit universe based on the Program Activity Architecture (PAA) of the CRA. Areas of the PAA are assessed for coverage, risks identified in prior audits, the risks identified in the Corporate Risk Inventory, government-wide risks identified by the Office of the Comptroller General and CAEB’s own knowledge of the risks in the area. Also considered and factored into the risk consideration are the current environmental factors as noted in the CRA Corporate Business Plan. Once a draft plan based on risk is determined, CAEB ensures that there will not be duplication with the recent or planned work of the Office of the Auditor General and other central agencies with auditing responsibilities. Discussions are also held with the Commissioner and other senior Agency management for input to the plan. • Evidence of the effectiveness of this approach is demonstrated by the fact that all of our audits contain recommendations and/or other areas for improvement, confirming that our original assessment of potential risk was valid. • CAEB continues to take into consideration Treasury Board Secretariat (TBS)/Office of the Comptroller General (OCG) internal audit policy requirements including working towards the provision of an independent annual report on the adequacy and effectiveness of risk management, control and governance processes within the Agency (modified “holistic opinion”). The annual report is to provide an overview of relevant audit results and would be in addition to the regular reporting on individual risk-based audits. • CAEB already prepares an annual report that provides an overview of the branch’s performance. Action taken to date that would, in time, allow for more specific reporting on the three elements identified by the OCG (risk, controls and governance) have initially been focused on controls and include the following: <ul style="list-style-type: none"> • development of an automated database with linkages of audit results to the CRA Program Activity Architecture (PAA) and TBS Management Accountability Framework (MAF) and related controls; • research into the feasibility of implementing continuous auditing of the effectiveness of specified controls (automated); and • revision of CAEB internal planning and reporting templates as required to facilitate the recording and compilation of audit results for summary reporting, e.g., new requirement to identify linkages to corporate risks, MAF, etc. • The CAEB Annual Business Plan is reviewed by the Board Audit Committee and Quarterly progress-to-plan reports are provided. 	<ul style="list-style-type: none"> • Audit Committee charter, Corporate Risk Inventory • OCG government-wide risks document • Corporate business plan • ERM framework, MAF

Expectation (c): Internal Audit –The Board must assure itself that the Agency has a professional internal audit function to provide assurance on the efficacy of the Agency’s control framework.

Key Questions	Response	Sources of Evidence
Are internal audit reports objective, reliable, accurate and of high-quality?	<ul style="list-style-type: none"> Section 30 of the <i>Canada Revenue Agency Act</i> is the authority for the policies that govern the work in the CAEB. Internal Audit work is conducted in accordance with the IIA's International Standards for the Professional Practice of Internal Auditing. As required by the Standards, CAEB maintains an extensive quality review process for every engagement with four mandatory checks as the work progresses. Final products are reviewed by a formal quality review committee composed of the Branch Management Committee members, OAG Liaison, Professional Practices and the audit team. The Internal Audit function is also monitored and assessed for overall effectiveness by an external assessor every five years and received top marks for reports in the last assessment completed in September 2006. The CAEB Business Plan is approved by the Management Audit and Evaluation Committee (MAEC) and the Audit Committee of the BoM. All final audit reports are approved by the MAEC and reviewed by the Audit Committee of the Board. To promote transparency, resource allocations and major activities are reported to the public through the CAEB Annual Report and the CRA Report on Plans and Priorities. All approved internal audit reports are posted to the Agency website. 	<ul style="list-style-type: none"> IIA external assessment CAEB Manual on quality review CAEB annual report Post IA questionnaires

	2008-2009	2009-2010
Board’s Assessment and Related Comments	Strong	Strong
Next Steps	None indicated.	None indicated.

Expectation (d): Sustainable Development – The Board must assure itself that the Agency ensures that sustainable development is embedded in the way we do business.

Key Questions	Response	Sources of Evidence
<p>What processes are in place to ensure that sustainable development (SD) is embedded in the way the Agency does business?</p>	<ul style="list-style-type: none"> • The Agency’s Sustainable Development (SD) program is led by the SD Division – the centre of expertise for the program’s planning, implementation, and reporting – and is supported by a network of SD practitioners in all CRA branches and regions. • Management at all levels is responsible for providing support and direction for planning and implementing sustainable development activities at the CRA. SD strategies and national SD action plans are approved by the Board of Management. Branch and regional SD action plans are approved by individual Assistant Commissioners. • CRA senior management continues to demonstrate strong support for the CRA SD Program. SD commitments are included in 99% of Executive Cadre (EC) performance agreements. A steering committee consisting of three assistant commissioners meets quarterly to provide strategic direction for the SD program. Each branch and region has an SD representative from the Executive Cadre that supports the work of local branch and regional SD committees. • The SD strategy outlines concrete plans to integrate SD into CRA policies, programs, and operations. For example, SD considerations are included in the draft CRA corporate policy suite. SD has also been integrated into CRA Travel Policy and Learning Policy. SD provisions are also required in developing Memoranda of Understanding and Letters of Intent for the Exchange of Information. • Each CRA branch and region implements and reports quarterly on its SD interventions and results. SD reports are provided to the SD Division through a web-based performance reporting tool. The reports form the basis of semi-annual reports, which are provided to SD representatives for reporting to branch and regional management committees. • SD is incorporated in key Canada Revenue Agency planning and reporting documents, including the Report on Plans and Priorities (RPP), Corporate Business Plan (CBP), and Annual Report. 	<ul style="list-style-type: none"> • CRA Sustainable Development Strategy 2007-2010 • Annual Report of the Commissioner of Environment and SD • RPP/CBP • CRA Annual Report 2008-2009 • Synergy online procurement system • SD National Action Plan 2007-2010 • Branch, regional, and directorate SD action plans 2007-2010 • EC performance agreements • Results-Based Management Accountability Framework • Communications Strategy for SD • Online SD Performance Reporting Tool • SD Network semi-annual reports • Transition-year SD National Action Plan 2010-2011 • CRA Sustainable Development/ environmental policy

Expectation (d): Sustainable Development – The Board must assure itself that the Agency ensures that sustainable development is embedded in the way we do business.

Key Questions	Response	Sources of Evidence
<p>What processes are in place to ensure that sustainable development (SD) is embedded in the way the Agency does business? Cont'd.</p> <p>Is the CRA meeting its and the Government of Canada's SD goals and targets?</p>	<ul style="list-style-type: none"> • The Agency uses modern management tools, systems, and processes to effectively integrate SD into both our operations and service delivery. Examples are a web-based performance reporting tool; and sustainability criteria on InfoZone – designed in-house for use by CRA analysts and planners. • The CRA manages its environmental impacts using the ISO 14001 Environmental Management Systems (EMS) cycle of plan, do, check, and review. • The Agency has consistent messaging, using standard communication vehicles to promote SD to employees. There are three national events for employee engagement – Earth Day, Environment Week, and Waste Reduction Week. Activities such as information sessions, and online promotions inform employees on sustainable options for the workplace and in general. • The Board of Management conducts its meetings using an online portal, thereby reducing paper usage. • The Quebec Regional Management Team (RMT) is piloting an online tool to facilitate information sharing and its decision-making process. The tool reduces paper consumption as key documents and material for RMT meetings are posted online. • The CRA is on its way to meeting the targets set in its SD Strategy 2007-2010. The SD strategy outlines 16 targets that are to be achieved by March 31, 2010. As at March 2009, one target was met ahead of schedule and the other 15 targets were in progress. Highlights include: <ul style="list-style-type: none"> • 99% of ECs included SD commitments in their performance agreements for 2009-2010, compared to 97% in the previous year. • In 2008-2009 the Agency reduced office paper use by 5.9%, or 336 sheets per employee, from 5,721 sheets per employee in 2007-2008 to 5,385 sheets per employee in 2008-2009. • Through expansion, approximately 84% of CRA employees have access to the No Waste recycling program. • Government of Canada (GoC) SD priorities are supported by certain commitments in the CRA SD Strategy 2007-2010. Of the four federal targets that apply to the CRA, two targets were due in 2007-2008, and the remaining two targets are to be met by March 2010. 	<ul style="list-style-type: none"> • Status Report on the Performance of the CRA SD Program

Expectation (d): Sustainable Development – The Board must assure itself that the Agency ensures that sustainable development is embedded in the way we do business.

Key Questions	Response	Sources of Evidence
	<ul style="list-style-type: none"> • To promote the use of ethanol-blended fuel, where operationally feasible, 100% of CRA vehicle acquisitions were alternative fuels capable in 2008-2009. Additionally, the Agency finalized its Fleet Directive and Procedures, and Fleet Manager’s Handbook, which also promoted the purchase of ethanol-blended gasoline, where available. • In the CRA SD Strategy 2007-2010, a total of six commitments were set to support green procurement. As a result, environmental specifications were included in 100% (5 of 5) of strategic sourcing contracts during 2008-2009. Total expenditure on green product purchases also increased by 26%, to \$17.8 million. However, the proportion of green product spending as a ratio of total product purchasing fell to 6.2%, down from 11.4% in 2007-2008. This likely resulted from the unavailability of green alternatives for each product purchase. 	

	2008-2009	2009-2010
Board’s Assessment and Related Comments	Strong	Strong
Next Steps	None indicated.	None indicated.

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 program results.</p> <ul style="list-style-type: none"> • Clear and effective management policies governing Agency resources exist, are implemented and compliance with them monitored. • Appropriate investment decisions with respect to the Agency's procurement, 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. • Agency projects are effectively managed within a sound project management framework that includes well-documented accountabilities and decision-making, monitoring, reporting processes, and sound risk management. 	<p>Agency resource management infrastructure and practices support the achievement of program results.</p> <ul style="list-style-type: none"> • Management policies governing Agency resources exist and are generally adhered to. • Investment decisions with respect to the Agency's procurement, 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. • Agency projects are managed within a project management framework that includes well-documented accountabilities and decision-making processes. 	<p>Additional improvements are required for resource management infrastructure and practices; achievement of program results may be at risk.</p> <ul style="list-style-type: none"> • Management policies governing Agency resources exist but are not consistently followed. • Cost/benefit analyses are seldom performed in investment decisions with respect to the Agency's procurement, 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 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 procurement, 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.

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

Key Questions	Response	Sources of Evidence
Does the Agency ensure the sound management of the financial authorities provided by Parliament?	<ul style="list-style-type: none"> • The Agency does not exceed the spending authorities provided by Parliament. • Allocation of the Agency’s budget is based on the functional model (HQ functionally driven and regionally administered) and is divided into operations, strategic investments, and spending of revenues (cost recovery). • Functional branches allocate their budgets across headquarters and the five regions at the sub-sub-activity (SSA) level based on negotiated work plans. The regions then allocate budgets (resources) to field offices and determine the appropriate resource mix (operating budget flexibility). • Once budgets are negotiated and set, they cannot be exceeded at the control points (i.e., the 12 headquarter branches and 5 regions). The functional budget management tables provide a forum through which headquarter and regional branch budgets are established for the next fiscal year and plans and priorities are set for future fiscal years. They are held in late February/ early March and provide an opportunity for open and transparent discussions concerning work plans from both a resource level and outputs/commitments perspective. • Updated multi-year budget allocations are issued on a quarterly basis and include changes in funding resulting from new Treasury Board submissions, Resource and Investment Management Committee (RIMC) recommendations, Agency Management Committee (AMC) decisions (including banking days, which are generally held twice a year), as well as workload transfers. • The Board receives a resource management report on a quarterly basis. <ul style="list-style-type: none"> • The report facilitates the effective management of resources by providing detailed information on the Agency’s utilization of financial resources, including variance explanations, forecasts, historical comparisons, and, where appropriate, recommendations on how significant variances and/or emerging funding pressures should be addressed in the context of the Agency’s broader resource management strategy. • The preparation of the report includes a multi-dimensional corporate oversight challenge function (at the branch/regional level with Assistant Commissioner sign-off, and at the Agency level by the Finance and Administration Branch with the Chief Financial Officer’s sign-off) to ensure the accuracy and completeness of the information and to support the Agency’s commitment to transparency and accountability. 	<ul style="list-style-type: none"> • Quarterly Resource Management Reports (Financials) • 2009-2010 Performance Targets Report • 2008-2009 Annual Report • RIMC process • Internal audits and evaluations • Auditor General reports • Minutes of the Board Resource Committee meetings • Minutes of the Audit Committee meetings • Audit Committee Charter • Audited Financial Statements for the year ended March 31, 2009 • OAG Management Letter • CRA Annual Report • TCA Statement 2007

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

Key Questions	Response	Sources of Evidence
<p>Does the Agency ensure the sound management of the financial authorities provided by Parliament? Cont'd.</p>	<ul style="list-style-type: none"> • The Annual Report includes financial statements that have been audited by the Auditor General and reviewed and approved by the Board. • For fiscal 2008-2009, the CRA received an unqualified opinion on its audited financial statements for both agency and administered activities. • In their management letter, further to their audit of the 2008-09 financial statements, the Office of the Auditor General (OAG) is reporting only four issues. Management has developed action plans to address these issues. • CRA also received an unqualified opinion on the Statement of Income and Capital Taxes Payable to the Provinces and Territories (TCA) for the 2007 taxation year. • In support of the Government's requirement to strengthen accountability and increase transparency under the Federal Accountability Act, CRA has developed a draft policy framework on Financial Management and Corporate Finance that will be submitted to the Board for approval in March 2010. • CRA continues to strengthen and develop financial management capacity by enhancing efforts for recruitment, retention, and training strategies for staff. For example: <ul style="list-style-type: none"> • The Financial Officer (FI) Apprenticeship Program (FIAP) was established in April 2009 for the recruitment of post-secondary graduates with a university degree in the financial disciplines, or those eligible to obtain an accounting designation. FIAP comprises a two-year program of rotational assignments within the Agency, intended to provide hands-on experience, complemented by an educational component. The program's initial selection process was conducted in July 2009, leading to the creation of a unilingual pool of qualified candidates in December 2009 and a bilingual pool that is projected for February 2010 once second language evaluation testing has been completed. • There is continued leverage of e-learning products in order to provide cost-efficient training throughout the Agency, allowing users to proceed at their own pace while providing detailed guidance that is always readily available: <ul style="list-style-type: none"> • An e-learning product guiding users on how to use the Agency's costing template to estimate program costs was posted on the Agency's InfoZone July 2009, while a second product demonstrating the use of business intelligence software to access and analyze CRA cost data was posted in September 2009. • The Resource Management Fundamentals e-learning product, to guide the Agency financial community through the full range of Resource Management activities like resource investment, budgeting and costing, is in final developmental and testing stages with a projected launch date of April 2010. 	

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

Key Questions	Response	Sources of Evidence
<p>Does the CRA have the appropriate processes and internal controls to ensure that tax assessed and collected on behalf of the provinces and territories is reported accurately, completely, and in a timely manner?</p>	<ul style="list-style-type: none"> • CRA issued its second Canadian Institute of Chartered Accountants (CICA) Handbook Section 5970 Report on the design and implementation of internal controls related to T-2 business processes and systems to provincial and territorial officials. • The report includes information on controls that help ensure that the recording and reporting of transactions are consistent with the terms of the Tax Collection Agreement (TCA). • In its second CICA Section 5970 report, the CRA discloses certain issues related to user access, segregation of duties, and the management of legislative changes and identifies its action plans to strengthen the controls concerned. The Auditor General's report (Section 1 of the s. 5970 report) states that except for these issues, the controls are suitably designed to achieve the stated control objectives. In the s. 5970 report, CRA management states its belief that the residual risk that these issues would lead to a material error in the TCA-related financial information is low. • The Auditor General's report also notes that, except for the fact that CRA's controls description does not include control objectives and procedures related to its activities in the areas of compliance research and the development and implementation of compliance strategies, the description presents fairly the relevant aspects of the CRA's controls that have been placed in operation as at November 30, 2008. The CRA believes that controls related to compliance programs are outside the scope of financial reporting under the TCAs. Attempts to resolve the difference of opinion between the CRA and OAG on this point have been unsuccessful to date. Both parties will examine this issue further, including through consultations with provincial finance ministry officials and with representatives of the provincial auditors general, with a view to reaching a resolution in time for the next audit, currently expected to cover CRA's controls relating to the Personal Income Tax Program (T1) as at November 30, 2010. 	<ul style="list-style-type: none"> • The Commissioner's Annual Reports to the Governments of the Provinces and Territories • Report on the CRA's Controls relating to the Corporation Income Tax Program – Canadian Institute of Chartered Accountants Handbook Section 5970 Report as at Nov. 30/08

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

Key Questions	Response	Sources of Evidence
<p>Does the Agency have appropriate programs to assess the effectiveness of its financial control systems and procedures and to address identified control weaknesses?</p> <p>How is the Agency improving the quality of its financial reporting?</p>	<ul style="list-style-type: none"> • A new Chief Financial Officer (CFO) was appointed in 2009-2010. • The CRA has two significant multi-year initiatives aimed at assessing the effectiveness of its internal controls over financial reporting: CICA Section 5970 reporting under tax collection agreements and Chief Executive Officer (CEO)/Chief Financial Officer (CFO) certification of internal controls. • During the February 2009-February 2010 period, the TCA-5970 work was focused on controls over reporting to provinces on personal income tax and the CEO/CFO certification work was focused on an assessment of the effectiveness of the CRA's entity-level controls over financial reporting. • The CFO presented a positive report on the entity-level control assessment to the Audit Committee of the Board in December 2009; the overall conclusion was that the CRA has a strong system of entity level controls, which supports the achievement of all relevant control objectives included in the Committee of Senior Officials (COSO) framework. • In 2009-2010 the CRA continued to strengthen its financial reporting through new functionality introduced as part of the Corporate Administrative Systems (CAS) sustainability project, specifically the development and implementation of the following functionality: <ul style="list-style-type: none"> • The Multiple Spending Authority initiative provides the CRA with automated system spending controls and the flexibility to ensure expenditures are captured by authority in the financial system of record, necessary to facilitate the new CRA Capital Vote effective April 1, 2010. • The Project System initiative provides CRA with a single integrated project management solution to monitor and report on major investment projects. • CRA also continues to develop a consistent and reliable framework, within which the possibility of incomplete or inaccurate accounting and reporting of financial results can be assessed, minimized, or pre-empted through the timely monitoring of key indicators of risk. • During the last year, monitoring activities were expanded to include excise revenues in addition to current activities that included personal income tax, corporate income tax, trust revenues and non-residents tax withholding tax revenues. • Furthermore, enhancements were made to the revenue analysis that allowed for more elaborate and specific explanations of changes from year to year. • Canadian Generally Accepted Accounting Principles for the Public Sector are regularly reviewed to ensure financial statements are in accordance with current standards. • Annual variance analysis and financial statements analysis are reviewed by management and provided to the Board of Management. 	<ul style="list-style-type: none"> • October 5, 2009 Project Update to the CEO/CFO Certification Steering Committee • Report on the Results of the Assessment of Entity Level Controls and the Risk Assessment of Business Process Controls • Detailed Entity Level Control Workbook with a list of controls objectives and controls, descriptions of the work performed and the conclusions reached • Financial Monitoring Framework Issue Sheets 2009 • 2008-2009 OAG Report to the Audit Committee • 2008-2009 Annual Report, variance analyses to the Board • Central Financial Management Reporting System trial balance, monthly financial statements, tax sharing statements, fiscal monitor and revenue reports • 2009-2010 Reports on Plans and Priorities • OAG management letter, internal audit reports

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

Key Questions	Response	Sources of Evidence
How is the Agency improving the quality of its financial reporting? Cont'd.	<ul style="list-style-type: none"> • Summary financial statements are prepared and analyzed on a monthly basis. • Monthly variance analyses are reviewed by management. • Future oriented financial statements are prepared annually. The goal of this exercise is to forecast our financial results two years into the future. • Financial reporting is improved through the implementation of recommendations by the Office of the Auditor General (OAG) and/or as a result of internal audits. 	<ul style="list-style-type: none"> • Quarterly Resource Management Reports (Financials)
How is the Agency trending with regard to its Annual Expenditure Plan versus actual expenditures?	<ul style="list-style-type: none"> • The 2009-2010 fiscal year marks the fifth year of measuring performance accountability based on the 5% variance threshold. In 2008-09 all HQ branch and regional year-end expenditures were within 5% of their Q2 Annual Expenditure Plans. It is expected that the situation will be similar in 2009-2010. • In 2008-2009 the Agency's year-end financial flexibility represented 3.7% of the approved authority. In 2009-2010 the Agency's projected year-end financial flexibility at Q2 was 1.9% of the approved authority and is anticipated to grow to be in the same range as prior years. 	

	2008-2009	2009-2010
Board's Assessment and Related Comments	Strong	Strong The Board is concerned, in light of the recent CFO transition, that the Agency establish a sound succession plan with a sufficient number of candidates possessing the required designation.
Next Steps	New questions to be developed dealing with administered activities. Status: Completed.	None indicated.

Expectation (b): Project Management – The Board must assure itself that investment decisions are reflective of corporate priorities and that possible future funding pressures are identified.

Key Questions	Response	Sources of Evidence
Does the Agency's project management framework support effective decision-making oversight, monitoring and review?	<ul style="list-style-type: none"> The Resource and Investment Management Committee (RIMC) is mandated to establish budget priorities and requirements according to the Corporate Business Plan, oversee the allocation and control of Agency financial resources, and oversee the management and progress of major investment projects. The RIMC Secretariat performs the corporate challenge function in assessing project proposals, facilitating awareness and understanding of the RIMC process, and providing the necessary tools for project management such as updated guidelines, templates, and training material in accordance with the CRA Project Management Policy. Major strategic investment projects that have been reviewed by RIMC and received approval from Agency Management Committee (AMC), and that 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. For the period under review, the précis for two new projects were approved by the Board: Corporate Administrative Systems (CAS) Sustainability and Provincial Sales Tax Administration Reform (PSTAR), bringing the number of Board-monitored projects up to six. Once in execution, oversight of these projects is performed by the Board through the quarterly Major Project Investment Portfolio Dashboard which assesses the project's scope, schedule and cost. 	<ul style="list-style-type: none"> RIMC/AMC reports, minutes RIMC mandate, administrative procedures and documentation guidelines. Information session and online course (Computer-Based Training) provided to project teams on the RIMC approval processes Reviewed by the Board: <ul style="list-style-type: none"> Board Resource Committee minutes CRA Corporate Business Plan Project précis Major Project Investment Portfolio Dashboards
How do the Agency's cost tracking and reporting practices demonstrate effective management of project resources and project performance?	<ul style="list-style-type: none"> The Major Project Investment Dashboards are provided to the Board quarterly for Agency projects with life cycle costs that exceed \$20M. The number of projects providing dashboards to the Board was expanded from four to six during 2009-2010, to include the CAS Renewal Project and the PSTAR Project. The purpose of the dashboard is to provide an overall report on the status of the project with regard to cost, scope, and schedule, which are key elements within a project management framework. These dashboards provide timely updates to Agency management and the Board on scope, schedule and cost and aid in making more timely and effective decisions when required. In addition, the dashboard provides a means of communicating project specific or general investment portfolio issues to the Board. These elements together support effective decision-making oversight, monitoring, and review. The following provides an assessment of the status and performance of the six projects that were subject to Board oversight during 2009-2010, based on the dashboards submitted in March 2009, June 2009, September 2009, and December 2009: <ul style="list-style-type: none"> Compliance Systems Redesign: the project proceeded on schedule within the approved scope and costs. There has been some redistribution of certain elements between deliverables. However, there will be no overall impact on scope, schedule, or cost. Overall Performance Assessment for 2009-2010: Schedule: Green; Scope: Green; and Cost: Green 	<ul style="list-style-type: none"> Reviewed by the Board: <ul style="list-style-type: none"> Project précis Major Project Investment Portfolio Dashboards

Expectation (b): Project Management – The Board must assure itself that investment decisions are reflective of corporate priorities and that possible future funding pressures are identified.

Key Questions	Response	Sources of Evidence
<p>How do the Agency's cost tracking and reporting practices demonstrate effective management of project resources and project performance? Cont'd</p>	<ul style="list-style-type: none"> • Corporate Taxes Administration for Ontario (CTAO): the project has proceeded on schedule, and within the approved budget and scope. An anticipated lapse of \$17 million in 2009-2010 has been identified, resulting from prior year carry-forwards, and will provide financial flexibility to cover any CTAO or other Agency-related requirements that may arise in the current year. Overall Performance Assessment for 2009-2010: Schedule: Green; Scope: Green; and Cost: Green • Individual Identification Renewal: the project has proceeded on schedule. Due to unforeseen complexities associated with system changes, there were adjustments made to non essential elements of the project's scope and related costs, which were approved by Agency management in October. These changes do not materially change the overall project costs or scope. Overall Performance Assessment for 2009-2010: Schedule: Green; Scope: Green; and Cost: Green • Integrated Revenue Collections: the project has proceeded on schedule and within the approved budget and scope. Overall Performance Assessment for 2009-2010: Schedule: Green; Scope: Green; and Cost: Green • Corporate Administrative System Sustainability (CAS): the project has reallocated/re-profiled funding between deliverables/years and has identified additional funding pressures. The project continues to be monitored closely as it is still in the process of completing a Detailed Planning Report for Releases 4 and 5; this report is due to be presented to the RIMC / AMC in March 2010. Overall Performance Assessment for 2009-2010: Schedule: Green; Scope: Green; and Cost: Green • Provincial Sales Tax Administration Reform (PSTAR): this new project, funded through a TB submission, is to ensure that the CRA will have the necessary systems, and processes in place to effectively implement the new Harmonized Sales Tax (HST) for the provinces of Ontario and British Columbia on July 1, 2010. The first quarterly dashboard will be presented in March 2010. Overall Performance Assessment for 2009-2010: Schedule: Green; Scope: Green; and Cost: Green 	

Expectation (b): Project Management – The Board must assure itself that investment decisions are reflective of corporate priorities and that possible future funding pressures are identified.

Key Questions	Response	Sources of Evidence
<p>Are Agency project related investment decisions reflective of corporate priorities and assured of secure funding?</p>	<ul style="list-style-type: none"> • The Agency introduced a formalized investment planning process, the Strategic Investment Plan (SIP), in May 2009, thereby enhancing the Resource Investment Management Committee’s (RIMC) investment spending oversight and allowing for an efficient and effective use of resources. A priority ranking model was used to assess the proposed investment requirements for a 10 year period, which will help senior management ensure that any available investment funding is allocated in a manner that best supports strategic priorities, outcomes, and enterprise risk mitigation strategies. The Agency’s first Strategic Investment Plan identified a number of critical high-value projects that will soon be brought forward for consideration by senior management. While most of these project proposals are only at the conceptual stage at this time, and the exact scope, timing, and cost of each remains to be confirmed, the SIP clearly reflects the magnitude and nature of the investment challenges faced by the CRA. This addresses a next step identified in the BoMOF – Assessment of Performance 2008-2009. • The current level of resources is not sufficient to fund all the investment proposals included in the SIP. The CRA has therefore initiated discussions with officials in the central agencies to request that its budget be augmented. The outcome of this request is expected in early 2010-2011. • The methodology supporting the priority ranking and the SIP will be updated on an annual basis to ensure that Agency resources are put toward the most critical areas of need and in a manner that clearly supports program outcomes and government priorities, while addressing the highest risks facing CRA. • Starting in FY 2010-2011, the Canada Revenue Agency’s Estimates will include a new Capital Vote, constituted from existing resources, which will fund the on-going purchase and construction of capital assets. The Capital Vote budget amount established for 2010-2011 is \$136M and was determined through an Agency-wide assessment of capital requirements that began in August 2009. As part of the 2010-2011 Annual Reference Level Update (ARLU) in December 2009, these amounts were transferred from existing operating resources to the new Capital Vote on a three-year planning horizon. The implementation of a Capital Vote will, in part, support the recently created Strategic Investment Plan by strengthening the monitoring and control exercised over the CRA’s capital investments in the future. • The Agency’s IT projects are internally executed. Its Information Technology Branch represents one of its strengths. 	<p>Strategic Investment Plan (presented in September 2009 to the Board for information and discussion)</p>

	2008-2009	2009-2010
Board's Assessment and Related Comments	<p>Acceptable</p> <p>Strategic Investment Plan is still under development.</p>	<p>Strong</p> <p>Following completion of the Strategic Investment Plan, the Board is assured that strong links exist between the Corporate Business Plan, the Strategic Investment Plan, and individual investment decisions.</p>
Next Steps	<p>A formalized multi-year Strategic Investment Plan (3 to 5 year planning horizon) process is currently in development. Implementation is expected in 2009-2010. Status: Completed.</p>	<p>None indicated.</p>

Expectation (c): Asset Management – The Board must assure itself that accommodation needs and non-IT assets with an individual value of more than \$10K are well-managed.

Key Questions	Response	Sources of Evidence
<p>Does the Agency appropriately monitor and report non-IT assets with an individual value of more than \$10K?</p>	<ul style="list-style-type: none"> • Requirements for materiel are assessed and planned using a life-cycle management approach. • The CRA has a five-year fleet capital replacement plan, and a yearly fleet annual report is produced. • A thorough review and analysis of existing fleet management policy instruments have been completed, and the revised policy instruments are in place. • Capital assets (greater than \$10K) are tracked and depreciated through the Corporate Administrative Systems (CAS). • The CRA has a year-end certification process that validates the existence and value of the Agency's assets at March 31. • All assets identified as having a purchase value of \$10,000 or more are deemed to be capital and are reported as such in the Agency's Financial Statements and in the Public Accounts. No other reporting is done regarding CRA assets. • Bi-annual reviews are done of all capital assets to ensure accuracy of the information contained in CAS. • Quarterly reviews are done of all new capital asset purchases to ensure the information captured in the asset master record in CAS is complete and accurate. • Monthly reviews are done of the expenses accounts in order to identify purchases over \$10K that should have been captured as capital assets. 	<ul style="list-style-type: none"> • Finance and Administration manual chapters on Accounting for Capital Assets, Accounting for Capital Leases, and Fleet Management • CAS Module 546 – Purchase Requisitions for Assets • Fleet Annual Reports
<p>Are real property investments based on long-term accommodation plans that take account of business priorities, risks and program needs?</p>	<ul style="list-style-type: none"> • Real Property investments are identified in the Agency's annually updated Long-Term Accommodation Investment Plan (LTAIP), which provides: <ul style="list-style-type: none"> • An assessment of the short, medium, and long-term impacts of government-wide and Agency priorities and program requirements on national accommodation needs; and • Strategic direction for planning and managing CRA's accommodation portfolio investments over a five year period. 	<ul style="list-style-type: none"> • Long-Term Accommodation Investment Plan

	2008-2009	2009-2010
Board's Assessment and Related Comments	Strong	Strong
Next Steps	Board Resources Committee will discuss the scope of its responsibilities with respect to asset management.	Board Resources Committee will discuss the scope of its responsibilities with respect to asset management, at a future meeting scheduled for 2010-2011.

Expectation (d): Procurement – The Board must assure itself that the Agency’s procurement activities comply with legislative and policy requirements and represent an effective and cost-efficient means of acquiring necessary goods and services.

Key Questions	Response	Sources of Evidence
<p>How does the Agency ensure transparency and integrity in its procurement activities?</p>	<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 and uses the Government Electronic Tendering System to advertise its competitive contracting requirements. In order to give equal access to opportunities to do business with the CRA, achieve best value, and comply with trade agreement obligations, the majority of CRA contracts are awarded as the result of a competitive process. Fifty-eight percent of new contracts were awarded competitively based on the Q3 report. • The Procurement Ombudsman addressed the Board in December 2009 and noted that the CRA has strong procurement practices in place and was cited as a best practice in the Office of the Procurement Ombudsman 2008-2009 Annual Report. • The Quarterly Contracting Report to the Board of Management is one of the many tools that the Agency uses to ensure that government obligations and CRA policies are adhered to. <ul style="list-style-type: none"> • This report is used to provide an analysis of the CRA’s procurement activity, as well as the trends in the solicitation procedures (like sole source, tender, call-ups) on a quarterly basis. Information on both the number of competitive and sole source contracts and the number of After the Fact contracts with a year over year comparison is also included. (Q3 report is available, if required.) • Some trends indicated in the Q3 2009-2010 YTD report include: <ul style="list-style-type: none"> • E-procurement transactions as a percentage of all business transaction volumes has increased by 1.25%, while their dollar value as a percentage of all business dollar value has increased by 52%. • After the Fact contracts as a percentage of all contracting activities is down by 54%. • Sole source contracts awarded as a percentage of all contracts awarded decreased by 4%. • All information technology (IT)-related contracts and non pre-approved amendments over \$1 million are reviewed by the IT Procurement Strategy Committee, an AC-level committee. • All non-IT contracts and non pre-approved amendments over \$1 million are reviewed by the Finance and Administration (F&A) Branch Management Committee, chaired by the Agency’s Chief Finance Officer (CFO). • AMC is sent periodic reports on contracting and is briefed on all contracts and amendments estimated at over \$1 million. 	<ul style="list-style-type: none"> • Procurement policy and supporting policy instruments • CRA Contracts Directive • Quarterly Contracting Report (for 2009-2010, Q1 and Q2 reports have been presented to the Board; Q3 will be presented in March) • Quarterly Proactive Disclosure Report • Procurement Oversight Committee’s Terms of Reference • Office of the Procurement Ombudsman 2008-2009 Annual Report

Expectation (d): Procurement – The Board must assure itself that the Agency’s procurement activities comply with legislative and policy requirements and represent an effective and cost-efficient means of acquiring necessary goods and services.

Key Questions	Response	Sources of Evidence
<p>How does the Agency ensure transparency and integrity in its procurement activities? Cont'd.</p> <p>What processes are in place to ensure procurement activities yield best value in return for amounts disbursed?</p>	<ul style="list-style-type: none"> • The Quarterly Proactive Disclosure Report publishes all contracts and cumulative amendments over \$10K. The report is available on the Agency’s Internet site. • The procurement profile is reported annually to Public Works and Government Services Canada (PWGSC)-Treasury Board Secretariat (TBS) for the Government of Canada (GoC) Purchasing Activity Report. • Contract Award Notices (CANs) are posted (procurements over \$25K subject to trade agreements). They are posted on the Government of Canada’s tendering system MERX. • The Compliance and Program Review Section (independent of the Contracting Division) reviews all procurement activities requiring approval at the level of Assistant Director, Contracting, and above to ensure adherence to legislative and policy requirements. In addition, Compliance and Program Review conducts annual targeted, ad-hoc, and random compliance reviews of contracting files. • The use of the Agency’s e-procurement catalogues, which are supported by a government acquisition card, results in significant savings. 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. As of the third quarter (Q3) of 2009-2010, year-to-date (YTD) e-procurement represents 96% of the total number of transactions. • The Q3 2009-2010 YTD non e-procurement and non-acquisition card purchases (that is, contracts and other arrangements) totalled \$163 million and represent 81.9% of total Q3 YTD business dollar volume. The Agency’s procurement expertise and resources focus on these transactions. • By focusing the use of CRA’s procurement officer activities on high dollar, high risk transactions (contracts), while automating low dollar, low risk transactions (e-procurement), the Agency is ensuring best value in return for amounts disbursed. • In addition, 71 strategic sourcing arrangements (a commodity-based approach that takes advantage of volumetrics) are currently in place and, as of Q3 2009-2010, they represent 40% of total transactions. In contrast, the number of arrangements last year was 59; however, the percentage of total transactions is unchanged as of Q3. 	<ul style="list-style-type: none"> • Quarterly Contracting Report (for 2009-2010, Q1 and Q2 reports have been presented to the Board; Q3 will be presented in March)

Expectation (d): Procurement – The Board must assure itself that the Agency’s procurement activities comply with legislative and policy requirements and represent an effective and cost-efficient means of acquiring necessary goods and services.

Key Questions	Response	Sources of Evidence
What processes are in place to ensure procurement activities yield best value in return for amounts disbursed? Cont’d.	<ul style="list-style-type: none"> • A 2008 internal audit confirmed the cost effectiveness of e-procurement and acquisition card purchasing processes while also noting control deficiencies. The action plans based on the audit’s recommendations are complete or on track. <ul style="list-style-type: none"> • “Synergy”; a Web-based e procurement tool, was implemented in January 2009. Synergy allows for faster ordering and receiving of catalogue goods and services as well as better spending controls and visibility. Synergy is also the procurement tool for all contracting officers and supports their day-to-day contracting activities in an environment that enhances compliance with trade agreements and legislative policies and procedures. • An acquisition card monitoring program with the regions was implemented, and a new online tool to administer the program was provided. 	

	2008-2009	2009-2010
Board’s Assessment and Related Comments	Strong Additional rigour is embedded in new CRA procurement software.	Strong
Next Steps	None indicated.	None indicated.

Expectation (e): Information Technology – The Board must assure itself that the Agency adequately plans and invests in its IT resources to ensure they support the achievement of its business goals.

Key Questions	Response	Sources of Evidence
<p>Does the Agency have a long-term IT strategy based on the business needs of the Agency?</p>	<ul style="list-style-type: none"> • A refresh of the CRA Information Technology (IT) Strategy and Plan for 2010/11 to 2012/13 has recently been completed and will be presented to the Board at its meeting in March 2010. • The goal of the strategy and plan is to closely align with the strategies and priorities documented in the Corporate Business Plan. • IT Sustainability and IT Responsiveness Risks are a product of a number of strategic drivers within the larger IT strategic landscape including alignment to the CRA IT Strategy and Plan 2010/11 to 2012/13. The drivers and mitigation strategies are not totally independent, and also are connected to other IT Strategic drivers outside the Corporate Risk Inventory (CRI). • It will serve as a tool to identify the strengths and weaknesses of the CRA IT program, the challenges and opportunities facing us, our vision of the future and how we will seek to achieve it. • Key goals and objectives of the CRA IT Strategy and Plan are: <ul style="list-style-type: none"> • Goal 1: Continuously improve the delivery of services to our clients and Canadians through sustainable, strategic enterprise technology investment. <ul style="list-style-type: none"> • Objective: Ensure the IT investment is well managed to maintain value and transparency in the allocation of IT costs and using industry best practices to ensure the capacity to meet current and future business requirements. • Goal 2: Enhance Business/IT Alignment through the continued collaboration with stakeholders and clients. <ul style="list-style-type: none"> • Objective: Client expectations are met by delivering excellence in IT project management through quality IT projects that are on-time and on-budget. • Goal 3: Continuous process improvement of IT Best Practices. <ul style="list-style-type: none"> • Objective: Improve the quality effectiveness and efficiencies in the measurement of IT performance. • Goal 4: Ensure a knowledgeable, skilled and engaged IT workforce that will provide expertise, leadership and innovation in the IT community. <ul style="list-style-type: none"> • Objective: Retain, develop and recruit the skilled IT human resources needed to respond quickly to the ever-changing technology world. 	<ul style="list-style-type: none"> • CRA IT Strategy and Plan 2009/10 to 2011/12 • ITB Risk Response Strategy for IT Sustainability • ITB Risk Response Strategy for Responsiveness • IT Architecture Roadmaps • CRA Strategic Investment Plan • IT Infrastructure Investment Plan

Expectation (e): Information Technology – The Board must assure itself that the Agency adequately plans and invests in its IT resources to ensure they support the achievement of its business goals.

Key Questions	Response	Sources of Evidence
<p>Are investment decisions congruent with the IT strategy and integrated into the Agency's business plans?</p>	<ul style="list-style-type: none"> • A multi-year asset management plan has been created to highlight the investments the CRA will need to make over the course of the next 10 – 15 years. • IT multi-year investments/business cases are presented to the Resource Investment Management Committee (RIMC) to assist in sound decision-making in the context of the Strategic Investment Plan. ITB also has a number of review committees to ensure that IT investments are managed to ensure value. These include: <ul style="list-style-type: none"> • Branch Priorities Committee (BPC) – Reviews IT investments and establishes priorities within the IT Branch; • Branch Executive Committee (BEC) – Reviews programs, projects and policies and provides advice, approval and support to Chief Information Officer (CIO). Ensures activities of the Branch are aligned with Agency strategies and CRA Corporate Business Plan; and • Infrastructure and Application Major Project Review Committees (MPRC) – Provide senior executive decision-makers the ability to examine, question, and provide recommendations on all aspects related to the project portfolio being presented. • The AC of ITB and his senior management team meet with the ACs of the other branches in bilateral meetings to review the status of IT operations and IT projects related to their business. 	<ul style="list-style-type: none"> • RIMC – records of decision • CRA IT Strategy and Plan 2009/10 to 2011/12 • Major Project Review Committee minutes • Architecture Steering Committee – records of decision
<p>What is the Agency doing to ensure that it has skilled and competent employees necessary to support its IT operations?</p>	<ul style="list-style-type: none"> • ITB HR related goals and objectives include: <ul style="list-style-type: none"> • Invest in building capacity of the ITB workforce; and • Recruit, develop and retain a knowledgeable, skilled and engaged workforce. • Core activities related to recruitment (external resourcing) are: <ul style="list-style-type: none"> • Explore methods to better market CRA ITB to external resources; • Maintain links with other Government organizations and educational institutions in order to share best practices with respect to recruiting; • Conduct post-mortems of recruitment programs (Information Technology Apprenticeship Program, External Recruitment); • Conduct external selection processes; and • Conduct needs analysis/survey. 	<ul style="list-style-type: none"> • CRA IT Strategy and Plan 2009/10 to 2011/12 • HR Operations Plan • IT Renewal Program Updates

Expectation (e): Information Technology – The Board must assure itself that the Agency adequately plans and invests in its IT resources to ensure they support the achievement of its business goals.

Key Questions	Response	Sources of Evidence
<p>What is the Agency doing to ensure that it has skilled and competent employees necessary to support its IT operations? Cont'd.</p>	<ul style="list-style-type: none"> • 2009-2010 accomplishments related to recruitment are: <ul style="list-style-type: none"> • Conducted a “Needs Analysis” to better understand activities involved in the attraction, assessment and placement of personnel from outside of the Branch and the Agency into available positions within ITB; • Conducted a consolidated post mortem on the Information Technology Apprenticeship Program (ITAP) and External Recruitment (REX) programs, as well as on our promotion/ marketing activities to determine if they meet ITB’s needs; • Modified the programs accordingly and developed a marketing strategy for next fall/ winter; and • Explored the feasibility of expanding the area of selection for ITAP to specific areas outside of NCR. 	
<p>Does the Agency accurately measure and report on the success of its IT investments?</p>	<ul style="list-style-type: none"> • ITB continues to develop a well-defined, long term performance measurement framework that will allow the IT program to strengthen and build the foundation for successful IT performance reporting. The framework will align resources and plans to assist in the development of performance metrics. • A Performance Indicators Quarterly Report (PIQR) that includes statistical performance information and trend analysis has been published. • Performance measurement processes have been in place since 2007 to monitor and report on application incidents. Various ongoing Quality improvement processes (Peer Review, Application Sustainability, Software Estimation, Solutions Applications Catalogue) coupled with improvements in incident, change and configuration management tools and practices will permit a more complex and comprehensive view of performance. • To provide continuous performance improvements ITB engages the Corporate Executive Board, Infrastructure Performance Improvement Lab to assist in the benchmarking of the following six towers: Storage, Network, Hosting, Messaging, Desktop Services, and Helpdesk services. • ITB program performance metrics for 2009-2010: <ul style="list-style-type: none"> • Dollars spent on applications maintenance: \$80,023,379 • Dollars spent on new applications development: \$66,881,895 • Number of Incidents: Opened – 19,961; Closed – 17,464 • Number of work orders raised and implemented on-time and on-budget annually: 494 for applications; 370 for infrastructure 	<ul style="list-style-type: none"> • CRA IT Strategy and Plan 2009/10 to 2011/12 • Branch Performance Management Working Group Minutes • Performance Management Presentations • IT Service Availability (Quarterly Report) • Corporate Executive Board 2010 Infrastructure Services Benchmark • Gartner 2008 Applications Maintenance Benchmark

Expectation (e): Information Technology – The Board must assure itself that the Agency adequately plans and invests in its IT resources to ensure they support the achievement of its business goals.

Key Questions	Response	Sources of Evidence
Does the Agency accurately measure and report on the success of its IT investments?	<ul style="list-style-type: none"> • Service availability metrics: <ul style="list-style-type: none"> • CRA Web Site – Target: 99.0% Actual: 99.53% • CRA My Account – Target: 95% Actual: 98.32% • CRA T4 Net File – Target: 99.0% Actual: 99.50% • CRA T1 Net File – Target: 95.0% Actual: 99.50% • CRA File-on-Line (EOL) – Target: 95.0% Actual: 98.70% • CRA File-on-Line (EOL) Plus – Target: 95.0% Actual: 98.70% • CBSA Accelerated Commercial Release – Operations Support System – Target: 96.5% Actual: 99.12% • CBSA Custom Commercial System (CCS) Availability – Target: 96.51% Actual: 99.51% • CBSA Passenger Information System (PAXIS) – Target: 99.5% Actual: 99.63% • CBSA Integrated Primary Inspection Line (IPIL) – Target: 99.5% Actual: 99.46% 	

	2008-2009	2009-2010
Board's Assessment and Related Comments	<p>Strong Active partnerships with other government departments are required in order to help mitigate risks.</p>	<p>Strong The Board is concerned, given the current fiscal climate, about the Agency's ability to secure incremental funding for critical IT projects.</p>
Next Steps	<p>Disaggregate management expectations with respect to management of information technology to all separate ratings of component elements. Status: Completed.</p>	
	<p>Consider separating the discussion on business continuity from that of the long-term strategic risks for IT. Status: Completed.</p>	

Expectation (f): Information Technology – The Board must assure itself that the Agency adequately manages and safeguards its IT resources to ensure they support the achievement of its business goals.

Key Questions	Response	Sources of Evidence
<p>Are IT business continuity plans adequate (e.g. have they demonstrated success)?</p>	<ul style="list-style-type: none"> • ITB Business Continuity Plan (BCP) are adequate – however there has been no formal disaster where they have been officially implemented. Where significant events have occurred, albeit not at the disaster level, the plans have been used by management to ensure continuity of service. Examples are the February 2009 water leak at 21 Fitzgerald and the December 2008 HVAC system leakage at 35 Fitzgerald where the plans helped to identify new working locations for critical staff and services. • Business Continuity Plan (BCP) exercises continue to be conducted to ensure management is well prepared to identify new gaps and improve their plans. • During the ongoing process of completing Threat and Risk Assessments, BCP, and Disaster Recovery Plans (DRP), the ability of current and planned safeguards is analyzed to determine if the safeguards are adequate or if additional security is necessary. • ITB gave a comprehensive presentation to the Board on the ITB BCP and DRP at its June 2009 meeting. The presentation detailed the Agency’s work in identifying, protecting, and monitoring all information systems in the CRA from any real or perceived threats to ensure that a secure environment is maintained to uphold the expectations of its clients and employees. • 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 Administrative 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 (Security, Risk Management and Internal Affairs Directorate) and ITB (IT Security Services) work cooperatively to ensure compliance with TBS’s Security Standard (MITS) in the completion of TRAs, BCPs, and DRPs. 	<ul style="list-style-type: none"> • CRA IT Strategy and Plan 2009/10 to 2011/12 • Project Risks • Post-mortems after each BCP and DRT exercise

Expectation (f): Information Technology – The Board must assure itself that the Agency adequately manages and safeguards its IT resources to ensure they support the achievement of its business goals.

Key Questions	Response	Sources of Evidence
<p>Are appropriate security provisions in place to mitigate intrusion and inappropriate access?</p>	<ul style="list-style-type: none"> • CRA continues to maintain adequate IT security posture against the evolving threats to the integrity of CRA data assets and processing. • A Project was initiated to address Management of Information Technology Security (MITS) requirements in order to ensure IT applications and infrastructures remain MITS compliant. Threat Risk Assessments were completed for the major IT platform components and are currently in Management Review awaiting approval. • Information Technology Branch has collaborated with Communications Security Establishment Canada to gain the requisite skills to institute best practices and methodology for security assurance within the application and system development life cycle. • ITB is continuously improving the security posture of CRA's technology infrastructure in order to ensure the continued integrity of data assets and electronic processing. • Refer to response on business continuity plans above. • A Security Operation Center (SOC) which includes a Security Incident and Event Monitoring (SIEM) solution that provides event monitoring to detect and report intrusion attempts and inappropriate accesses to CRA systems has been deployed to all platforms except for the z/OS (mainframe) environment. Inclusion of the mainframe environment and continued maturation of the SOC to encompass new and evolving IT solutions and cyber threats are two areas that ITB will address in the future. The timeframe for implementation on the mainframe environment is dependent on funding and procurement activities. • Vulnerability Assessment (VA) scans are performed to ensure that CRA's network remains safe from any internal/external threats and exposure. The results of these VA scans and required corrective remediation measures are reported to the affected areas. Evolving Web applications, new platforms and increasing threats are areas that require constant review. • Executive Risk Assessments (ERA) are created when there is a potential threat that may harm a CRA or Canada Border Service Agency (CBSA) network device. These assessments are written with information provided by vendors and security professionals. Once written, the ERAs are distributed to the affected areas and monitored so that vulnerabilities may be mitigated. Over 100 ERAs were performed last year. • The Agency continues to be recognized as a best practice organization in the area of IT security. ITB IT security continues to provide IT security guidance for all projects at the CRA and leadership in investigating and deploying security solutions. • ITB provided the Board with an overview of IT security at the CRA at its December 2009 meeting. 	<ul style="list-style-type: none"> • RIMC Report on Security Modernization • RIMC Report on Secure Data Network Program • IT Security Audit Follow Up Report • December 2009 Security Overview Presentation

Expectation (f): Information Technology – The Board must assure itself that the Agency adequately manages and safeguards its IT resources to ensure they support the achievement of its business goals.

Key Questions	Response	Sources of Evidence
Does the Agency have in place feasible plans for managing the maintenance/development and or replacement of applications and infrastructure?	<ul style="list-style-type: none"> The Application Sustainability Program (ASP) was approved and launched in January 2009 with a multi-branch executive level steering committee established to pilot and refine the governance. The Application Sustainability Assessment Framework (ASAF) provides the vehicle for the ongoing assessment of CRA applications. This framework will provide the path to identify, measure and mitigate sustainability risks while facilitating the management decision-making process to prioritize work plans. 2008-2010 was the transitional start-up phase. Applications requiring renewal have been identified. Projects of low complexity and interdependency have been initiated. A high-level action plan is successfully underway to begin the scheduling and engagement of complex, highly interdependent applications. 	<ul style="list-style-type: none"> ASP Governance Framework Individual Projects Life Cycle: Gating Process 2008 & 2009 Application Assessment Surveys 2008-10 Work Plan Preliminary 2010-11 Work Plan IT Architecture Roadmaps Central Budget IT Infrastructure Investment Plan

	2008-2009	2009-2010
Board's Assessment and Related Comments	<p>Strong</p> <p>Active partnerships with other government departments are required in order to help mitigate risks.</p>	<p>Strong</p>
Next Steps	<p>Disaggregate management expectations with respect to management of information technology to all separate ratings of component elements. Status: Completed.</p>	<p>None indicated.</p>
	<p>Consider separating the discussion on business continuity from that of the long-term strategic risks for IT. Status: Completed.</p>	

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 senior 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.

Expectation (a): Service Strategy – The Board must assure itself that the Agency has established a service strategy that is adaptable to meet the evolving needs of taxpayers and benefit recipients.

Key Questions	Response	Sources of Evidence
Is implementation of the Service Strategy proceeding as planned?	<ul style="list-style-type: none"> The annual reports on the implementation of the CRA's Service Strategy will measure the CRA's performance in three areas: meeting established service standards; increasing self-service uptake and taxpayer satisfaction. Our progress will be measured using selected internal and external metrics, and will focus on key service workloads such as enquiries, filing and payment remitting. The taxpayer satisfaction measure is drawn from the results of the Annual Corporate Survey. Baseline data was presented and approved by the Board of Management at their November 2009 Strategic Planning Meeting. 	<ul style="list-style-type: none"> Board Strategic Planning Meeting – November 2009
Is the Agency realizing progress on the objectives established in its Service Strategy?	<ul style="list-style-type: none"> The first report on the implementation of the Service Strategy will be provided to the Board of Management in September 2010. This report will use the approved baseline measures as a reference for demonstrating the CRA's progress in achieving the Service Strategy objectives. 	<ul style="list-style-type: none"> CRA Service Strategy Baseline, November 2009

	2008-2009	2009-2010
Board's Assessment and Related Comments	<p>Acceptable</p> <p>Service strategy appears strong but will require maturation and monitoring in order to evaluate success.</p>	<p>Acceptable</p>
Next Steps	None indicated.	<p>First report on progress against Service Strategy will be presented to the Board in June 2010.</p> <p>The Agency is revisiting its Service Strategy initiatives in light of new, emerging trends in technology as well as the current fiscal climate.</p>

Expectation (b): Service Performance Measurement – The Board must assure itself that the Agency has established performance targets and monitoring of performance for key service elements and an appropriate methodology for measuring taxpayer and benefit recipient satisfaction.

Key Questions	Response	Sources of Evidence
Does the CRA actively manage its services to ensure that service standards for key services are consistently met or exceeded?	<ul style="list-style-type: none"> • The CRA met or mostly met 38 out of 47 service standards in 2008-2009. All high volume, high profile service standards have been met. • In 2009-2010, the Agency launched a comprehensive review of its external service standards, the first of its kind. The preliminary results indicate a good mix of timeliness, accuracy, and accessibility standards. The CRA is a leader among Canadian public sector organizations regarding service standards, and compares quite favourably with international tax jurisdictions. • The Service Standard Review Project identified 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. This addresses a next step identified in the BoMOF – Assessment of Performance 2008-2009. • The final report will be presented to the Board in 2010. 	<ul style="list-style-type: none"> • Canada Revenue Agency Annual Report to Parliament 2008-2009 (Section: Service Standards in the CRA – Overall Results, pages 93-99) • Canada Revenue Agency Annual Report to Parliament 2008-2009 • Current Year Service Standards 2009-2010 • Past Performance and Related Information 2003-2008 • CRA Web site • 2005-2009 Annual Corporate Survey
Is CRA's performance against key service standards transparent to Canadians?	<ul style="list-style-type: none"> • Performance against service standards is reported annually in the Annual Report to Parliament. • Additional performance information on selected service standards is published on the CRA external web site on the Corporate Reports and Information page. This addresses a next step identified in the BoMOF – Assessment of Performance 2008-2009. 	
How is taxpayer and benefit recipient satisfaction with CRA services tracking?	<ul style="list-style-type: none"> • The CRA regularly conducts user surveys of both the business and individual communities in order to gauge levels of user satisfaction. • Overall satisfaction with service is good at 62% and has been steady over the past five years with a slight dip noted in 2007. • In 2009 with respect to service quality: <ul style="list-style-type: none"> • 87% of respondents indicated they were treated fairly. • 81% of respondents agree that the CRA staff is knowledgeable and competent. • 79% agree their service needs were met in the end. 	

Expectation (b): Service Performance Measurement – The Board must assure itself that the Agency has established performance targets and monitoring of performance for key service elements and an appropriate methodology for measuring taxpayer and benefit recipient satisfaction.

Key Questions	Response	Sources of Evidence
Are there reasonable explanations for the results of taxpayer and benefit recipient satisfaction with CRA services?	<ul style="list-style-type: none"> Possible activities that could have influenced the results of taxpayer and benefit recipient satisfaction with CRA services are: <ul style="list-style-type: none"> In 2009, 79% of Canadians who received service from the Agency reported that their needs were met. This result, similar to many of the service indicators, has remained stable since 2007 when a drop was recorded from the 82% recorded in 2005; After 2007 Annual Survey results, CRA invested a further \$30 million into phone services which seems to have arrested declines and in some cases rebounded to 2005 baseline levels in service indicators; and The Canada Revenue Agency Web site Strategic Plan: 2009-2012 has established a number of key performance indicators related to user satisfaction that will be tracked to ensure consistent and persistent improvement. 	<ul style="list-style-type: none"> 2005-2009 Annual Corporate Survey

	2008-2009	2009-2010
Board's Assessment and Related Comments	<p>Acceptable</p> <p>Issues related to services results are identified and acted upon.</p> <p>The Agency's ability to do extensive research on public views is inhibited by new policies on the conduct of public opinion research.</p>	<p>Acceptable</p>
Next Steps	<p>Posting of Service Standards At a Glance information on the CRA website to further increase transparency. Status: Completed.</p> <p>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. Status: Completed.</p> <p>Expand web presence of Service Standards. Status: Completed.</p> <p>Consider revising the questions. Status: Completed.</p>	<p>None indicated.</p>

Expectation (c): Service Redress Mechanism – 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.

Key Questions	Response	Sources of Evidence
<p>Does the Agency address the service complaints it receives in a timely manner?</p> <p>How does the Agency ensure its service redress mechanisms are effective and efficient?</p>	<ul style="list-style-type: none"> • As of the 3rd quarter of 2009-2010, 1966 complaints had been resolved; 92.6% of these complaints were resolved within the target time of 30 days. Closing inventory as of Q3 was 136. The number of service complaints received by the CRA is infinitesimal compared to the number of service transactions that occur per year (approximately 2,500 complaints/10 million transactions = 2/100 of a percentage). • Complaints are acknowledged within 48 hours and the complainant is contacted within 15 days and every 15 days thereafter if required. • All standards are expected to be met 90% of the time. • 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. • Quarterly meetings are scheduled between the Deputy Commissioner and key assistant commissioners with the Ombudsman and his office. • Over the last year, the Agency has been working with the Office of the Ombudsman to strengthen our working relationship. • Both organizations are looking at identifying the types of complaints each are receiving to determine potential systemic issues and subsequently address them with the appropriate branches. • The Ombudsman presented his first Annual Report to the Board in December 2009. • 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. • The Agency is reviewing its Service Complaints Program with the intention of making it more visible and accessible to taxpayers and benefit recipients, particularly with a view to improve its presence on the CRA website. • Appeals Branch is also heavily involved in “in reach” to raise awareness of the Service Complaints Program within the Agency. It is developing a web-based tool that will allow employees to directly submit complaints that they have received to the Service Complaints Program. 	<ul style="list-style-type: none"> • Appeals Workload Management and Information Reporting Infrastructure (ReportNet) • CRA Service Complaints Annual Report 2008-2009 • Systemic Issue Identification Framework

Expectation (c): Service Redress Mechanism – 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.

Key Questions	Response	Sources of Evidence
How does the Agency ensure its service redress mechanisms are effective and efficient? Cont'd	<ul style="list-style-type: none"> • The 2008-2009 CRA-Service Complaints Annual Report provides an overview of the program and a summary of statistical and analytical complaint information. • Out of 2,738 complaints received 93.6% were actually service-related complaints. 66.6% of complaints were resolved over the phone, the remaining decisions were communicated in writing. The top three complaint issues for 2008-2009 are the following: <ul style="list-style-type: none"> • Dissatisfaction of a CRA process – 21.7% • Time to finalize a CRA process – 21.3% • Refunds/benefits being received outside published service standard – 9.4% • Performance measures to address timely resolution of service complaints inventory levels have been developed. This addresses a Board comment identified in the BoMOF – Assessment of Performance 2008-2009. • CRA is currently developing a systemic issue identification database to identify and track trends and issues that affect service delivery. 	

	2008-2009	2009-2010
Board's Assessment and Related Comments	Strong Performance measures to address timely resolution of service complaints inventory levels, etc. to be developed.	Acceptable Budget 2010 commits the Agency to undertake a review of the Service Complaints Program with a view to making it more visible and accessible to taxpayers.
Next Steps	None indicated.	

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 program results.</p> <ul style="list-style-type: none"> • Clear and effective management policies governing human resources exist, are implemented and compliance with them monitored. • CRA workforce embodies the values and ethics of the Agency. • 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 program results.</p> <ul style="list-style-type: none"> • Management policies governing human resources exist and are well communicated throughout the organization. • A culture of values and ethics is promoted throughout the Agency. • Executive leaders regularly communicate with employees and make corresponding improvements to Agency processes and the work environment is 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 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. • Limited attention is paid to promoting values and ethics in the Agency. • The Agency has limited success in hiring and retaining necessary talent. 	<p>Achievement of 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. • No effort is made to promote values and ethics in the Agency. • The Agency is unable to mobilize its employees to achieve program results.

Expectation (a): Workforce – The Board must assure itself that the Agency has a Human Resources management regime that attracts and retains the workforce that it needs to achieve its business goals.

Key Questions	Response	Sources of Evidence
<p>Does the Agency acquire, develop and retain the talent it needs?</p>	<ul style="list-style-type: none"> • The Agency is successful in acquiring and retaining the talent it needs. In 2008-2009: <ul style="list-style-type: none"> • The CRA recruitment rate for indeterminate employees was 8.6% (2,975 recruits) up from 7.5% (2,544 recruits) for the previous year, 2007-2008. <ul style="list-style-type: none"> • The internal recruitment rate of indeterminate employees (from term employees) was 4.9% (1,690 internal recruits) in 2008-2009 compared to 5.3% (1,793 recruits) in 2007-2008. • The recruitment rate of indeterminate employees from other government departments was 0.6%. (207 internal recruits) compared to 0.4% (146 recruits) in 2007-2008. • The recruitment rate of indeterminate employees from outside of the federal Public Service was 3.1% (1,078 recruits) compared to 1.8% (605 recruits) in 2007-2008 • The CRA promotion rate for indeterminate employees increased by reaching 12.2% (4,239 promotions) from 11.0% (3,751 promotions) in 2007-2008. • The transfer and position change rate within CRA for indeterminate employees was 9.4%. • The CRA retention rate for indeterminate employees was 94.6%. • The CRA separation rate of indeterminate employees decreased slightly in 2008-2009 by dropping to 5.4% (1,844 separations) from 5.6% (1,932 separations) in 2007-2008. <ul style="list-style-type: none"> • The retirement rate of the indeterminate employees is 3.3% (1,136 retirements) compared to 3.0% (1,040 retirements) in 2007-2008 • The loss rate for other reasons was 2.1% (708 other losses) compared to 2.6% (892 other losses) in 2007-2008. • The Agency continues to implement a Competency-Based Human Resources Management (CBHRM) approach to ensure that employees are selected, evaluated, developed and promoted based on competencies that have been identified as crucial to our organizational success. • Measures are currently underway to significantly reduce the time to staff while ensuring that the CRA has the talent required to meet its current and future business needs. <ul style="list-style-type: none"> • The Agency instituted Pre-Qualification Processes (PQPs) where candidates applying for permanent positions with the Agency must demonstrate the base competencies required for the position. • As of April 1, 2010, all selection processes will require that applicants have the base competency profile in advance. The state of readiness for employee feeder groups having reached base competency profiles, is good. 	<ul style="list-style-type: none"> • CRA Workforce and Demographic Indicator: Overview for 2004-2009 • Succession Planning Guidelines for Non-ECs • 2008 Public Service Employee Survey Results

Expectation (a): Workforce – The Board must assure itself that the Agency has a Human Resources management regime that attracts and retains the workforce that it needs to achieve its business goals.

Key Questions	Response	Sources of Evidence
<p>Does the Agency acquire, develop and retain the talent it needs? Cont'd.</p>	<ul style="list-style-type: none"> • Human Resource Branch (HRB) has closely monitored End-State PQPs for 2009-10: <ul style="list-style-type: none"> • 82 End-State PQPs were launched with 66 processes completed. • Of the 66 End-State PQPs completed as of October 1, 2009, 53% took less than 100 days to complete. • 171 End-State PQPs are planned for Q1 2010-11 across the Agency. • At the end of the second quarter 2009-10, overall time to staff was 184 days while time to staff for End-State PQPs was 95 days. • According to the 2008 PSES Survey results, almost 60% of respondents indicated that they have opportunities for promotions within CRA given their education, skills and experience. • The CRA has committed to permanently hire 275 post-secondary graduates in 2009-10. In the first two quarters, CRA has reached 76% (209) of its target with 19% (40) being self-identified visible minorities. The Agency will be well positioned to meet its goals. • The CRA continues to pursue the hiring and bridging of students, 20% minimum to be visible minorities for 2009-10 as a means of increasing its capacity and diversity. 	
<p>What is management doing to ensure the ongoing and effective planning of talent to position the CRA to meet future HR challenges?</p>	<ul style="list-style-type: none"> • CRA has formalized an integrated HR planning process to ensure that HR planning decisions are made in the context of environmental considerations and business objectives. • Succession Planning Guidelines for the non-EC community came into effect March 10, 2009 and were published on InfoZone on March 30, 2009. Most branches and regions have initiated work on their own succession plans. The EC succession planning process involving the Agency Management Committee (AMC) members was repeated during the period. • The CRA is developing a knowledge transfer management framework that is expected to be released during fiscal year 2010-11. 	<ul style="list-style-type: none"> • Commissioner's Mid-Year Assessment with the Board • Agency Strategic Workforce Plan 2009-10 to 2010-11 • Succession Planning Guidelines for Non-ECs, InfoZone
<p>How does the Agency align HR and business requirements?</p>	<ul style="list-style-type: none"> • At the national level, the Workforce Change Advisory Group (WCAG) identifies CRA-wide HR challenges, considers their impact on the business lines and makes recommendations. • At the functional level, each business branch has teams focused on business planning which includes an HR component. • At the regional level, management engages in planning activities which involve the alignment of business activities with people management activities. • HR specialists are in place throughout the organization to provide support to management at all levels. • All requests for funding presented to Resource and Investment Management Committee (RIMC) must include an HR impact analysis. 	<ul style="list-style-type: none"> • Commissioner's Mid-Year Assessment with the Board

Expectation (a): Workforce – The Board must assure itself that the Agency has a Human Resources management regime that attracts and retains the workforce that it needs to achieve its business goals.

Key Questions	Response	Sources of Evidence
<p>Does the Agency respect and promote Official Languages and Employment Equity in the workplace?</p>	<ul style="list-style-type: none"> • The CRA adheres to The Official Languages Act (OLA) which establishes the powers, duties, and functions of federal institutions with respect to official languages. • The 2008-11 CRA Action Plan for the Renewal of Official Languages aims to strengthen the Agency's compliance with the OLA. Targets and results are the percentage of employees who meet the bilingual language requirements of their position for: <ul style="list-style-type: none"> • Service to the Public – 87.5% at March 31/10; • Internal Services – 92% at March 31/10; and • Supervision – 92% at March 31/10. • As a result of the Agency's 2008-11 Action Plan for the Renewal of Official Languages, a sub-committee was developed to define the Agency's obligations regarding Part VII of the OLA and to determine how the Agency intends to contribute to the enhancement of the vitality of official language minority communities in its business lines. Expected date of completion is in August 2010. • For the 2008-09 fiscal year, CRA had 239 employees participating in full-time language training and more than 3,000 employees participating in part-time language training. In 2009-10 approximately \$14M was invested in full-time language training for Agency employees. • Of the 239 employees on full-time language training in 2008-09, 97% achieved the levels necessary for their positions in the allotted timeframe. • A computer-based language training program, Pour l'amour du français/For the Love of English is currently being used by over 3,800 employees nationally. • Based on the 2008 Public Service Employee Survey (PSES) results, CRA is doing well in its efforts to support and promote the use of both official languages. According to the survey results: <ul style="list-style-type: none"> • 92% of respondents indicated that they feel free to use the official language of their choice when they communicate with their immediate supervisor and 87% feel the same during meetings within their work unit; and • 89% of respondents agreed that they feel free to use the official language of their choice when preparing written material, including electronic mail. 90% mentioned that the training offered by their department or agency is available in the official language of their choice. 	<ul style="list-style-type: none"> • Quarterly Performance reports • Office of the Commissioner of Official Language Report Card • CRA Action Plan for the Renewal of Official Languages 2008-2011 • Annual Review of Official Languages 2008-2009 • Preliminary Annual Report for 2008-2009 • 2008 Public Service Employee Survey results

Expectation (a): Workforce – The Board must assure itself that the Agency has a Human Resources management regime that attracts and retains the workforce that it needs to achieve its business goals.

Key Questions	Response	Sources of Evidence
<p>Does the Agency respect and promote Official Languages and Employment Equity in the workplace? Cont'd.</p>	<ul style="list-style-type: none"> • The CRA adheres to the Employment Equity Act which establishes the obligations of federal institutions with respect to employment equity. • Internal Representation within CRA on March 31, 2009 versus Labour Market Availability (LMA) from 2006 Census: <ul style="list-style-type: none"> • The CRA internal rate of representation of Persons with disabilities is 5.5% compared to LMA of 3.8%; • The CRA internal rate of representation of Aboriginal Peoples is 2.9% compared to LMA of 2.4%; • The CRA internal rate of representation of the Visible Minorities is 16.5% compare to LMA of 15.8%; and • The CRA internal rate of representation of Women is 61.1% compared to LMA of 58.8%. • The representation of visible minorities in the Executive Cadre Group increased from 9.3% in 2007-08 to 10.4% in 2008-09, but remained below their Labour Market Availability of 13.3%. • The CRA has a three-year Strategic Direction on Employment Equity outlining the Agency's key goals, objectives and initiatives that will be undertaken towards building and maintaining a representative workforce. A new Strategic Direction for 2010-11 to 2012-13 is currently being developed and will be finalized towards the end of March to be submitted to the BoM in June 2010. • CRA has established that 20% of new post-secondary graduates will be members of visual minority groups. • The Aboriginal Tax Officer Apprenticeship Program (ATOAP) was implemented in 2006 as an employment equity initiative that addresses the recruitment, development and retention of qualified Aboriginal college and university graduates. Approximately 57 candidates have been accepted into the program and 42 remain participating in the program or have graduated from ATOAP. 	<ul style="list-style-type: none"> • The CRA's Annual Employment Equity Report for 2008-2009 was submitted to Treasury Board Secretariat on September 30, 2009 but has not yet been tabled in Parliament. • Employment Equity- Representation rates compared to labour market availability • 2008-2009 CRA Employment Equity Annual Report • CAS on March 31, 2009, • 2006 Census (for Aboriginal Peoples, visible minorities and women) • 2006 Participation Activity and Limitation Survey (for persons with disabilities)
<p>Does the Agency ensure that its workforce reflects the diversity of the Canadian population?</p>	<ul style="list-style-type: none"> • See response to previous question. • Based on first official languages data on March 31, 2009: <ul style="list-style-type: none"> • The percentage of CRA employees (within the Quebec Region) who declared "English" as their first official language is 7.2%; and • The percentage of the employees (within CRA overall), who declared "French" as their first official language is 24.6%. 	

	2008-2009	2009-2010
Board's Assessment and Related Comments	<p>Strong</p> <p>CRA has a low turnover rate but also a very high degree of internal movement of staff, thereby maintaining a healthy degree of innovation.</p> <p>CRA's recruitment program is very strong, particularly with respect to post-secondary recruitment.</p>	<p>Strong</p>
Next Steps	None Indicated.	None indicated.

Expectation (b): Values and Ethics – The Board must assure itself that the Agency has a Human Resources management regime that promotes CRA values and ethics.

Key Questions	Response	Sources of Evidence
<p>Does the Agency take steps to foster and promote the values and ethics of the CRA?</p>	<ul style="list-style-type: none"> • The CRA is establishing a comprehensive national values and ethics program. • The CRA Code of Ethics and Conduct (Code) provides an overview of CRA values, policies and guidelines, as well as related legislation and jurisprudence, and clearly outlines the standard of conduct for employees. All new employees sign a copy of the Code when hired. All employees receive an annual reminder of their responsibilities under the Code and the Conflict of Interest Policy. A revised Code was released to employees via a National Distribution email in June 2009. • Statistics kept by the Agency do not show an increase in fraudulent behaviour by CRA employees. • As per the <i>Public Servants Disclosure Protection Act</i>, employees can report wrongdoing to the Senior Officer for Internal Disclosure. • The CRA's Conflict Resolution Program is aligned with the Agency's core values of respect, cooperation, integrity and professionalism. The National Conflict Resolution Office (NCRO) supports managers and employees in preventing and resolving workplace conflicts before they escalate. Furthermore, the Agency has made the Conflict Resolution Conversations-Part 1 course mandatory for all employees. • A commitment was made by senior management to review the Discipline Policy in order to identify any gaps in its application, and to strengthen monitoring. The review is completed and will be directly linked to the establishment of "Chief Risk Officer" who will report directly to the Commissioner. • The Discipline Policy and Guidelines have all the elements required to ensure cases involving misconduct are investigated while ensuring due process. This helps to ensure the protection of both the integrity of CRA operations and the professional reputation of its employees. To keep it current, the Policy is being reviewed and will be presented to the Board in 2010/2011. • In response to the 2008 Public Service Employee Survey, the Agency decided to concentrate its efforts on promoting a national theme of a "Respectful Workplace" to strengthen the positive behaviour that all employees should adopt, and is developing an action plan focused especially on preventing harassment and discrimination. <ul style="list-style-type: none"> • A national site on Respectful Workplace will be launched in March 2010 to assist all managers and employees in building and fostering a respectful work environment. • The support and promotion of a Respectful Workplace has also been added to the AC, EC and MG Performance Agreements. 	<ul style="list-style-type: none"> • Revised CRA Code of Ethics and Conduct (June 2009) • CRA Code of Ethics and Conduct Awareness Session • Preventing and Resolving Harassment Policy and Awareness Session • Injury and Illness Tool • Highlights of Values and Ethics: Key Activities • Conflict Resolution Program Annual Report 2008-2009 • 2008 Public Service Employee Survey results • Discipline Policy

Expectation (b): Values and Ethics – The Board must assure itself that the Agency has a Human Resources management regime that promotes CRA values and ethics.

Key Questions	Response	Sources of Evidence
<p>Does the Agency take steps to foster and promote the values and ethics of the CRA? Cont'd.</p> <p>Does the public believe that CRA employees exhibit the values and ethics of the Agency?</p>	<ul style="list-style-type: none"> • CRA released an updated Preventing and Resolving Harassment Policy in September 2009. This policy strongly directs employee conduct and supports behaviour that reflects the values of the Agency. • During 2008-09, 10, 486 employees completed the two- hour Preventing and Resolving Harassment awareness session. • The 2008 Public Service Employee Survey (PSES) indicated that 24% of respondents (7,000 employees) agreed that they had been a victim of harassment on the job in the past two years (29% in the Public Sector) and 17% (4,955 employees) a victim of discrimination (18% Public Sector). However, 82% of employees agreed that the Agency works hard to create a workplace that prevents harassment and discrimination. • The 2008 PSES reveals significant differences between CRA and the Public Sector for the following statements: <ul style="list-style-type: none"> • In my work unit, we learn from our mistakes and do what it takes to correct them (CRA 84%, PS 78%); • If I were to suggest ways to improve how we do things, my immediate supervisor would take them seriously (CRA 81%, PS 77%); and • In my work unit, every individual, regardless of race, colour, gender or disability would be/is accepted as an equal member of the team (CRA 88%, PS 81%). • The 2008 CRA Annual Corporate Survey results demonstrate that ethical conduct by CRA employees continues to resonate with the majority of Canadians. For instance, the results show that 83% of respondents agree that the Agency treats taxpayer information with complete confidentiality while 79% agree that they are treated honestly. 	<ul style="list-style-type: none"> • Annual Corporate Survey (results released December 2009)

	2008-2009	2009-2010
Board's Assessment and Related Comments	Strong	Strong
Next Steps	Ensure that questions are appropriate and follow in a logical order. Status: Completed.	None indicated.

Expectation (c): Learning – The Board must assure itself that the Agency has a Human Resources management regime that encourages learning, which includes personal adaptability and knowledge transfer.

Key Questions	Response	Sources of Evidence
<p>Does the Agency provide opportunities for employees to develop their knowledge, skills and abilities?</p>	<ul style="list-style-type: none"> • Employee learning commitments are expressed through Individual Learning Plans (ILPs). This process allows the capture and review of the knowledge and skills managers and employees have agreed on. The Agency expects an overall ILP completion rate of 90%. The preliminary overall ILP completion rate for 2009-2010 is 92%. • When addressing employee learning needs, the Agency has a well established history of investing in its workforce; expending 6% (the gold standard for the federal government), or \$170M of its payroll, to develop employees in each of the last three years – two thirds of this are for technical training. Over the past fiscal year, CRA invested an average of \$3,400 per employee. This translated into an average of 11.2 learning days for employees and 10 days for managers. • Results of the 2008 Public Service Employee Survey demonstrate that the Agency is working to give employees opportunities to develop their knowledge, skills and abilities: <ul style="list-style-type: none"> • 64% of respondents indicated that they believe the organization does a good job of supporting employee career development; • Over 70% said they get the training they need to do their job; • In terms of career development, 69% of CRA employees said they have opportunities to develop and apply the skills they need to enhance their career; and • 62% felt they were able to get on-the-job coaching to help them improve the way they do their work. 	<ul style="list-style-type: none"> • CRA Annual Report Card on Learning 2008-2009 • Quarterly performance reports • Websites hosting the information: <ul style="list-style-type: none"> • Learning Policy • Educational Assistance Directive and Procedures • 2008 Public Service Employee Survey Results
<p>Does the CRA learning program align with Agency business requirements?</p>	<ul style="list-style-type: none"> • Every year, the Training and Learning Directorate (TLD) is involved in the development of national learning products. Access to external learning providers (such as the Canada School of Public Service (CSPS) and Campusdirect extends the range of learning opportunities available to employees to develop their skills. In addition, technological solutions to learning continue to be explored and developed. 	<ul style="list-style-type: none"> • Draft policy instruments including: <ul style="list-style-type: none"> • CRA Planning and Evaluation of Learning Directive • CRA Planning of Learning Procedures • CRA Procedures for Evaluation of Learning Products and Events

Expectation (c): Learning – The Board must assure itself that the Agency has a Human Resources management regime that encourages learning, which includes personal adaptability and knowledge transfer.

Key Questions	Response	Sources of Evidence
Does the CRA learning program align with Agency business requirements? Cont'd	<ul style="list-style-type: none"> The CRA Learning Policy, with an emphasis of aligning learning program to business objectives, was approved by Board March 10, 2009 and is being communicated to managers and employees through: <ul style="list-style-type: none"> Infozone, including posting the Policy; National messages; and Frequently Asked Questions (FAQs). The Agency is strengthening its governance over learning through the introduction of new directives and guidelines that will be considered by the Board at its meetings in June. 	
Is the CRA workforce adaptable and continuously learning?	<ul style="list-style-type: none"> In 2008-09, the internal mobility rate (including promotions, transfers and lateral moves) was of 21.6% in the CRA a level considered to be indicative of sound learning and development. Technological solutions to learning continue to be explored and developed in the Agency. Cost-savings will be recognized with the move away from traditional classroom to other learning methods. 	

	2008-2009	2009-2010
Board's Assessment and Related Comments	<p>Strong</p> <p>The CRA has addressed the concerns of the OAG with respect to auditors training.</p>	<p>Strong</p>
Next Steps	None indicated.	<ul style="list-style-type: none"> Learning priorities for the Agency will be identified in line with the development of the Agency Workforce Strategy and the Corporate Business Plan. That investments in learning will begin to be evaluated in terms of outcomes of the learning activities, enabling the development of measures of Return on Investment for different types of learning. The Agency will maximize the use of technology with respect to learning and evolve the way learning products are delivered.

Expectation (d): Workplace Practices – The Board must assure itself that the Agency has a Human Resources management regime that promotes a healthy, safe, fair and productive workplace.

Key Questions	Response	Sources of Evidence
What processes are in place to ensure that the workplace is safe and that employees' health and wellness are being considered?	<ul style="list-style-type: none"> • In order to ensure workplace safety measures are effective, the CRA has realigned its Occupational Health and Safety Policies. • A number of activities have taken place or are underway including: <ul style="list-style-type: none"> • A Job Hazard Analysis (JHA) is currently underway; • Functional Occupational Health and Safety (OHS) Committees in all CRA locations. • The Employee Assistance Program delivers advisory services, training, and EAP Fact sheets that contribute to employee well being. A total of 9.4% of managers, 4.5% of union representatives and 5.8% of Human Resources professionals consulted EAP's advisory services in 2008-2009. More than 2,300 employees accessed EAP training. 	<ul style="list-style-type: none"> • Employee Assistance Program Annual Report
Are the Agency's workplace safety measures and workplace wellness practices and programs effective?	<ul style="list-style-type: none"> • An update on the Job Hazard Analysis for field employees was provided to the Board at its December 2009 meeting. • A Job Hazard Analysis for field groups is ready for approval. • A Job Hazard Analysis for functional groups was recently launched. • The Agency managed the H1N1 file with respect to communications to all employees, direction/advice to management and collaboration with Central Agencies. 	<ul style="list-style-type: none"> • Job Hazard Analysis for Canada Revenue Agency – Phase III Report
How is the Agency working to improve its workplace wellness practices/programs?	<ul style="list-style-type: none"> • CRA's creation of a Respectful Workplace website underlines the importance of workplace wellness practices and programs for the Agency. • In Atlantic Region, a project is underway to assess wellness in two Call Centres. A survey was administered and action planning is underway. Report is expected by March 31, 2010. • National EAP/Wellness Week was celebrated across the Agency the first week of February. Various activities were organized by local EAP Committees with the goal of promoting individual wellness. 	
Does the Agency ensure that collective agreements are respected?	<ul style="list-style-type: none"> • CRA maintains open lines of communication between Management and the Unions, as demonstrated by the ongoing Management and Union participation in numerous joint committees and meetings to address workplace issues/concerns. • The regional Workplace Relations Centers of Expertise include Labour Relations Advisors who provide consulting services to managers regarding different aspects of the employer/employee relationship. • In the Management Group Learning Program, the Human Resources Management Module addresses the basic leadership skills of a newly appointed MG and includes a unit dedicated to Labour Relations. 	

Expectation (d): Workplace Practices – The Board must assure itself that the Agency has a Human Resources management regime that promotes a healthy, safe, fair and productive workplace.

Key Questions	Response	Sources of Evidence
Does the Agency ensure that collective agreements are respected? Cont'd	<ul style="list-style-type: none"> Statistical information on grievances include: April 1, 2009 -February 5, 2010 <ul style="list-style-type: none"> Total of 748 grievances were received at all levels of the grievance process Of these, 339 (45%) dealt with collective agreement interpretation 71 (9.5%) dealt with discipline and, 338 (45%) were in the "Other" category such as policies, assignment of duties, and administrative measures April 1, 2008 to March 31, 2009 <ul style="list-style-type: none"> 1313 grievances were received at all levels of the grievance process 293 (23%) dealt with collective agreement interpretation 66 (5%) dealt with disciplinary actions 750 (57%) were in the "Other" category (253 of those were on training, 93 on assignment of duties, 59 on performance appraisal) There were 178 (13.5%) coded as policy grievances (150 on the Performance Management Policy) 19 (1%) were job content/classification Between April 1, 2008, to October 31, 2009, 38% of the grievances were filed by PSAC and 62% by PIPSC 	
Is there a productive working relationship between unions and management (through UMI, joint committees, etc.)?	<ul style="list-style-type: none"> The CRA continues to clearly communicate its willingness towards resolving bargaining issues within the current prescribed economic parameters established by the Government of Canada. The Professional Institute of the Public Service of Canada (PIPSC) Collective Agreement was implemented within 90 days. UMI is working. However, PIPSC has withdrawn from current negotiations and the Agency is looking for opportunities to re-engage PIPSC. 	

	2008-2009	2009-2010
Board's Assessment and Related Comments	Strong	Strong The Board is concerned that the Agency maintain a strong working relationship with its unions following a period of significant change management and during times of fiscal restraint.
Next Steps	None indicated.	None indicated.

BoMOF and MAF Assessment Elements

The first column of the table below shows the Board of Management’s five main areas of oversight as outlined in the CRA Act. In the second column, the areas of oversight are broken down by the Board’s expectations for good management. These expectations are assessed through the Board of Management Oversight Framework (BoMOF). The final column lists the Areas of Management (AoM) on which the CRA is assessed through the Treasury Board Secretariat’s Management Accountability Framework (MAF) and shows where these AoMs fit within the Board’s areas of oversight responsibility. There are areas that are assessed by both the BoMOF and the MAF. These are highlighted in the table.

Area of Oversight	Assessed in BoMOF	Assessed in MAF
1. Organization of the Agency	<ul style="list-style-type: none"> • Internal Accountability Structure 	<ul style="list-style-type: none"> • Corporate Management Structure
2. Administration of the Agency	<ul style="list-style-type: none"> • Enterprise Risk Management • Program Evaluation • Internal Audit • Sustainable Development 	<ul style="list-style-type: none"> • Corporate Risk Management • Corporate Performance Framework • Contribution to Government-wide Priorities • Quality of Analysis in Treasury Board Submissions • Quality of Performance Reporting
3. Management of Resources	<ul style="list-style-type: none"> • Financial Management • Project Management • Asset Management • Procurement Management • Information Technology 	<ul style="list-style-type: none"> • Financial Management and Control • Information Management • Information Technology Management • Management of Security and Business Continuity
4. Management of Services	<ul style="list-style-type: none"> • Service Strategy • Service Performance Measurement • Service Redress Mechanism 	<ul style="list-style-type: none"> • Citizen-focused Service • Services provided in both Official Languages • Compliance with Common Look and Feel (CLF) 2.0 requirements
5. Management of Personnel	<ul style="list-style-type: none"> • Workforce • CRA Values & Ethics • Learning • Workplace Practices 	

• **Assessed in both BoMOF and MAF**

Sources of Evidence

Below is an alphabetical list of key corporate documents that are used as sources of evidence within the BoMOF assessment of performance. The “X” indicates in which area of Board oversight the corporate document is used as a source of evidence.

Sources of Evidence	Organization of the Agency	Administration of the Agency	Management of Resources	Management of Services	Management of Personnel
• Agency Workforce Plan (AWP)					X
• Annual Corporate Survey				X	X
• Annual Report (AR) to Parliament	X	X	X	X	X
• CRA Employee Survey					X
• Corporate Audit & Evaluation Branch (CAEB) Annual Report		X			
• Corporate Audit & Evaluation Branch (CAEB) Business Plan		X			
• Corporate Business Plan (CBP)	X	X	X	X	X
• Corporate Risk Inventory (CRI)		X			X
• Emergency Risk Management (ERM) Framework (Policy/ Strategy)		X			
• Information Technology (IT) Strategy			X		
• Learning Policy/Plan		X			X
• Performance Agreements (Guidelines/Matrix/ Agreements)	X	X		X	X
• Program Evaluation Policy		X			
• Service Complaints Annual Report				X	
• Service Strategy				X	