

Board of Management Oversight Framework Assessment of Performance 2010-2011



RC4425 E REV10



Canada Revenue
Agency

Agence du revenu
du Canada

Canada



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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 of Canada Secretariat (TBS) does for federal 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 TBS Management Accountability Framework. 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 *Canada Revenue Agency 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. Traditionally, a subcommittee 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 information.

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 chapter in the Corporate Business Plan, the 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 TBS Management Accountability Framework 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.

What's New for 2010-2011

Changes to the 2010-2011 BoMOF include adding an overview statement at the beginning of each Expectation in the Evidence section. This overview includes structural information for each Expectation, such as explaining existing processes, plans, and strategies, as this tends to be repeated throughout the Assessment of Performance each year. The inclusion of these overview statements has eliminated the need for process-type questions. In addition, some of the Expectations and Key Questions have been modified or combined for 2010-2011. These changes have allowed for more emphasis to be placed on responding to questions that deal with the actual results of management processes and systems. This assessment was prepared prior to the release of the Federal Budget expected in March 2011. Given the current economic environment and the upcoming Budget, some of the next steps identified in this document may need to be adjusted as we progress through the year.



Organization of the Agency

Strong

The Agency shows a rigorous, systematic approach to accountability through performance management practices that support the effective achievement of priorities and program results.

The Agency's governance and accountability structures generate the optimal amount of co-ordination, 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.

Acceptable

Agency accountability structures and processes support the achievement of priorities and program results.

The Agency's governance and accountability structures generate an acceptable amount of co-ordination 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.

Opportunity For Improvement

Improvements are needed to meet minimum levels of acceptable accountability. Achievement of priorities and program results may be at risk.

Deficiencies within the governance and accountability structures of the Agency are identified and tentative steps are taken to address the issues.

Policies, processes, and practices are being developed and need to be integrated within the Agency.

Attention Required

Achievement of priorities and program results are at risk due to serious deficiencies in accountability.

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 (a): Governance – The Board must assure itself that the Agency has an appropriate governance structure

Overview

The CRA has a unique governance structure:

- The minister of national revenue is accountable to Parliament for all aspects of the CRA's operations and administration;
- The Board of Management (Board) is responsible for overseeing the organization and administration of the CRA, the management of its resources, services, property, personnel, and contracts, as well as the development of the Agency's Corporate Business Plan (CBP); and
- The Commissioner and Chief Executive Officer, who has dual accountability, being responsible for the day-to-day management of the CRA under the Board's oversight and is accountable to the minister for the administration of program legislation.

The CRA has seven corporate committees which oversee the business operations and the strategic direction of the Agency. They are made up of branch and regional heads and meet regularly. The main decision-making body is the Agency Management Committee (AMC). The 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 must first be tabled at AMC for approval.

Agency management holds a strategic planning meeting (SPM) each year. The SPM is used to identify strategic priorities and supporting activities.

To help the Board fulfil its governance responsibilities, four committees and one sub-committee undertake much of the detailed review of items brought before the Board for its consideration.

The Audit, Governance, Human Resources, and Resources committees apprise the Board of the items that fall within their scope. The BoMOF Subcommittee approves the BoMOF framework and does the annual assessment. Each of these committees provides advice and makes recommendations to the Board.

A Board competency profile and matrix are maintained and used to ensure that the right balance of competencies, experience, and skill sets exists among Board members. Four members of the Board, including the Chair, have obtained the ICDD certification from the Institute of Corporate Directors (ICD).

Working through the corporate secretary, Board members have access to senior management. The corporate secretary:

- makes sure that there is a reliable information flow between the Board and senior management;
- schedules regular meetings between senior management, as well as committee and Board chairs; and
- records and actions all follow-up items requested by the Board.

The Agency Secretariat and International Relations Directorate manages a portal for the Board where members can access all meeting material electronically.

The Agency's Chief Audit Executive (CAE) participates in the in camera sessions with the Board's Audit Committee at each quarterly in-person meeting. The CAE reports on internal audits and program evaluations that are approved by the Management Audit and Evaluation Committee to the Audit Committee of the Board for its review.

Members of the Office of the Auditor General of Canada participate in all regular sessions of the Board's Audit Committee.

The Board and senior management work together to reach the Agency's business objectives. The Board chair and commissioner hold regular calls to discuss key issues, and senior management participates in the Board's in-person meetings, its quarterly teleconferences, and any other ad hoc meetings when required.

The Commissioner provides an update on significant CRA activities at each quarterly Board in-person meeting and at scheduled Board teleconferences during the intervening periods.

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 yearly SPM.

The Guidelines to Complete Executive Cadre (EC) Performance Agreements for 2010-2011 were developed to make sure that executive performance agreements translate the priorities and deliverables in the corporate business plan into action and address performance gaps noted in the Agency's annual report.

Sources of Evidence

• <i>Canada Revenue Agency (CRA) Act</i>
• CRA Board of Management (Board) Governance Manual
• Board and Committee Work Plans, Agendas, and Minutes
• Strategic Planning Meeting – Agendas and Minutes
• Infozone Committees page
• Corporate Committees — Mandates
• Corporate Committees Protocol
• Guidelines to Complete Executive/Cadre (EC) Performance Agreements for 2010-2011

Key Questions

1. Are the Agency's decision-making structure and processes effective?

Agency's Decision-Making Structure and Processes

As per the Board's comments from the 2009-2010 BoMOF Assessment, the results of a review of corporate committees confirmed the need to modernize the corporate committee structure and identified several possible improvements. All adjustments were implemented immediately, including the creation of two new committees: one strategic and one tactical.

To respond to the Next Steps the Board identified in 2009-2010, the Board has reviewed the changes to the Agency's governance structures and has added value when appropriate. Selected Board members participated in the selection process for the Agency's Chief Risk Officer and the Chief Financial Officer.

The Ad Hoc Committee to Review Board Process and Content (comprised of the chairs of the Board and its four committees, and the Commissioner), has begun work to improve the efficiency and effectiveness of the Board. One of the Committee's priorities is to bring a greater strategic focus to the Board's work and documentation, enabling more comprehensive, focussed discussion and more informed decision-making at the Board level.

In an effort to enhance senior management's understanding of the Board's oversight responsibilities and priorities, two members of senior management, starting in June, 2010, attend each set of Board meetings as observers.

Board decisions are fully integrated with and support Agency direction and strategies described in the corporate business plan. Decisions are informed by rigorous analysis of risk, research, expected results, the environment, and other considerations.

The Agency continues to adopt emerging best practices in enterprise risk management, and is formalizing roles and responsibilities for risk governance within the organization. Risk oversight is included in the mandate of each of the Agency's corporate committees.

The Chief Risk Officer:

- provides sound risk information for decision-making at the corporate, operational, and project levels;
- maintains the Agency's corporate risk profile; and
- regularly brings items to the Board for information and discussion.

Sources of Evidence

• Board of Management Oversight Framework — Assessment of Performance 2009-2010
• Infozone committees page
• Corporate Committees — Mandates
• Board and Committee Agendas and Minutes
• Corporate Risk Profile
• Enterprise Risk Management Branch — Infozone page
• Ad Hoc Committee to Review Board Process and Content — Minutes and Reports

Board's Assessment and Related Comments

	2009-2010	2010-2011
Board's Assessment and Related Comments	Strong Management has undertaken a review of governance structures and will be implementing changes to to those structures. Completed.	Strong
Next Steps	The Board will review the changes and take action in areas where it can add value. Completed.	

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

Overview

The Agency's and the Board's priorities are described in the corporate business plan (CBP). Agency management works with the Board to develop priorities for the planning cycle during the CBP development process. Key commitments in executive performance agreements are developed from these priorities, thereby cascading them down into the Agency and assigning personal accountability for them.

The Board sets annual performance objectives for the commissioner and performs an annual and mid-year assessment of progress against the objectives set for the previous year. Performance objectives for the commissioner are consistent with the strategic objectives of the Agency as set out in the CBP. The Board also provides input into the performance assessments and performance objectives of corporate assistant commissioners (ACs) (the chief audit executive (CAE), chief financial officer (CFO), chief information officer (CIO), chief risk officer (CRO) and the assistant commissioners of the Human Resources Branch (HRB), and the Strategy and Integration Branch (SIB), and the corporate secretary).

Executive (EC) performance agreements translate the priorities and deliverables in the CBP into action and address performance gaps noted in the Agency's annual report. They offer an overall view of ongoing responsibilities and prioritize commitments for the coming year. Within the EC Guidelines, ECs are asked to consider the Agency commitments presented in the EC Foundation Table, which includes mandatory commitments founded on CRA priorities.

Sources of Evidence

- 2010-2011 EC Foundation Table
- *Guidelines to Complete Executive/Cadre (EC) Performance Agreements 2010-2011*
- *Summary of the Corporate Business Plan*
- 2010-2011 Performance Agreement with the CRA's Board of Management — Commissioner of Revenue
- 2010-2011 Performance Agreement, CFO, CAE, CIO, CRO, AC SIB, AC HRB, Corporate Secretary
- Mid-Year Progress on the Commissioner's 2010-2011 Performance Agreement with the Board of Management

Key Questions

1. Does the alignment of accountabilities with plans, priorities and Board objectives support the effectiveness of the Agency?

Alignment of Accountabilities

All priorities and accountabilities are linked from the ACs to the commissioner and deputy commissioner and to the overall Government of Canada and Public Service of Canada priorities.

ACs contribute towards supporting the commissioner's commitments to the Board.

In 2010-2011, the Board provided input to the performance agreements of the corporate ACs and the corporate secretary. The Board's input was sought to make sure that the performance commitments were aligned with corporate plans, priorities, and Board objectives.

2. Has the Agency been proactive in identifying and preparing for the impacts of the cost containment measures?

Agency Actions Taken

As part of the 2010 federal budget, the Minister of Finance set out a plan for returning the federal budget to a balanced position. This plan included cost containment measures whereby wage and operating cost increases would be managed by each department and agency until 2012-2013. In addition, the Government launched a comprehensive review of government administrative functions and overhead costs —identifying opportunities for savings and improved service delivery.

To mitigate key funding pressures, the Agency launched a number of demand mitigation studies, including the review of sent mail and postage, the demand for litigation legal services, the appeals inventory, the access to information and privacy (ATIP) inventory, and realignment of the Corporate Tax Administration for Ontario (CTAO) funding.

The Agency Management Committee led the development of a cost containment management plan to make sure that resources would be available to maintain the Agency’s delivery of its core business while respecting the need for fiscal restraints.

Board Updates

The Agency provides regular updates to the Board to provide assurance that it is preparing, for, and addressing, the impacts of the Government’s Cost Containment Initiative through its cost containment management plan.

Sources of Evidence

• Budget 2010
• Administrative Review
• Demand Mitigation papers
• Managing the Budget 2010 Cost Containment Initiatives in CRA – Sept. 1, 2010
• Minister’s Package
• Records of Decisions documents
• Board Agendas and Minutes

Board’s Assessment and Related Comments

	2009-2010	2010-2011
Board’s Assessment and Related Comments	Strong	Strong
Next Steps	None indicated.	



Administration of the Agency

Strong

The Agency has rigorous, systematic administrative functions that support the effective achievement of priorities and program results.

Enterprise Risk Management (ERM) best practices are integrated in the ERM framework, along with continual risk identification, review, and assessment, and the development of mitigation strategies. Senior management supports and directs the identification and assessment of risk.

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.

Acceptable

Agency administrative functions support the achievement of priorities and program results.

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.

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.

Opportunity For Improvement

Improvements are needed for administrative functions. Achievement of priorities and program results may be at risk.

An enterprise risk management program exists, including corporate and branch/regional risk inventories and mitigation strategies.

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 being developed.

Attention Required

Achievement of priorities and program results are at risk due to serious deficiencies in administrative functions.

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 are being developed. The Agency does not assess the effectiveness and costs of its programs in a systematic, evidence-based way.

Sustainable development is not part of the Agency's management or planning processes.

Expectation (a): Risk Management – The Board must assure itself that the Agency follows appropriate risk management processes at the enterprise level.

Overview

The Enterprise Risk Management (ERM) Program was created in 2005 to ensure that the Canada Revenue Agency (CRA) established a systematic and comprehensive approach to managing risk, one that is fully integrated into the Agency's strategic, operational, and fiscal decision-making processes and mechanisms.

The CRA has developed and implemented a solid ERM framework aligned with Government of Canada risk management (RM) expectations, as well as with international RM standards (for example, ISO 31000). The framework includes a comprehensive policy that is supported by strong processes, tools, and training products. Together, these elements allow for identifying, analyzing, evaluating, addressing, monitoring, reporting, and communicating enterprise, business, and project risks.

Since the inception of the ERM program, RM has become an essential part of good management, sound planning, and priority-setting, as well as operational excellence at all levels within the CRA:

- RM is included in the commissioner's priorities with the Board of Management (Board) and is a mandatory commitment for the Executive Cadre (EC). The Executive/Cadre (EC) Performance Agreement Guidelines state that it is a core responsibility for all EC members to embed risk management into their decision-making process and to foster a working culture that promotes responsible risk-based decisions.
- Agency management participates in, and directs, the management of risks at all levels.
- Projects presented to the Resource and Investment Management Committee (RIMC) undergo a risk assessment as part of the submission process. In addition, the Agency promotes a portfolio approach to managing investment projects, and risk consideration is one of the key factors required in establishing a CRA investment portfolio.
- The corporate risk profile (CRP) (formerly comprised of the corporate risk inventory and its companion pieces, the CRA risk action plan and the status report) provides important information that enables the Board to undertake their risk oversight responsibilities and allows CRA to effectively manage its business. The development and implementation of strategies in response to enterprise risks for which controls are considered to be not enough or not effective show the Agency's ongoing commitment to make sure that appropriate action is taken to manage risks within the tolerance of the organization.
- Project, Tax Service Office and branch/regional risk profiles, which the ERM program helped facilitate, have provided key information to CRA management to enable them to manage risks against their objectives.
- The CRA's Enterprise Risk Management Program has been recognized for its excellence by CRA's management, as well as by other government organizations. It has achieved a Strong rating for the past two years under the TBS Management Accountability Framework (MAF) assessments and is recognized nationally as a model of excellence.
- In June 2010, the CRA further strengthened the program by creating a dedicated, independent and neutral ERM function under the leadership of a chief risk officer (CRO) who is also at an assistant commissioner level. The chairs of the Board and Governance Committee participated in the selection process of the CRO. Later, the Enterprise Risk Management Branch (ERMB) was created as an independently-resourced branch to facilitate more strategic RM direction for the organization and provide objective and strategic advice to the commissioner, the AMC, senior management, and the Board with regard to risks facing the Agency.
- Since its creation in June, the ERMB has presented a renewed ERM vision that aims to bring the organization to a more advanced ERM state where it fully embeds ERM as a strategic tool. Also, it has performed a benchmarking exercise on leading ERM practices within the private and public sectors, Crown corporations, consulting and

research organizations, and tax revenue bodies across the world to inform improvements to its program and policy. In December 2010, the ERMB launched its new InfoZone site which will be an important portal to information and resources pertaining to risk management.

Key Questions

1. Has the Enterprise Risk Management Program been successful in facilitating the process for the development of effective risk response strategies?

Facilitating Effective Risk Response Strategies

Although an independent/third party assessment has yet to be conducted on the Enterprise Risk Management Program, the following key initiatives show how the ERMB has performed with regard to facilitating effective risk response strategies by linking relevant initiatives to four key success criteria.

Key Success Criteria:

Risk sponsors/Office of Primary Interest (OPIs), Office of Secondary Interest (OSIs) and other individuals involved in developing and implementing risk response strategies are provided with appropriate contextual information.

- The ERMB places a lot of importance on conducting regular environmental scans on elements that may affect the Agency's risks. The ERMB published its last environmental scan in November 2010 to support senior management in developing the CRA's 2011 CRP.
- The scan identifies key trends/changes in the environment that could impact the nature and/or severity of the risks previously identified as well as those that could present new risks to the Agency. The scan takes into account both internal and external environments to produce a coherent view of risk drivers. Risk response strategies often target these risk drivers since they are the source of risks.
- As part of the RM process, the ERMB facilitates the identification of controls associated with risks identified at the corporate, branch/regional, and project levels. These control measures inventories allow individuals involved in developing risk response strategies to have an understanding of what is in place to mitigate risks and of where gaps might exist.

Risk sponsors/OPIs, OSIs and others involved in developing and implementing risk response strategies have an adequate level of RM knowledge and are supported by an appropriate RM culture. Through its centre of expertise, the ERMB offers and participates in a broad range of learning initiatives that target various audiences. Together this contributes to further embedding of RM into the CRA culture and increasing the RM knowledge of individuals involved in developing and implementing risk response strategies.

- The CRA offers a 1.5-day RM training session for managers and executives. This audience was targeted to ensure that people making decisions with the greatest organizational impact had the appropriate knowledge and tools to manage their risks effectively. A pilot one-day version of this course is being delivered to respond to participants' feedback on the course.
- Since 2009, 461 CRA employees have participated in the training. The training target for the fiscal year 2010-2011 is 200. To date, 201 CRA employees have been trained and an additional 30 to 60 are expected to be trained towards the end of the fiscal year. The ERMB expects to exceed its performance target by 15% for 2010-11 and has set a training target of 400 for fiscal year 2011-12.
- As part of its commitment to improve its RM training delivery to CRA employees, the ERMB requires training participants to provide course feedback through the completion of course evaluation forms. The results of the 2010-2011 course evaluation on the one-day RM training pilot shows that participants' knowledge of RM increased by 58% after attending this course. This result exceeds by 28% the 30% target established by the ERMB. As well, 98% of the participants indicated that they would recommend this learning product to their colleagues.

- The MG Learning Program includes a two-hour segment on RM under the Finance and Administration Module. To date, 95% of the RM segments of the MGLP were attended and supported by ERMB subject matter experts.
- The EC Learning Program for new executives was first piloted by the CRA in November 2010. To support this initiative, the ERMB developed a 90-minute RM training module to spread RM knowledge throughout the Agency. Based on the evaluation results received from the Executive Personnel Programs Directorate, the risk management module received assessment scores above the average ratings for all evaluation criteria for the program.
- The ERMB also revised the Agency ERM policy with an increased emphasis on promoting horizontality and a strong risk culture. The policy is due for final approval by the Board in March 2011. The policy states the requirement to adhere to the CRA RM process which includes risk monitoring and reporting, that is, tracking and reporting on the evolution of risk exposure and the effectiveness of risk actions. This requirement supports the CRA's commitment to fostering a sound RM culture across the Agency which is also stated in the policy.

Risk sponsors/OPIs, OSIs, and other individuals involved in developing and implementing risk response strategies receive adequate support and guidance from the ERMB with regard to the development of risk response strategies.

- ERMB senior analysts are assigned to specific branches and regions to provide dedicated support on action plan development and reporting.
- To help risk sponsors to develop strategies, the Risk Response Strategy Guidelines were developed by the ERMB. These guidelines have been shared with individuals involved in the development of risk response strategies and support has been provided by the ERMB in implementing them. In addition to that, the guidelines were posted on the InfoZone in early 2010. This enables the development of effective risk responses at all levels within the Agency (corporate, branch, region, directorate, project, etc.).
- In the spirit of continuous improvement, the ERMB intends to revise the guidelines as appropriate. In light of the recent creation of the ERMB, and in keeping with the new ERM vision for the CRA, it is expected that the guidelines will undergo a formal review next fiscal year, with the first work starting in the fourth quarter of 2010-2011.

There is enough monitoring of the progress and performance on the implementation of the risk response strategies.

- The accountability for the management of risks — including risk monitoring — lies with risk sponsors/OPIs supported by OSIs. Frequency of reporting varies depending on the severity of a risk. At the corporate level, risks are reported on at least once a year. Risk sponsors/OPIs are responsible for providing information, and coordinates with OSIs, on the progress and performance of risk response strategies. The ERMB supports risk sponsors/OPIs in their reporting responsibilities.
- The ERMB has facilitated the identification of performance indicators to effectively gauge risk response strategies' progress against expected results. The collection of data against these indicators began in January 2011. The ERMB will also facilitate the reporting on risk response strategies' implementation.
- Monitoring activities allow for early warnings regarding progress on the implementation of risk response strategies as well as performance. It also provides information on the implementation of new controls for managing the risks from one cycle to the next. Risk response strategies are considered controls once implemented and considered effective.
- The risk response strategies that have been developed from the corporate risk profile exercise are considered in CRA corporate planning, priority setting, and strategic decision making processes, further demonstrating RM's integration into the Agency's culture. The ERMB is working in partnership with the Strategy and Integration Branch (SIB) for the inclusion of key risk response strategies in the CRA corporate business plan and report on plans and priorities. Performance against these action plans is reported in the CRA annual report and the departmental performance report. Also, most of the performance indicators used for risk action plans are aligned with the performance measurement framework developed for the CRA annual report.

Sources of Evidence

- CRA Corporate Risk Inventory 2007, Status Report, September 2008-January 2010
- Corporate Risk Inventory Update 2010
- Defining Roles and Responsibilities with Regard to Enterprise Risk Management, November 2010
- Enterprise Risk Management Cycle-Leading Practices, August 2010
- Enterprise Risk Management Branch InfoZone site, <http://infozone/english/r4010000/menu-e.html>
- EC Learning Program (piloted December 2010)-Risk Management Module Material
- MG Learning Program — Risk Management Module Material
- Risk Response Strategy Guidelines (Posted on InfoZone)
- Risk Management for Managers and Executives Training Material and course feedback/evaluations from training sessions

Board's Assessment and Related Comments

	2009-2010	2010-2011
Board's Assessment and Related Comments	Strong	Strong
Next Steps	None indicated.	To update the corporate risk profile and action plans, and to establish risk tolerances (September 2011 Board presentation).

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.

Overview

The CRA policy on program evaluation was revised in the fall of 2009. 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 evaluation function seeks to provide credible information on the performance of CRA programs, as well as effective advice and guidance on results measurement to CRA management. Although it is challenging to conclude on the extent to which program changes have been made before a follow-up evaluation, the CRA uses evaluation information to inform expenditure and policy decisions and program improvement.

The Program Evaluation Plan is based on a number of considerations, including CRA priorities, corporate risks, suggestions from CRA senior management, Treasury Board of Canada Secretariat requirements for evaluations, and Resource and Investment Management Committee (RIMC) requirements. The evaluation planning process also takes into account the audit work that has been performed or is planned by the Corporate Audit and Evaluation Branch's (CAEB) Internal Audit Division and the Office of the Auditor General (OAG). More recently, program coverage is being taken into account as a factor in developing evaluation plans. The CRA program activity architecture (PAA) is considered to be the evaluation universe for planning purposes. The Agency tracks which components of the PAA have been evaluated in the past and takes this into account when selecting areas of future evaluation.

Key Questions

1. Does the evaluation function provide credible and neutral information on program performance and effective advice and guidance on results measurement to CRA management?

Credible and Neutral Information

The Program Evaluation Division (PED) provides neutral and credible results related information to CRA management by first identifying evaluation issues and developing evaluation methodologies (evaluation frameworks) and then reporting the related findings and recommendations (evaluation studies).

To ensure the provision of credible and neutral information, all program evaluation work is conducted in accordance with the Treasury Board of Canada Secretariat's Evaluation Standard for the Government of Canada.

Four evaluation studies, one evaluation framework, and one evaluability assessment were completed in 2010-2011. Post-evaluation surveys indicate that managers responsible for the evaluated programs felt that the evaluations were conducted in a professional manner and that the evaluation reports were balanced, constructive, and supported by facts.

PED continued to respond to requests for assistance on results measurement and other advice from branches. Many of these requests were related to projects subject to the RIMC approval process.

PED also plays a co-ordinating or liaison role with respect to interdepartmental evaluations led by other federal agencies and departments who have requested CRA participation. During 2010-2011, PED has been involved in six interdepartmental evaluations.

Effective Advice and Guidance

During 2010-2011, PED responded to requests for advice for 16 projects. Client surveys and other feedback received from branches about advice and guidance received from PED continue to be very positive.

Average client ratings from the program areas surveyed (nine respondents over the past 13 months) for six attributes of advisory services were measured on a seven-point scale, from 1 (strongly disagree) to 7 (strongly agree). The results were as follows:

- Timeliness of response: 6.5
- Level of knowledge: 6.4
- Ability to explain concepts: 6.4
- Consistency of advice: 6.4
- Expectations met: 6.2
- Effort to understand project challenges: 6.8

Sources of Evidence

• Chart — Evaluation Frameworks and Studies 2010-2011
• Interdepartmental Evaluations
• List of Projects provided Advisory Services

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

Program Evaluation Policy

Addressing the Board's next step, on March 15, 2010, the Program Evaluation Policy received Board approval and came into effect. The objective of this policy is to provide a framework for a professional and effective program evaluation function that:

- assesses the performance and relevance of Agency programs, policies, and initiatives, and identifies alternative ways of delivering programs, policies, and initiatives or achieving the same results; and
- provides advice and assistance to program managers on evaluation and performance measurement.

Evaluation Reports

These reports typically contain recommendations to management. It is difficult to assess whether these recommendations have had an impact until a period after the evaluation has been finalized. Management must first take action to respond to recommendations. Depending on the complexity of the issue, it may take time to implement recommendations and to see their effect. The indicators of whether the CRA is using information from evaluations are:

- whether management accepts evaluation recommendations;
- whether management perceives evaluation recommendations to be useful and realistic, and whether they believe that there is potential for meaningful improvement as a result of an evaluation; and
- evidence of actions taken as a result of an evaluation.

All of the recommendations contained in the four evaluations completed in 2010-2011 were accepted and management has indicated the action that they will take to respond to the above indicators.

There is evidence that action has been taken as a result of evaluation completed within the last two fiscal years. Some examples of change being initiated as a result of recent evaluations include:

- **Debt Management Collection Call Centre Evaluation (completed June 2010):** Following approval of the evaluation, the Corporate Audit and Evaluation Branch provided assistance to the Taxpayer Services and Debt Management Branch in developing a system for measuring effectiveness of arrangements based on the methodology used for the evaluation.

- **Enforcement and Disclosures Evaluation (completed October 2010):** Since this evaluation was only approved in October 2010, it is too early to comment on action taken. However, the Compliance Programs Branch is planning to re-examine the enforcement mandate and develop a strategic plan as a result of the evaluation. Even before finalizing the evaluation report, it was having an impact as it became the focus of the May 2010 EDD National Symposium. PED also arranged for presentations by the U.K., U.S. and Australian tax administrations which were also key agenda items for the symposium.

Sources of Evidence

• PED Client Survey Database
• Reference the MAEC decision re: HQ Region Managers Exchange Program
• Taxpayer Services and Debt Management Branch status report on GST Registration Evaluation Recommendations
• Evidence of actions taken as a result of Evaluations within the last two fiscal years

Board's Assessment and Related Comments

	2009-2010	2010-2011
Board's Assessment and Related Comments	Acceptable	Acceptable
Next Steps	The Agency is re-examining its evaluation framework to ensure that high priority evaluations are undertaken on a timely basis. Completed.	<ul style="list-style-type: none"> • Continue to focus on forward-looking, multi-year program evaluation plan. • Ensure that an evaluation framework is developed for all new programs. • Clarification of Program Evaluation Key Questions.

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

Overview

Corporate Audit and Evaluation Branch (CAEB) management will continue to be proactive in addressing the need to attract and retain both auditors and evaluators. Through strategic workforce planning and succession planning, CAEB management is taking measures to determine talent requirements. The CAEB Workforce Plan supports the CRA Workforce Plan and is linked to the Public Service Renewal initiative. For example, in 2010-2011, the CAEB initiated a formal mentoring program to develop in-house talent, support employees’ career paths, and contribute to knowledge transfer. Staffing requirements are a key component of the CAEB annual planning exercise in ensuring the skills are available to do the planned audits.

The International Professional Practices Framework of the Institute of Internal Auditors Standard 1312 states that external assessments must be conducted at least once every five years by a qualified, independent reviewer or review team from outside the organization. In 2006, the Agency was one of the first government entities reviewed and achieved the highest possible rating. The Agency is on track to obtain the highest possible rating when the 2011 external review is conducted.

The Agency is following the lead of the Office of the Comptroller General by supporting internal auditors to become professionally accredited as certified internal auditors (CIAs) by the Institute of Internal Auditors to meet the growing need for qualified internal auditors within government.

The Agency also supports the achievement of other professional designations by auditors including CA, CMA, CGA, CISA, and CIAs. For example, the CAEB is an active participant in the Government of Canada Chartered Accountant Student Training (CAST) Program.

The CAEB business plan focuses primarily on the provision of assurance and evaluation services to the Audit Committee of the Board of Management (Board), commissioner, and Agency senior management while ensuring appropriate attention is directed at addressing areas of government-wide interest. To ensure the reliability and accuracy of the internal audit reports, internal audit work is conducted in accordance with the International Standards for the Professional Practice of Internal Auditing. Planning and final products are reviewed by a formal quality review committee, and the internal audit function is also monitored and assessed for overall effectiveness by an external assessor every five years. All planned engagements and final reports are approved by the Management Audit and Evaluation Committee (MAEC) and the Board. Approved final reports are posted to the Agency Web site in consultation with Public Affairs Branch.

The chief audit executive has an in-camera meeting with the Board at each quarterly meeting.

Key Questions

1. Is internal audit planning appropriate (risk-based, addresses the right risks, appropriate approvals, methodology, etc.)?

Internal Audit Planning

Internal Audit planning is primarily based on Agency risks, but also reflects the CRA management priorities as outlined in the *Corporate Business Plan 2010-2011 to 2012-2013*.

Internal audits focus on improving the management of program delivery, and on strengthening accountability by providing senior management with information on the adequacy and effectiveness of the Agency’s internal control systems, as well as the quality of performance to achieve the Agency’s priorities.

Risk-Based Internal Audits

Risk-based internal audits consider Agency risks, corporate business plan priorities and the CAEB's risk assessment of the audit universe. Risk assessment entails environmental scanning and consultation with CRA management. The CAEB also considers any audit or review work being done by central agencies such as the Office of the Auditor General (OAG) of Canada. Internal audit results provide timely information to the commissioner and to the Board to contribute to their oversight responsibilities.

The CAEB provides the Board with regular and timely assurance and information on CRA activities through presentation of MAEC approved reports in addition to progress-to-plan status reports and briefings on work being conducted in key high risk areas.

CAEB's Annual Report

The CAEB prepares an annual report that provides an overview of the CAEB's performance. Action taken to date that would, in time, allow for more specific reporting on the three elements identified by the OAG (risk, controls, and governance) have initially been focused on controls, and include the following:

- developed an automated database with linkages of audit results to the CRA program activity architecture (PAA), TBS Management Accountability Framework (MAF), and related controls;
- implementation of 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, for example, new requirement to identify linkages to corporate risks and the MAF.

The CAEB annual business plan is approved by the Board Audit Committee and quarterly progress-to-plan reports are provided.

The CAEB is on track to complete the engagements as outlined in the 2009-2012 and 2010-2013 CAEB business plans.

Sources of Evidence

• CAEB 2009-2010 Annual Report
• CAEB 2009-2012 Business Plan
• CAEB 2010 -2013 Business Plan
• Progress to plan reports submitted at every Board meeting
• Final reports tabled with the Board from March 2010 to March 2011
• Audits posted to the CRA Web site in 2010-2011

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

Objective, Reliable, Accurate

The CAEB maintains a Professional Practices Division to provide guidance, tools, and advice to further ensure audits are conducted in an objective, reliable, and accurate manner. A formal quality review process also ensures that all planning documentation and reporting instruments being tabled with the MAEC and Board are of the highest possible quality.

The audits conducted by the CAEB examined areas for improvement and best practices across the spectrum of the CRA program activity architecture. They focused on areas such as financial and other controls, information technology, governance, program delivery, and effectiveness. All audits were conducted in accordance with the International Standards for the Professional Practice of Internal Auditing and when applicable, the Information Systems Audit and Control Association's Control Objective for Information and Related Technology.

Sources of Evidence

- Professional Practices Division
- formal quality review process
- client satisfaction surveys

3. Are management action plans implemented?

Implementation of Action Plans

In December 2010, the CAEB tabled the Follow-up of 2007-2008 Internal Audit Reports with the MAEC and the Board. This annual follow-up report also includes any outstanding action plans from previous-year audits. In doing this, the CAEB provides Agency management with assurance that action plans are being addressed and implemented. In 2010-2011, the CAEB also included follow-up of 5970 Controls recommendations made to the Finance and Administration Branch by the OAG.

Several immediate actions were taken in response to audits completed in 2010-2011. Examples of audits conducted during the year where immediate actions were taken included ITB Work Order Process and Financial Monitoring Controls-Operating Expenses.

Management Responses to Audit Recommendations contributed to improvements during 2010-2011. These audits included: Taxpayer Services-Telephone Enquiries, Audit Trails-Mainframe Access to Taxpayer Information, and Debt Management Call Centre Internal Audit.

The CAEB conducted the OAG Monitoring Exercise and the report was tabled with the Board. The report indicated that the Agency has made good progress in addressing audit recommendations stemming from OAG performance audits reported from 2004 to 2008. At fiscal year-end (2009-2010), 52% of the outstanding recommendations have been fully or substantially implemented. Based on the self-assessment and substantiation provided by management, the CAEB is satisfied that the Agency's progress in addressing the OAG's recommendations is reasonable.

Sources of Evidence

- Follow-up of 2007-2008 Internal Audit Reports
- Examples of immediate management response to Audit activities and/or recommendations
- Selected Examples of Management Action Plans (MAP) in response to 2010-2011 Audit Recommendations
- OAG Monitoring Exercise

Board's Assessment and Related Comments

	2009-2010	2010-2011
Board's Assessment and Related Comments	Strong	Strong
Next Steps	None indicated.	Focus on succession planning.

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

Overview

The Agency's Sustainable Development Program is led by the Sustainable Development Division and is supported by a network of sustainable development (SD) practitioners in all CRA branches and regions. Management at all levels is responsible for providing support and direction for planning and implementing SD activities at the CRA and SD is included in EC performance agreements. The Sustainable Development Strategy outlines concrete plans to integrate SD into CRA policies, programs, and operations. SD is incorporated in key CRA planning and reporting documents, including the report on plans and priorities, corporate business plan, and annual report. To effectively integrate SD into CRA operations and service delivery, the Agency uses modern management tools, systems, and processes.

1. Is the CRA meeting its and the Government of Canada's sustainable development goals and targets?

Sustainable Development Strategy

Both the Government of Canada (GoC) and CRA SD goals and targets are accounted for under the CRA SD Strategy 2007-2010 and the supporting SD National Action Plan. The plan was extended to March 2011 to guide the Agency's transition to the new accountability requirements under the *Federal Sustainable Development Act 2008*.

Overall, the Agency achieved 87% of the planned progress on the strategy and action plan and met 10 of the 15 GoC SD commitments. The CRA also realized about 70% progress on the remaining 5 commitments, which will be completed in the CRA SD Strategy 2011-2014. More details can be found in Annex B of the 2009-2010 SD Annual Report. The Agency's key SD achievements are:

Greening:

Increased employee access to solid waste management program from 74% to 90%, thereby diverting 84% of solid waste from landfill. This exceeded the target of a 70% diversion rate and represented an increase from 79% in 2007.

Increased spending on green products bought through Synergy to \$28.7 million, or 21.4% of total spending — exceeding our target of 20%. This is an increase from 17% in 2007.

We included SD clauses and environmental specifications in all new strategic sourcing contracts.

Increased to 47%, the proportion of our vehicle fleet that is considered green (hybrid/alternative fuel capable) — this compares to 38% in 2007.

Reduced use of office paper by 29% since 2005 to 5,147 sheets per employee — exceeding the SD strategy target of 5,643 sheets per employee.

Promoted energy reduction initiatives and sustainable travel options.

Integration:

To support sustainable service delivery, the Agency integrated SD criteria into 85% of memoranda of understanding and letters of intent between the CRA and other organizations.

Continued to integrate SD considerations into CRA policy instruments.

Under the Sustainable Development Innovation Fund, \$50,000 was awarded to finance the implementation of three projects.

Accountability:

99% of the Executive/Cadre (EC) Group and 82% of the Management/Gestion (MG) Group included SD commitments in their performance agreements.

The Agency conducted consultations to develop the CRA SD strategy 2011-2014. The strategy aligns with the new federal SD strategy that was tabled in the House of Commons in October 2010. The CRA SD strategy will be tabled via the report on plans and priorities in March 2011.

Sources of Evidence

• CRA Sustainable Development Strategy 2007-2010
• RPP/CBP
• Sustainable development reports
• Annual Report to Parliament 2009-2010
• Synergy online procurement system
• SD National Action Plan 2007-2010
• Branch, regional, and directorate SD action plans 2007-2010
• Communications Strategy for SD
• Online SD Performance Reporting Tool
• SD Network semi-annual reports
• Transition-year SD National Action Plan 2010-2011
• CRA polices on Sustainable Development and the Environment

Board's Assessment and Related Comments

	2009-2010	2010-2011
Board's Assessment and Related Comments	Strong	Strong
Next Steps	None indicated.	



Management of Resources

Strong

The Agency demonstrates a rigorous, systematic approach to resource management that supports the effective achievement of priorities and program results.

Clear and effective management policies governing Agency resources exist and are well communicated throughout the organization.

Appropriate investment decisions with respect to the Agency's 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.

A project management framework exists, including documented accountabilities, as well as decision-making, monitoring, and reporting processes.

Acceptable

Agency resource management infrastructure and practices support the achievement of priorities and program results.

Management policies governing Agency resources exist and are communicated throughout the organization.

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.

A project management framework exists, including documented accountabilities and decision-making processes.

Opportunity For Improvement

Improvements are needed for resource management infrastructure and practices. Achievement of priorities and program results may be at risk.

Management policies governing Agency resources exist but are not well communicated in the organization.

Cost/benefit analyses are seldom performed in investment decisions with respect to the Agency's 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 being developed.

Attention Required

Achievement of priorities and program results are at risk due to serious deficiencies in resource management.

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.

Overview

Sound management of the financial authorities provided by Parliament is based on a functional budget allocation model. Updated multi-year budget allocations are issued quarterly. They include changes in funding resulting from new Treasury Board submissions, Resource and Investment Management Committee ((RIMC) recommendations, Agency Management Committee (AMC), and workload transfers. A quarterly resource management report is provided to the Board. The CRA Annual Report to Parliament tabled by the Minister of National Revenue includes financial statements which are audited by the Auditor General and reviewed and approved by the Board. Financial management capacity is continually strengthened through recruitment, retention, and training strategies.

Key Questions

1. Does the Agency demonstrate sound management of the financial authorities provided by Parliament?

Financial Administration Monitoring Framework

The Finance and Administration Branch (FAB) established and maintains a Financial Administration (FA) Monitoring Framework for Agency activities to make sure that accounting information is accurate, complete, and timely.

The Financial Monitoring Controls Audit — Operating Expenses Final Report concluded that, overall, monitoring activities are carried out by financial staff in a manner consistent with the FAB Monitoring Framework. However, the audit did recommend that improvements be made in the monitoring processes related to invoice documents and payments.

FAB has developed action plans to address the audit findings, with consideration given to balancing risk and cost. The implementation of the recommendation is progressing according to plan, and the recommendation is expected to be fully implemented by December 31, 2011. The Corporate Audit and Evaluation Branch (CAEB) will follow up on the progress of the action plan as part of their established follow-up procedures.

The CRA continues to demonstrate its commitment to sound management of financial authorities through the progress achieved against its plan for assessing the design and effectiveness of internal controls over financial reporting, as required under the Treasury Board's new Policy on Internal Controls.

The Agency has put in place a financial management framework along with five core policies, four of which flow from the TB financial management policy suite. The five financial policies are:

- Policy on Financial Management Governance
- Policy on Internal Financial Control
- Policy on Stewardship of Financial Management Systems
- Policy on Financial Resource Management, Information, and Reporting
- Policy on Financial Administration

The CRA has many other policy instruments that support the core policies. This year, the CRA Directive on Financial Monitoring for Administered Activities and the Travel Directive numbered among those newly drafted or reviewed.

The CRA's sound management of the financial authorities provided by Parliament is also demonstrated through the opinions IT receives on its audited financial statements for both agency and administered activities. For example:

- In its management letter, further to its audit of the 2009 — 2010 financial statements, the Office of the Auditor General (OAG) of Canada reported only four issues. Management has developed action plans to address the issues. Progress against these action plans is followed up annually either as part of the Corporate Audit and Evaluation follow-up process or through internal monitoring activities performed within FAB.

In April 2010, the *Financial Administration Act* — Agency Activities Audit began assessing the Agency's practices in administering and exercising delegated financial authorities under the Act. The audit will be tabled with the Board in March 2011.

On April 6, 2010, the Multiple Spending Authority (MSA) was introduced. The MSA provides the CRA with automated system spending controls and the flexibility to ensure expenditures are captured by authority in the financial system of record. This facilitates the new CRA capital vote that became effective April 1, 2010.

To facilitate the implementation of the capital vote, training was delivered in September and November 2010, targeting budget managers and financial officers across the Agency to assist them in having a better understanding of the capital vote policy and how to manage their capital vote resources. Tools were developed that assist budget managers in simplifying and ensuring a more accurate determination of capital budget requirements and were incorporated in the procurement and project management processes.

Results of Year-End Actual Expenditures

Results of year-end actual expenditures compared to the annual expenditures plan at the second quarter are as follows:

- In 2009-2010, the Agency's year-end flexibility represented 3.7% of the approved authority.
- 2010-2011 marks the sixth year of measuring performance accountability based on the 5% variance threshold. At the end of 2009-2010, all the major functions were within 5% of their second quarter annual expenditure plans. IT is expected that the situation will be similar in 2010-2011.

Resource Management

The Board receives a resource management report every quarter. The report is intended to help with the effective management of resources by providing detailed information on the Agency's use 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.

As a result of cost containment measures announced in the 2010 federal budget, a resource management strategy was developed for 2010-2011 and future years to address key operational requirements. Shortly after the new strategic agenda was approved in the summer of 2010, an internal review exercise was launched. This review will allow the Agency to be better positioned to meet its key operational pressures.

The change to exception-based quarterly performance reporting allows the Agency's executive to focus on key performance information. The revised format follows performance throughout the year and highlights quarterly shifts along the process continuum. For example, the first quarter report provides added detail about service, since this period covers the income tax and benefit filing season.

Key indicators are included to provide a sense of the overall health of the organization, while performance indicators discuss operational effectiveness across the organization. Notable performance is highlighted to focus the reader on issues that may require management attention, all in a concise four-page format.

Sources of Evidence

- Capital Vote Overview (presentation prepared for training sessions)
- Tools developed: Asset Verification Form and the Asset Under Construction ((AUC) Decision Tree
- 2009-2010 Year-End Resource Management Report
- Quarterly resource management reports
- Spring 2010 Banking Day
- Quarterly performance reports

2. 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?

Financial Management Controls

In 2010-2011, the CRA continued to strengthen financial management controls and reporting through new functionality introduced as part of the Corporate Administrative System (CAS) Sustainability Project.

Since the introduction of the Policy on Internal Controls (PIC), the CRA has issued two section 5970 reports to provincial and territorial finance ministries:

- The design and implementation (DI) of certain controls over T2 financial reporting as of March 31, 2007 (issued January 2008); and
- the DI of all controls over T2 financial reporting as of November 30, 2008 (issued December 2009).

Over the past year, the Agency has completed its section 5970 T1 readiness assessment to prepare for the OAG's audit of our description of the design and implementation of certain controls over T1 financial reporting as of November 30, 2010. The CRA is working with the OAG to prepare the final report to the provinces and territories to be issued in June 2011.

For the CEO/CFO certification of the Statement of Management Responsibility, the Agency has completed 80% of internal controls related to Agency activities (that is, CAS and entity level controls) over financial reporting. A draft of the revised Statement of Management Responsibility and Annex will be presented to the Audit Committee in June 2011, and the final version will be presented as part of the 2010-2011 audited financial statements.

A submission to the Treasury Board of Canada Secretariat for the 2010-2011 and future years impact of the Provincial Sales Tax Administration Reform (PSTAR) initiative was approved by Treasury Board in December 2010.

Internal Policy Controls

An update on the CRA's compliance with the Policy on Internal Controls was provided to the Audit Committee on CEO/CFO certification at the December 7, 2010, committee meeting.

TBS feedback regarding the CRA's compliance with the Policy on Internal Controls will be available in the fall of 2011.

The CRA has completed the design and implementation testing for the internal controls over financial reporting for Agency activities.

The Office of the Auditor General's (OAG) Reports

The OAG external audit of the design and implementation of T1 controls over financial reporting under the tax collection agreements as of November 30, 2010, was approximately 60% complete, and the draft report should be available in March/April 2011.

The OAG provided an unqualified opinion for the latest Statement of Income and Capital Taxes Payable to the Provinces and Territories in Respect of the 2008 and Prior Taxation Years.

In relation to management plans that address items raised by the OAG in their management letter, the CRA's progress against these actions plans is followed up annually either as part of the Corporate Audit and Evaluation follow-up process or through internal monitoring activities performed within FAB.

The Agency has recently named a new chief financial officer (CFO) using (CFO) an external selection process.

Sources of Evidence

<ul style="list-style-type: none"> December 7 Audit Committee presentation
<ul style="list-style-type: none"> Committee meeting minutes
<ul style="list-style-type: none"> Feedback from TBS about the CRA's first revised statement of management responsibility and annex (at this time FAB does not know in what format this feedback will be provided)
<ul style="list-style-type: none"> Completion of the revised Statement of Management Responsibility by July 2011 is on schedule
<ul style="list-style-type: none"> Auditor's report
<ul style="list-style-type: none"> Effective management action plans on issues raised by the OAG
<ul style="list-style-type: none"> Management letters and management action plans
<ul style="list-style-type: none"> OAG Auditor's Report (we have a copy on file of the OAG auditor's report to the Minister of Finance if required as evidence)
<ul style="list-style-type: none"> Action plans issued for all items. OAG Management Letter on TCA — Reviewed by the Audit Committee at the September 2010 meeting

Board's Assessment and Related Comments

	2009-2010	2010-2011
Board's Assessment and Related Comments	<p>Strong</p> <p>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.</p>	<p>Strong</p>
Next Steps	None indicated.	<ul style="list-style-type: none"> Finalize CEO/CFO certification. Complete assessment of T1 financial reporting using S3416 standard, which has recently replaced S5970. Continue to build financial management strength to aid in succession planning.

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

Overview

The Board approved the Project Management Policy in 2006. The Resource and Investment Management Committee (RIMC) is mandated to make sure that all resource and investment decisions are fully integrated with, and support, Agency direction and strategies outlined in the corporate business plan. Agency projects with life-cycle costs of more than \$20 million are approved by the Board, and Major Project Investment Dashboards are provided quarterly. The CRA's annual strategic investment plan communicates to the Board the magnitude and nature of the investment challenges faced by the CRA, as well as the planned allocation of available investment funding over the next 10 years. The implementation of a capital vote in 2010-2011 will, among other things, support the SIP by strengthening the Agency's capacity to monitor and control capital investments and assets.

Key Questions

1. Are Agency project-related investment decisions reflective of corporate priorities and assured of secure funding?

The Strategic Investment Plan

The SIP, now in its second year, provides decision makers with information to manage the Agency's portfolio of major infrastructure investment projects, in a way that is both clearly integrated with the Agency's strategic themes and objectives, and consistent with the Treasury Board's Policy on Investment Planning.

Preparation of the SIP involves consideration of all possible funding strategies, including base funding, funding from the strategic investment reserve, and funding from the Treasury Board. In doing so, the Agency tries to optimize its funding mix and sustain its capacity to strategically reinvest its resources to protect the stability of its core businesses.

The SIP for 2010-2011 to 2014-2015 has reconfirmed that the existing portfolio of projects continues to align with the Agency's priorities. A limited number of new projects has also been selected to proceed, thereby preserving a level of flexibility in the coming years.

Over the SIP's planning period, the following projects will be invited to proceed through the CRA's project oversight process:

- T1 Renewal (renamed T1 Redesign)
- Partnerships Information Returns Initiative
- T3 Redesign
- Back-up Tape Encryption
- Denial of Service Defence
- Network Encryption
- Enhanced National Audit Trail System

Together, these projects represent high-ranking submissions from the two investment categories (primary tax systems, and secondary support or security initiatives). Balanced by affordability, these projects represent a range of costs, risks, duration, and purpose. They also cover a range of sustainability and enhancement benefits.

The current level of resources is not sufficient to fund all the investment proposals included in the SIP. Given this situation, the Agency was forced to prioritize the projects to be pursued.

Consequently, some very large and necessary projects (such as Info Dec, Business Number, and Individual Credit Determination System Renewal) will have to be delayed until funding can be made available. As a result of project interdependence, the full benefits of some projects being undertaken may not be felt until others can also be completed.

Sources of Evidence

- Major project investment dashboards provided by the responsible assistant commissioners (project sponsors), along with financial data captured in the Corporate Administrative Systems, and periodic progress reports provided to the Resource and Investment Management Committee and the Agency Management Committee
- Strategic Investment Plan: Major Projects and Infrastructure 2010-2011 to 2014-2015
- Annual updates to the strategic investment plan — Major projects and infrastructure

2. Are the Agency's approved projects effectively managed in terms of time, scope, and cost?

Major Project Investment Dashboards

The following provides an assessment of the status of the five projects that were subject to Board oversight during 2010-2011, based on the major project investment dashboards submitted to the Board in March 2010, June 2010, September 2010, and December 2010:

The Corporate Administrative System (CAS) Sustainability: The project has experienced challenges in delivering the originally approved scope within the approved project funding. The updated CAS Detailed Planning Report revealed that the costs associated with deploying releases four and five are significantly more than originally estimated. As a result, the scope of the project has been reduced and the release of deliverables four and five has been rescheduled for implementation in 2010-2011 and 2011-2012. Approval was granted for both the revised précis and the reschedule of releases four and five. **The performance assessment for the second quarter of 2010-2011: Schedule: Green; Scope: Green; and Cost: Green.**

Integrated Revenue Collections (IRC) Phase I: The project has experienced unforeseen difficulties completing a key part of one of the deliverables (the performance measurement deliverable). To date, an assessment of the alternatives on how to deliver this solution has been completed and the project has selected an option which is being created and prototyped during the third and fourth quarters of fiscal year 2011-2012. A production solution is expected for July 2012. **The performance assessment for the second quarter of 2010-2011: Schedule: Yellow; Scope: Green; and Cost: Green.**

The Compliance Systems Redesign: The project costs are now within budget and the project has identified reductions in activities that eliminated the planned over-expenditure in the first quarter without affecting the overall project deliverables. **The performance assessment for the second quarter of 2010-2011: Schedule: Green; Scope: Green; and Cost: Green.**

The Provincial Sales Tax Administration Reform (PSTAR) project is proceeding within the revised schedule and the approved scope. Funding has been confirmed by the Treasury Board for incremental costs for HST program administration in December 2010. The project continues to be monitored closely, and an updated project précis will be submitted to the Board in March 2011. **Schedule — Green; Scope — Green; and Cost — N/A.**

The Corporate Tax Administration for Ontario (CTAO) project was effectively completed in 2009-2010. The CTAO project was effectively managed with all deliverables provided on time and within budget. Overall, the project was able to return \$17.0 million to the reserve upon completion. A final close-out report outlining the overall accomplishments, financial results, and lessons learned was presented to the Board of Management at its December 2010 meeting.

Individual Identification Renewal (Ident): The project is proceeding within the approved schedule, scope, and budget, despite experiencing a risk of delays in the testing phase during the second quarter. Project plans are in place to address any possible schedule pressures, should they arise in the third or fourth quarter. **The performance assessment for the second quarter of 2010-2011: Schedule: Green; Scope: Green; Cost: Green.**

Sources of Evidence

- Reviewed by the Board:
- Project précis (revised CAS Sustainability and PSTAR)
- Major project investment dashboards
- Close-Out Report of the Corporate Tax Administration for Ontario — December 2010

3. What improvements were made in the last year to strengthen and/or promote effective project management practices at the Agency?

Improvements to Project Management Practices

The Agency strives to ensure that strategic initiatives are horizontally aligned, and that the relevant stakeholders have been consulted. The Agency continues to review its SIP methodology on an annual basis to ensure that project ranking, selection, and sequencing align with Agency goals and priorities and reflect lessons learned from previous years' planning exercises. For example:

- A number of changes were made to the priority ranking model, including combining/adding certain categories of assessment, refining the definition of certain criteria, and modifying their respective weightings.
- A dedicated efficiency fund was created, representing part of the strategic investment reserve (for example, 10%), to set aside only for high-payback projects that offer concrete operational savings in funds to promote the replenishment of the strategic investment reserve.

The Agency enhanced the consultation process for strategic investment planning to ensure that senior management had the most complete information possible with which to make decisions. Consultations for the 2010-2015 SIP included stakeholders such as the Enterprise Risk Management Team, subject-matter experts in applications sustainability and information technology architecture, and a committee of senior executives from all branches and regions. Specific recommendations from these consultations resulted in the creation of two different priority lists: those projects addressing the Agency's core priorities of tax and benefits integrity and those projects supporting the Agency in the delivery of its mandate.

The Agency implemented changes to the major project investment dashboards to provide a history of key decisions made by the Board. Dashboards now show the status of the project in comparison to the schedule, scope, and cost approved in the original précis and list key risks being mitigated by the project sponsors.

An independent review was done in the fall of 2010 to assess whether the objectives of the Integrated Revenue Collections Phase I project have been achieved. Agency senior management has recognized the value of doing independent reviews at key decision points in the lifecycle of large projects and is exploring making such reviews a formal requirement for major projects.

The RIMC gating process, in place since 2008 for large CRA projects, is continuously being refined to ensure relevance and effectiveness, and is a mandatory requirement for any new projects as they progress through their lifecycle. This RIMC process requires that the Chief Risk Officer be consulted at each gate to provide guidance and advice on how the project is aligned to the Agency's key risks and how the specific project risks are described along with related mitigation plans.

Board's Assessment and Related Comments

	2009-2010	2010-2011
Board's Assessment and Related Comments	Strong	Strong
Next Steps	None indicated.	<ul style="list-style-type: none"> • Continue to evolve project management gating process (using a risk-based approach). • CRA to adopt the Project Complexity and Risk Assessment tool, created by the Treasury Board of Canada Secretariat, as part of the 2011-2012 to 2020-2021 Strategic Investment Plan to assess project risks in the portfolio of investments.

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.

Overview

The CRA tracks and depreciates capital assets (greater than \$10,000) through the Corporate Administrative Systems (CAS). Requirements for materiel are assessed and planned using a life-cycle management approach. Assets (greater than \$10,000) are reported in the Agency's financial statements and in the public accounts. Real property investments are identified annually in the Agency's Long-Term Accommodation Investment Plan (LTAIP).

Key Questions

1. Does the Agency demonstrate administrative diligence in monitoring and reporting non-IT assets with an individual value of more than \$10,000?

Administrative Monitoring of Non-IT Assets

The Agency demonstrates administrative diligence in monitoring and reporting non-IT assets, excluding real property, with an individual value of more than \$10,000 by:

- tracking and depreciating capital assets through the Corporate Administrative Systems (CAS);
- validating the existence and value of the Agency's assets as of March 31 through a year-end certification process;
- conducting bi-annual reviews of all capital assets to make sure that the information in CAS is accurate;
- conducting quarterly reviews of all new capital asset purchases to make sure that the information captured in the asset master record in CAS is complete and accurate;
- reporting all capital assets (that is, those identified as having a purchase value of \$10,000 or more) in the Agency's financial statements and in the public accounts, and;
- carrying out monthly reviews of general ledger expense accounts to identify purchases over \$10,000 that should have been captured as capital assets.

Additional measures effective April 2010 have been incorporated into the process of acquiring capital assets that make the use of a capital asset verification form mandatory for prescribed capital asset acquisitions at the onset of the process. This ensures administrative diligence in recording the asset master record in CAS.

All assets were fairly stated and accounted for at the end of fiscal year 2009-2010.

Sources of Evidence

- Finance and Administration manual chapters: Accounting for Capital Assets, Accounting for Capital Leases, Capital Asset Record Management Procedures (Acquisition Phase), and Fleet Management
- Capital Asset Verification Form
- Asset Under Construction classification tool
- CAS Module 546 — Purchase Requisitions for Assets

2. Are real property investments based on long-term accommodation plans that take account of business priorities, risks, and program needs?

Long-Term Accommodation Investment Plan

The annual long-term accommodation investment plan (LTAIP) sets out the strategic direction for planning and managing the CRA's accommodation portfolio and a national five-year investment plan.

Real Property Investment Management Framework

The CRA's Real Property Investment Management Framework (Framework) makes sure that real property investments are based on long-term accommodation plans that take account of business priorities, program needs, and an assessment of internal and external challenges and risks.

The framework requires that real property investments be:

- guided by the national priorities established in the approved LTAIP;
- submitted for project and funding approval using an investment analysis report;
- ranked using an agreed-to priority ranking system;
- challenged and recommended by the National Investment Advisory Committee; and
- approved by the Strategic Investment Board before allocation of funding.

The framework also requires that Strategic Investment Board-approved projects be considered by the Resource and Investment Management Committee ((RIMC) when the costs related to the CRA real property part of the project are expected to be more than \$1 million in any fiscal year, and (RIMC/Agency Management Committee or Treasury Board approval has not already been obtained; or if there is a request for incremental funding from the Agency's Strategic Priorities Fund.

In 2010-2011, the following strategies were identified to manage the Agency's real property risk and to promote greater space efficiency in the Agency's accommodations:

- focus solely on non-discretionary projects;
- seek RIMC approval to reprofile funds from the current fiscal year to future year priority project pressures; and
- pursue space optimization/efficiency projects where a sound business case exists.

In line with these strategies, in 2010-2011, the Strategic Investment Board approved 27 major tenant projects (projects with CRA costs greater than \$250K):

- all of these projects were non-discretionary;
- investment analysis reports were prepared for each project and opportunities for space optimization and other efficiencies were assessed and challenged through the review and approval process;
- as of the second quarter of 2010-2011, all projects were on schedule and within budget; and
- as of the second quarter of 2010-2011, the real property function is projecting that \$3.7 million will be reprofiled to future year priority pressures.

In light of the high cost of accommodations and facilities, the Agency is examining its space holdings to determine excess capacity, with the goal of becoming a more efficient user of space.

The following project description provides an example of how the strategies in the LTAIP have been implemented:

- **Montréal Call Centre Refit:** This project was put forward by the Quebec Region through their Regional Accommodation Plan submission and identified as a planned project in the Agency's LTAIP. The project responds to the growth pressures of the Quebec Region Call Centre resulting from internal Agency initiatives. Five separate options were analyzed including: status quo, new space acquisition for part of the call centre, relocation of Canada Border Services Agency at CRA expense to free up space in the facility, new space acquisition to relocate the call centre, and space optimization to make better use of the existing space. Space

optimization was the recommended option, since IT brought the Region's use of space in closer alignment with accommodation standards while meeting program requirements.

Sources of Evidence

• Long-Term Accommodation Investment Plan 2010-11
• National Investment Advisory Committee Charter
• Strategic Investment Board Charter
• Real Property Management Framework

Board's Assessment and Related Comments

	2009-2010	2010-2011
Board's Assessment and Related Comments	Strong	Strong
Next Steps	Board Resources Committee will discuss the scope of its responsibilities for asset management at a meeting scheduled for 2010-2011.	Develop an asset management policy framework, including a real property and accommodation strategy.

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.

Overview

The CRA conducts procurement in a fair and cost-effective manner in accordance with CRA policies, codes of conduct, and government obligations. The majority of CRA contracts are awarded through competitive processes. A quarterly contracting report is presented to the Board to help make sure that government obligations and CRA policies are adhered to. All information-technology-related and non-information-technology-related contracts and non pre-approved amendments over \$1million are reviewed by assistant-commissioner-level committees, and periodic reports on contracting are sent to the Agency Management Committee. All contracts and cumulative amendments over \$10,000 are available and listed in a quarterly proactive disclosure report posted on the CRA’s Web site. At the CRA, contracting data is kept in the Agency’s Corporate Administrative Systems (CAS). The CRA uses the CAS to collect contracting data for planning and reporting purposes. A 2008 internal audit stated that, overall, the e-procurement and acquisition card process is in many ways an easier and more cost-effective way for the Agency to procure low-value, low-risk goods and services. The audit also noted control deficiencies which have since been addressed through the introduction of a Web-based e-procurement tool and an acquisition card monitoring program.

Key Questions

1. Do procurement activities yield best value in return for amounts disbursed?

Procurement Activity

The first quarter of this fiscal year saw the issuing of a few high-dollar-value contracts mainly for computer hardware, as well as software maintenance and licensing. This has resulted in a notably larger year-to-date (YTD) spend for this fiscal year.

The transition of the CRA’s catalogues to the Synergy e-procurement tool was completed last fiscal year. The use of the Agency’s e-procurement catalogues, which are supported by a government acquisition card, results in significant savings. In accordance with Treasury Board of Canada Secretariat 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 second quarter of 2010-2011, YTD e-procurement represents 96.74% of the total number of transactions (96,571 total transactions for a dollar value of \$220,624,674).

Procurement Audits

The recently implemented cyclical audit plan for procurement calls for a series of audits to be conducted over a number of years relying on key procurement information. These audits will provide management with assurance that procurement and financial controls are in place and working as intended. The first audit engagement (to examine the accountability framework) started in the fall of 2010. IT is anticipated that the results of this audit will be reported in the summer of 2011.

The Internal Audit Division will soon conduct a supplier audit, using the Agency’s right to audit the books and records of selected IT suppliers to provide assurance that they abide by the terms and conditions of their contract(s) with the CRA. Contract compliance audits can be an important tool in risk mitigation. They can offer insight into control weaknesses and potential monetary losses, as well as contribute to making sure that the Agency gets the best value for goods and services received under a contract.

Quarterly Contracting Results

The second quarter, 2010-2011, year-to-date non-e-procurement and non-acquisition-card purchases (contracts, call-ups, task authorizations, Public Works and Government Services Canada (PWGSC), orders, and amendments) totalled \$196 million. This is 88.9% of the second quarter, year-to-date business dollar volume (96,571 transactions with a dollar value of \$220,624,674). The Agency's procurement expertise and resources focus on these transactions.

By focusing the use of the 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, 83 strategic sourcing arrangements (a commodity-based approach that takes advantage of volumetrics) are in place and, as of the second quarter of 2010-2011, represent 44.5% of total non-e-procurement and non-acquisition-card-purchase transactions (3,148 transactions for a dollar value of \$196,355,798). We also use standing offers put in place by PWGSC. Transactions under those offers represent 29.7% of that same total. In contrast, the number of arrangements last year was 71. However, the percentage of total transactions has not changed as of the second quarter.

After-the-fact contracts as a percentage of all contracting activities are down by 0.16% (from 0.20% to 0.04%).

Sole-source contracts awarded as a percentage of all contracts awarded increased by 5% (up from 40% to 45%). For transparency, all sole-source contracts over \$25,000 are tabled with the Agency Management Committee.

Source of Evidence

- Quarterly contracting report — Fourth quarter of fiscal year 2009-2010
- Quarterly contracting report — Second quarter of fiscal year 2010-2011

Board's Assessment and Related Comments

	2009-2010	2010-2011
Board's Assessment and Related Comments	Strong	Strong
Next Steps	None indicated.	CRA undertaking a review of current governance and oversight of procurement.

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

Overview

The Agency maintains high levels of service availability for the multiple national CRA and Canada Border Services Agency (CBSA) systems, while concurrently meeting the challenges faced in safeguarding our information technology (IT) assets from accidental or deliberate security threats.

In conjunction with the Resources and Investment Management Committee ((RIMC), the Agency governs and manages IT investments to maintain value and transparency as well as service delivery excellence. The RIMC is mandated to make sure that all corporate resource and investment decisions are fully integrated with strategies outlined in the corporate business plan (CBP).

A comprehensive IT performance measurement framework is being developed and incorporates previous metric-based and IT benchmarking processes. The multi-year IT asset management approach must balance current and future needs as well as new Agency constraints in a period of government fiscal restraint.

The Board approved the CRA IT strategy in 2010. The strategy:

- underlines how IT and IT investments support program implementation and internal business operations of the Agency. The purpose of the IT strategy is to align IT with the Agency's vision and business goals and to establish the overall goals and direction for the IT program at the CRA;
- makes sure that the right technology and technology solutions are deployed at the right time and at the right level of cost-efficiency and effectiveness; and
- ensures alignment with, and supports, the strategies and priorities in the CBP.

Key Questions

1. Are investment decisions congruent with the IT Strategy and integrated into the Agency's business plans?

Integration Into Corporate Planning Processes

The work effort for corporate business planning, as well as the leadership for the CRA IT strategy and plan, are co-located within the Information Technology Branch (ITB). Both planning cycles are integrated.

As the CRA's IT strategy continues to evolve, refinements will be made over time to make sure that the strategy continues to maximize the benefits not only for the CRA but also for clients, stakeholders, employees, and Canadians.

The Agency uses IT architecture roadmaps in the planning processes to guide investment choices and help set strategic priorities, while aligning with emerging Agency and IT industry trends. The trends let the ITB focus resources on key opportunities for reuse and horizontal integration, which can then be leveraged by business and infrastructure projects.

The net results of a strong enterprise architecture include the ability to:

- Expedite results through increased IT responsiveness;
- Maximize on investment returns by leveraging common IT services; and
- Manage solution sustainability through the continuous evolution of the Agency's architectural roadmaps.

The Agency maintains a level of funding for IT that is consistent with the growth of the Agency operating budget. IT maintains a multi-year asset management plan.

Within operations and projects, the ITB collaborates with other program areas (for example, bilateral meetings) to make sure that IT investment decisions meet shared objectives. In 2009-2010, 26 client bilateral meetings were held with the branches.

Sources of Evidence

- CRA Information Technology Strategy and Plan 2010/11 to 2012/13
- CRA's IT architectural roadmaps
- Infrastructure Investment Plan ((IIP)
- Application Sustainability Plan (ASP)

2. What is the Agency doing to ensure that IT has skilled and competent employees necessary to support its IT operations?

ITB HR Management Regime

The ITB contributes to the development and implementation of the Agency's strategic workforce plan. In addition, IT regularly assesses and updates its workforce renewal activities to have a technology-savvy and well-trained workforce, which supports integrated planning and continuity of IT talent.

As of October 31, 2010, as a percentage of the total CRA workforce, the ITB accounts for 8.3% and the total IT staff across the Agency (CS only) accounts for 9% of CRA employees.

To attract and retain the highest quality recruits, and to address the current and future needs of the ITB, the ITB continues to enhance the External Recruitment Program and continues to promote the ITB as a challenging and rewarding work environment.

Retirement of key resources will see the continued loss of expertise on CRA legacy technologies that make up our core applications and data infrastructure. This may lead to increased dependence on, and costs of, outsourced resources. Succession planning and knowledge transfer will make sure that the skills and dedication of the CRA IT workforce will continue to be fundamental to the successful delivery of CRA's programs and services.

The ITB continues to maximize the value IT realizes from internal resources by effectively staffing through internal promotions, transfers, and opportunities. A focus on talent management and succession planning will ensure continued retention and recruitment of skilled employees.

The ITB continues to advance competency-based HR management through the development, application, and enhancement of such programs as Observe and Attest and Voluntary Assessment. The ITB also makes sure that timely reviews and revisions to existing job competency profiles are done and that the development of new ones is designed as needed.

Sources of Evidence

- Human Resources Program roadmaps
- CRA Information Technology Strategy and Plan 2010/11 to 2012/13
- Senior Technical Resource Succession Plan
- Executive Succession Planning Document
- Career roadmaps

3. Does the Agency ensure IT investments are well-managed to maintain value and transparency while ensuring the capacity to meet current and future business requirements?

Investment Instruments

Both the Infrastructure Investment Plan (IIP) and Applications Sustainability Plan (ASP) are instruments developed and implemented to make sure that aging infrastructure investments are well managed.

The ITB secretariat supporting the management of IT decisions is integrated across IT-related committees in the ITB. To respond to current and future requirements, the Secretariat makes sure that a reliable information flow between corporate committees and senior management.

The continued evolution of horizontal IT governance ensures investment decisions maintain value and transparency, through the Architecture Steering Committee, Solutions Major Project Review Committee (MPRC), and Data & Technology Infrastructure Management (DTIM).

The provisioning in business units of innovative and flexible IT-enabled systems is governed to balance local needs for automation and longer-term sustainability with respect to Agency IT infrastructure (through the Local Applications Registry).

Examples of investment instruments maintaining value and transparency are: the Strategic Investment Plan; the IIP; the ASP; the Local Solutions Environment; and the Portfolio Management of Application Maintenance.

Sources of Evidence

• Infrastructure Investment Plan (IIP)
• Application Sustainability Plan (ASP)
• Strategic Investment Plan
• Local Solutions Environment
• Portfolio Management of Application Maintenance
• Minutes from committee meetings
• Architecture roadmaps

4. Are client expectations met by delivering excellence in IT service delivery?

Meeting Client Expectations

Due to changes in legislation, the ITB continues to implement new requirements within required time frames and major systems availability continues to meet needs. Indicators and benchmarks continue to demonstrate that information technology is well-managed and delivering the intended benefits to clients. Where performance necessitates further improvement, action plans have been conceived and implemented.

Incidents are managed by severity level to achieve and maintain excellence in the quality of service.

An ITB work orders audit was done in 2010-2011. The objective of this audit was to provide assurance that an effective ITB organizational structure and key controls are in place to make sure that established goals and objectives for the ITB work order process are met. The draft final report (Commissioner Draft) will be tabled for approval by the Management Audit and Evaluation Committee (MAEC). Subsequently, the final report will be tabled with the Audit Committee of the Board for review.

Service Availability Metrics

Service availability metrics for CRA and CBSA critical applications (April to September 2010) are as follows:

- CRA Web site – Target 99.0% Actual 100%
- CRA My Account – Target 95% Actual 99.91%
- CRA T4 NETFILE – Target 95% Actual 99.87%
- CRA T1 NETFILE – Target 95% Actual 99.87%
- CRA E File-on-Line (EOL) – Target 95% Actual 99.87%
- CRA E File-on-Line (EOL) Plus – Target 95% Actual 95%
- CBSA Accelerated Commercial Release Operations Support System (ACROSS) – Target 96.50% Actual 99.10%
- CBSA Customs Commercial Systems (CCS) – Target 95% Actual 99.58%
- CBSA Passenger Information systems (PAXIS) – Target 95% Actual 99.77%
- CBSA Integrated Primary Inspection Line (IPIL) – Target 95% Actual 99.77%

Electronic Services

As Canadians choose to make greater and more diverse use of the Internet, the demand for online service options continues to evolve. Recognizing this changing technological landscape, the ITB has continued to enhance the Agency's online service options enabling more Canadians to conduct their tax affairs with the CRA electronically and on a self-service basis. The Electronic Service Strategy is in alignment with the overarching Service Strategy.

In the fall of 2009, the CRA introduced a new online feature called My Payment. This service lets individuals and businesses make payments electronically through a secure link with participating Canadian financial institutions that offer Interac Online. In 2009-2010, there were 4,597,032 successful log-ins, which accounted for a 19.5% increase over 2008-2009 results.

This year, the CRA continued to enhance My Business Account by increasing the capacity for taxpayers requiring assistance to connect directly with enquires agents from the My Business Account profile. In 2009-2010, there were 794,318 successful log-ins, which accounted for a 126% increase over 2008-2009 results.

In 2009-2010, the percentage of T1 individual returns filed electronically accounted for 57.9% compared with 55.8% in 2008-2009. The percentage of T2 returns filed electronically accounted for 28.25% in 2009-2010 compared with 21.5% in 2008-2009.

Sources of Evidence

- Third-party benchmarks
- Performance Information Quarterly Report (PIQR)
- Technology Infrastructure Quarterly Report (TIQR)
- CRA IT Strategy and Plan 2010/11 to 2012/13
- Follow-Up of Internal Audit Reports Report

5. How is performance tracking to the measurement framework and is the Agency using this information to improve performance?

IT Performance Measurement

A comprehensive IT performance measurement framework is being developed in conjunction with stakeholders. The Agency is reporting the performance and benchmarking information in Board updates, Agency Management Committee discussions, and IT governance processes such as bi-lateral meetings.

Performance information is being captured by the business application portfolio. The information is populated and managed in the Solutions Applications Catalogue—a key instrument in administering IT-enabled capabilities in program areas.

Dedicated IT Funding

The ITB is a designated custodian for a number of dedicated funding envelopes (namely the Application Sustainability Program (ASP) and the Information Technology Infrastructure Investment Plan (IIP) and is responsible for making sure that the funding in these envelopes is prioritized to address the most critical IT projects. If there are non-discretionary funding needs that cannot be absorbed by the funding provided, the ITB has the responsibility to tell the Finance and Administration Branch (FAB), to show that a prioritization exercise has been done, and to work jointly with FAB on funding options.

Financial flexibility is maintained during project implementation by the gated project approval process, which is designed to make sure that the Agency is directing its resources to those initiatives that provide the greatest benefit to the organization. This oversight framework is managed by senior management committees that monitor investment projects and Treasury Board-funded initiatives.

The objective of Improving Project Governance, Gating and Estimating is to put governance in place that ensures more transparent and explicit management of project risks for major IT projects. In the early stages of projects, the goal is to make sure that project work is broken down into feasible pieces that deliver incremental value to the Agency as they are delivered, and to make sure that executives in business and IT are in agreement as to the risks that are being taken and the mitigation strategy being used. At the later stages in development, the goal of improved governance is to make sure that all planning issues concerning requirements, scheduling, and cost estimating is assessed before construction begins on each element of any project, and that any outstanding risks are documented, understood, and mitigated.

To address the Board's concern, critical projects that pertain to the development of IT solutions are the subject of ranking and planning as part of the Strategic Investment Plan led by FAB. In this process, the ITB is responsible for identifying the projects that fall in their areas of responsibility for consideration by FAB and the AMC.

Benchmarking

The Agency's management regime, which includes third-party benchmarking, makes sure that the Government of Canada's investments are well managed. The CRA's results are:

- ITB has undertaken specific peer benchmarking exercises to demonstrate its strengths and its areas for improvement in applications and IT infrastructure management.
- Overall benchmarking results have been favourable and continue to prove our successes and performance.
- Periodic benchmarking lets the CRA improve and identify areas for increased focus and action plans.

The ITB has undertaken the following benchmarking exercises:

- 2002/2003 Distributed Computing Environment Benchmark
- 2008 Application Maintenance Benchmark
- 2008 Re-evaluation of mainframe replacement and Update Plans
- 2009 Distributed Computing Environment Benchmark
- 2010 DTIM Infrastructure Services Benchmark

In relation to third-party benchmarking, the CRA contracted Grant Westcott to perform a review of its Technology Infrastructure Services. The intent of the review was for Grant to use his extensive IT background to compare the CRA's practices to those of the banks. As an outcome of the review, Grant identified that in general CRA is well positioned with respect to IT best practices. He also suggested recommendations for improvements that the CRA could make, which have been implemented in the Canadian banking sector. In almost all cases these initiatives

resulted in real net cost savings and increased security/control and systems stability, while allowing for increased organizational flexibility.

As a result of its benchmarking and audit activities, the ITB has developed 13 action plans to help improve performance.

Using industry best practice and periodic benchmarking as a guide, the CRA has developed potential measures and indicators that over time will measure efficiency, effectiveness, innovation, transparency, and risk for the IT program at the CRA.

As the IT performance measurement framework matures, these measurements and areas of focus will evolve and will be reviewed each year to ensure continued alignment to the business direction of the Agency.

Sources of Evidence

• IT performance measurement presentation
• Performance Project Charter
• Various presentations
• Infrastructure Investment Plan
• Application Sustainability Plan
• Performance Information Quarterly Report (PIQR)
• Technology Infrastructure Quarterly Report (TIQR)
• CRA IT Strategy and Plan 2010/11 to 2012/13
• Solutions Applications Catalogue
• Monthly project dashboards
• Grant Westcott infrastructure review

Board's Assessment and Related Comments

	2009-2010	2010-2011
Board's Assessment and Related Comments	Strong	Strong
Next Steps	The Board is concerned, given the current fiscal climate, about the Agency's ability to secure incremental funding for critical IT projects. Addressed.	

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

Overview

Business continuity plans (BCPs) have been used for the continuity of service during significant events below the disaster level. Site BCPs and pandemic BCPs are completed and maintained for critical services for all areas in the Information Technology Branch (ITB). Baseline threat and risk assessments (TRAs) are completed for the mainframe, intranet backbone, Security Perimeter- Public Access Zone/DMZ & Firewall, Corporate Administrative System (CAS), and the Distributed Computing Environment.

Key Questions

1. Are IT disaster and business continuity plans in place and up to date, and have they been tested?

Disaster Plans and BCPs

BCP exercises are conducted at least once a year to so that management is well prepared to identify new gaps and improve BCP plans. The most recent Workforce Outage BCP exercise held at the Branch Executive Committee and with various ITB directorate management teams identified the need to increase the coverage of critical services. As a result, BCPs have been updated accordingly. In addition, IT was noted that strategies such as teleworking may be put in place if the seasonal influenza virus becomes a threat.

The Security Directorate of the Finance and Administration Branch (FAB) and the ITB work co-operatively to ensure compliance with the Treasury Board of Canada Secretariat's (TBS) security standard, Management of IT Security (MITS), in completing TRAs, BCPs, and disaster recovery plans (DRPs). The Agency is continuously improving the security posture of the CRA's technology infrastructure to ensure the continued integrity of data assets and electronic processing. Plans are in place for managing the maintenance, development, and/or replacement applications and infrastructure.

During the earthquake of 2010, site BCPs for critical services for all areas in the ITB and DRPs for the CRA's data centres were executed with success. No gaps or issues were identified.

Follow-Up on Internal Audit

The IT Continuity Planning Follow-Up Internal Audit Report concluded that, overall, the ITB has made significant progress in response to the 2004 recommendations to make sure that IT service availability remains as stable as possible even during a major disaster or outage.

The audit identified some areas for improvement that are being addressed including:

- continuing to make sure that disaster recovery exercise results are reported to senior Agency management;
- enhancing identification of DRP requirements;
- developing a common and complete list of TRAs;
- maintaining (DRPs for the CRA's data centres and making sure that exercises are done at least once per year; and
- developing and testing the risk mitigation strategy to enable mainframe services to failover from DCH to DCSL.

Sources of Evidence

- Corporate risk inventory
- Disaster recovery plans
- Business continuity plans
- BEC, BCP exercise documentation
- MITS Platform TRAs's
- Disaster recovery exercise results are now being published in the PIQR as of the second quarter of 2010-11

2. Are appropriate security provisions in place to mitigate intrusions and inappropriate access?

CRA IT Security Strategy

The CRA IT Security Strategy is in place so that CRA data and information assets, including IT infrastructure, continue to be protected from all current and future threats, both internal and external, to maintain their integrity, thereby assuring Canadians' confidence in the CRA. Among other things, this strategy will be used to validate and prioritize proposed IT security initiatives on an ongoing basis.

The strategy provides a multi-year roadmap for the delivery of the IT parts of the Agency's Security Program. The intent of the strategy is to "stay ahead of the curve" and be innovative and proactive to impending changes in the business environment.

The CRA remains engaged in a pathfinder initiative with the Government of Canada's Cyber Authentication Strategy. The CRA is an active participant in all phases of the ongoing work around the various requests for proposal (RFPs) and feasibility estimates, and IT remains engaged within the governance structure.

The CRA's Credential Management Service provides the opportunity to accelerate development of new secure online services in a more cost-effective manner.

Service Tracking

The ITB tracks events that are not part of the standard operation of a service and that cause, or may cause, an interruption to, or a reduction in, the quality of service. Incidents are categorized as critical, full-service outage; high, partial-service outage; medium, outage-degraded service or partners environment issue; and low, isolated / cosmetic issue.

The incident management goal is to restore normal service operation as quickly as possible and minimize the adverse impact on business operations, thus ensuring that the best possible levels of service and availability are maintained. Incidents by priority level for 2009 –2010, are as follows:

- Critical – 132
- High – 162
- Medium – 1,995
- Low – 71,083
- Total opened — 80,077
- Total closed — 59,973

The total number of opened incidents for fiscal 2009–2010 is in line with incidents recorded in previous years. For example, over the last three years annual ticket creation has ranged from 76,404 in 2007–2008 to 79,587 in 2008–2009.

Sources of Evidence

- Secure Channel — Executive Summary
- CRA IT Security Strategy 2010–2013
- RIMC reports

3. Does the Agency have in place feasible plans for managing the maintenance/development and sustainability of applications and infrastructure?

Management of Applications and Infrastructure

The Agency assures itself of a sustainable capacity of expertise in both applications and infrastructure and regularly seeks third-party benchmarking as evidence that execution is efficient and effective.

The ITB oversees the continuity of capacity for both maintenance and development, and optimizes the plans to ensure sustainability.

The CRA contributes its best IT practices to Government of Canada (GoC) technology sustainability initiatives.

The Application Sustainability Program (ASP) was started to mitigate the risks associated with older applications and facilities on an ongoing basis. The program includes: a set of assessment processes applied annually to all applications, a multi-year plan to fund the redesign of priority applications, and a governance framework for the management of this risk.

The ASP Assessment process triages all enterprise applications annually, on the basis of high, medium, and low sustainability risk, and recommends corrective actions.

The largest sustainability issue within the high-risk group is currently the use of the Integrated Date Management System (IDMS). The Agency's plan is to convert the applications that are technology (DB2)-consistent with the direction taken by most of the IT industry.

Planning

The Agency's ASP Team is continuing to work with TBS and federal departments to share processes and lessons learned to create a GoC sustainability framework.

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 years. The goal is to preserve the CRA's current IT investment, and to make sure that the CRA has the technical infrastructure required to continue to meet its business objectives in the future.

Data Centre Move

To safeguard data services, the CRA has partnered with Public Works and Government Services Canada and the Bank of Canada on the execution of the Data Centre Co-Location (DCCL) Initiative. This tri-lateral arrangement has resulted in the award of a CRA services contract with Bell Canada. Bell will build a new facility in Gatineau, Quebec, that will support CRA and CBSA long-term availability, business continuity, security, and growth requirements. The contract is for 15 years with two 5-year options. The new site will house both public and private sector clients.

According to the contract terms, Bell Canada is to have the new facility available for use by January 2013. The CRA move from DCH to the new facility is scheduled between July 1, 2013, and December 31, 2013.

The three government partner organizations have signed a memorandum of understanding that describes the terms, principles, and governance within which the three organizations will work together to make sure that the site and the provisioning of services meet our shared expectations.

IBM's Geographically Dispersed Parallel SYSPLEX (GDPS) product was implemented in the summer of 2010. The GDPS product is a state-of-the art business continuity solution that is being implemented to mitigate the risk of further service outages related to DCH.

Government IT Audit

In the spring of 2010, the Office of the Auditor General (OAG) conducted an audit on aging information technology systems. The OAG looked at five major organizations, including the CRA. The Agency fared very well in the audit showing that its Application Sustainability Program was effectively addressing the risk of aging systems across the organization. No recommendations were made for the CRA.

Sources of Evidence

• Human Resources Program roadmaps
• CRA IT Strategy and Plan 2010/11 to 2012/13
• Unix Environment Benchmark and Assessment
• Host Environment Benchmark and Assessment
• Application Sustainability Program (ASP) — September 2010
• Solutions Applications Catalogue
• DCCL Procurement Process and Timeliness
• Annual reports of progress to the (RIMC)
• ASP Governance Framework
• ASP Risk Assessment Framework
• Annual application and risk assessment surveys
• Individual Project Life Cycle: Gating Process
• IT Infrastructure Investment Plan (IT-IIP)
• Asset Management Plan
• Data centre test results

Board's Assessment and Related Comments

	2009-2010	2010-2011
Board's Assessment and Related Comments	Strong	Strong
Next Steps	None indicated.	Communications Security Establishment Canada (CSEC) will be invited to test and assess the Agency's security systems.



Management of Services

Strong

The Agency has a sound, comprehensive strategy for the delivery of its services, including clear goals, objectives, and measurement criteria that are aligned with and support the Agency's overarching strategic priorities.

Progress against the strategy is regularly assessed and reported to the Board of Management.

Client feedback results are acted upon and integrated into the business planning processes of the Agency.

Service targets are continually met and the Agency is well positioned to meet future service opportunities and challenges.

Acceptable

The Agency has a strategy for the delivery of its services.

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.

Opportunity For Improvement

Deficiencies within the management of services 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.

Improvements are needed to meet minimum levels of acceptable management.

Attention Required

Services are delivered on an ad hoc basis to different client groups with little or no leveraging of existing or new infrastructure and knowledge.

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.

Overview

The CRA Service Strategy sets out an interconnected agenda which articulates the Agency-wide approach that the CRA will employ in response to the ongoing challenges and opportunities presented by the operating environment as it continues its pursuit of program excellence. Progress is measured using selected internal and external metrics, with Board- approved baseline measures serving as a reference for demonstrating the CRA's progress in achieving its strategic objectives.

1. Has the Agency made measurable progress against the Service Strategy's baseline data and does this progress support established corporate objectives?

Service Strategy Progress

Addressing one of the Board's next steps, the first report on the implementation of the Service Strategy was provided to the Board in September 2010. After one year of implementation, the CRA has shown solid progress in all aspects of the Service Strategy. The results of the CRA's performance against the three main service objectives outlined in the Service Strategy are as follows:

- Reflecting the commitment to set and consistently meet challenging and meaningful standards for services that are high-volume and that affect the greatest number of taxpayers and benefit recipients, the Service Strategy met or mostly met all of the 16 targets in 2009-2010. In addition, the CRA undertook the Service Standard Review project in 2009-2010, which concluded that the CRA's service standards continue to be appropriate and meaningful to service users.
- In 2009-2010, 63.8% of interactions/transactions were undertaken on a self-service basis by individual and business taxpayers and benefit recipients, up from 61.4% in the previous year. This places the CRA firmly on track to achieve its goal of a 5% increase by 2012.
- In the Service Strategy, the CRA has committed to achieving a 5% increase in the level of satisfaction for overall service quality among individual taxpayers who had direct contact with the Agency to get information or receive a service, by March 31, 2012. In 2009-2010, 28% of Canadians contacted the CRA to get information or use a service. Of these, 63% rated their level of satisfaction at either "satisfied" or "very satisfied", which represents an increase of 1.6% from 2009 results.

Sources of Evidence

- 2009-2010 Annual Report on the CRA Service Strategy

2. Have changes to the Service Strategy been made to respond to the external environment?

Service Strategy Flexibility

The CRA Service Strategy spans the three-year period from 2009-2010 to 2011-2012. The Strategy was written as a durable framework to guide the evolution of the CRA's service-related initiatives over a three-year period. The strategy was designed to provide enough structure to foster consistent service-related decisions across the Agency, but provide enough flexibility to let the Agency respond to new and unforeseen demands. Although developments in the external environment—such as the economic downturn—have been carefully monitored, the CRA has not identified the need to adjust the strategy within the three-year planning period.

In 2012, the final year of the strategy, the Agency will take stock of the progress that has been realized, its operating environment, taxpayer expectations, and government priorities to determine the best ways to renew the strategy for the next three years or more.

Board's Assessment and Related Comments

	2009-2010	2010-2011
Board's Assessment and Related Comments	Acceptable	Acceptable
Next Steps	<p>First report on progress against Service Strategy will be presented to the Board in June 2010. Completed in September 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. Due to flexibility of the Strategy, the CRA has not identified the need to adjust it due to changes in the external environment.</p>	<p>The Agency is to renew its Service Strategy for the 2012-2013 to 2014-2015 period.</p>

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

Overview

External service standards publicly state the level of performance that citizens can reasonably expect from the CRA under normal circumstances. The CRA is committed to reviewing, monitoring, and reporting on its service standards in areas of importance to taxpayers and benefit recipients. In order to foster a transparent tax system, the CRA reports performance against service standards in the annual report to Parliament, as well as the CRA Web site on the Corporate Reports and Information page. The annual corporate survey measures the satisfaction of taxpayers and benefit recipients with the services provided by the CRA.

1. Does the CRA manage its services to ensure that service standards for key services are consistently met or exceeded?

Service Standard Evaluation

The CRA met or mostly met 38 out of 47 service standards in 2009-2010. All high-volume, high-profile service standards have been met.

In September 2010, the Service Standard Review Final Report was presented to the Board of Management. The report's findings confirmed that the state of the CRA's service standards is very good. The CRA has a good mix of timeliness and accuracy standards for key services. Measurement processes are appropriately focused and targets are sufficiently ambitious and challenging for the program delivery areas. In terms of overall management of service standards, the CRA is a leader at both the national and international levels.

Although no major concerns were found, the review identified the following recommendations:

- Do more work to determine effective and efficient means of incorporating client perspectives in service standard development and reporting.
- Adopt a portfolio approach to the management of service standards, and add service standards to the mandate of the Director General Measurement Committee.
- Reduce the reporting burden for program areas that have service standards.
- Use best practices for Web design, and adopt a communication approach that allows taxpayers to easily navigate to key service standards.

The Agency will implement these recommendations in a phased approach.

Telephone Service Channel

Telephone enquiries represent more than 15 million interactions per year with taxpayers and serve as the main point of contact between the public and Agency representatives. To examine potential enhancements to the telephone service channel, the Taxpayer Services and Debt Management Branch (TSDMB) did an internal audit to assess whether appropriate controls are in place to achieve the goals and objectives for telephone services.

The audit concluded that the addition of an accuracy measure would help improve monitoring and reporting at the program, call centre management, and agent levels. The TSDMB has also introduced procedures regarding the collection and reporting of complaints at the call centre level to provide a more complete assessment of taxpayer satisfaction levels. The TSDMB has updated the program accountability framework to reflect these changes.

Plain Language

Recognizing that excellence in communications is fundamental to the effective delivery of CRA services, several initiatives have been introduced to enhance the Agency's communication approach. For example, a two-day interactive course was introduced in October 2009 to teach CRA employees the principles of plain language, develop their skills for applying these principles, and raise awareness of the benefits of plain language. As of the end of January 2010, 138 sessions of the course had been given to over 1,500 employees at Headquarters and in the regions. Other activities have included significant efforts to improve the quality and clarity of documents provided to taxpayers such as the General Income Tax and Benefit Guide and its related federal and provincial forms.

Sources of Evidence

- Annual Report to Parliament 2009-2010
- Service Standard Review Final Report 2009-2010
- Taxpayers Services — Telephone Enquiries — Final Report — January 2010

2. Does the Agency use the results of client satisfaction measurement and service standard performance to identify service improvement goals and priorities?

Portfolio Management

A central part of the CRA's service standard life-cycle management approach is the use of performance information and client input to review Agency processes and improve the services being offered to Canadians.

Although the Agency is meeting most of its service standards, a few standards were identified that required service improvement. Notable activities to address performance shortfalls are outlined below:

- In 2009-2010, the Agency experienced a significant decline in performance for amending and ending deferred profit-sharing plans within 270 days. The Agency achieved this service standard 52.1% of the time; whereas the target is 90%. The significant decline in performance was the result of an error in identifying and assigning files, leading to an increase in old inventory. The Agency has trained more employees to address this workload. Although corrective action was taken during 2009-2010 to address this error, the Agency still has files in the inventory that did not meet the service standard. Once the aged inventory has been eliminated, the Agency should be able to meet this standard.
- For the service standard related to sending a first contact letter for disputes, the Agency's goal is to acknowledge taxpayer disputes within 30 calendar days. In 2009-2010, the Agency achieved this service standard 50% of the time; whereas the target is 85%. Factors contributing to the decline in performance include: the increase in income tax disputes resulting from CRA's aggressive tax planning initiative and the new volume of work related to the Corporate Tax Administration for Ontario initiative. The Agency has implemented a range of activities and continues to explore options for improvement, including adding financial resources to address the current performance shortfall. For example, existing resources have been reallocated to front-end administrative management activities, and more staff have been hired and trained to help reduce workloads. These actions should help the Agency improve its timeliness performance for the 2010-2011 fiscal year.
- The CRA commits to processing a request to authorize or cancel a representative received during non-peak tax time within five business days. In 2009-2010, the Agency achieved this service standard 63% of the time; whereas the target is 90%. The Agency's performance was associated with challenges related to the timely routing of request forms. Steps are being taken to address these delays in affected regions. These steps involve process improvements, system changes, and ensuring that the requests are given the appropriate priority. These actions should allow the Agency to improve its timeliness performance by 2011-2012.

The Service Standard Review Final Report recommended that more opportunities should be introduced for client perspectives in service standard development and reporting. The Agency will begin implementation of this recommendation in 2011-2012.

Sources of Evidence

- Annual Report to Parliament 2009-2010

3. What factors have influenced taxpayer and benefit recipient satisfaction with CRA Services?

Annual Corporate Survey

The mainstay of the Agency's public opinion research (POR) plan is the annual corporate survey. It allows the Agency to gauge public opinion on the Agency's performance, trust levels, the service provided, and public attitudes towards tax cheating and compliance.

According to the results of the 2010 Annual Corporate Survey, overall satisfaction with service is 63%, similar to 60% in 2007.

Satisfaction levels are higher for Canadians who report that they received what they needed when they contacted the Agency for service. For the 81% of Canadians who reported they received what they needed, their satisfaction level in 2010 was 75%.

Although satisfaction with the CRA services is undoubtedly influenced by a variety of things, factors that might have influenced service satisfaction levels include:

- They were treated fairly — 87% agreement
- Employees are knowledgeable/competent — 85% agreement
- Were able to get through to CRA staff without difficulty — 72% agreement
- CRA staff went the extra mile — 70% agreement

For the 17% of Canadians who reported they did not get what they needed, their satisfaction level in 2010 was only 9%. The Agency is often in the position of giving people bad news, and respondents to a telephone survey may not always distinguish between receiving the service they needed and getting the result they wanted.

Sources of Evidence

- CRA Annual Corporate Survey — 2010
- Taxpayer Attitudinal Segmentation Research
- CRA Web Site User Survey
- Evaluation of satisfaction with the CRA's current business outputs
- Business Enquiries Service Standard Client Satisfaction Survey

Board's Assessment and Related Comments

	2009-2010	2010-2011
Board's Assessment and Related Comments	Acceptable	Acceptable
Next Steps	None indicated.	Produce an Agency-wide Performance Measurement Framework.

Expectation (c): Service Redress Mechanism – The Board must assure itself that the Agency has established a service redress mechanism to address service complaints in a timely fashion.

Overview

A visible complaint resolution process is an essential element in the maintenance of an accessible and transparent tax system. Service rights improve the accountability of the CRA to taxpayers by ensuring that disputes will be assessed in an impartial and professional manner. Recognizing the importance of this principle, the Agency has a comprehensive dispute resolution system that includes the Taxpayer Bill of Rights and CRA Service Complaints, as well as the Office of the Taxpayers' Ombudsman.

To facilitate continuous improvement, performance measures to address timely resolution of service complaints inventory levels have been developed and are being monitored. Also, the Agency is developing a systemic issue identification database to identify and track trends and issues that affect service delivery.

To make sure that service-related disputes that reach the Taxpayers' Ombudsman are handled in an efficient and effective manner, quarterly meetings are held between the Deputy Commissioner and the Ombudsman. The Ombudsman may also meet with any of the CRA's assistant commissioners or their representatives to discuss potential systemic issue reviews that are being considered or are underway. The Ombudsman presents his annual report and/or any special report to the Board of Management and meets the Board to provide updates. The Agency develops action plans that address recommendations presented by the Taxpayers' Ombudsman.

Key Questions

1. Does the Agency address the service complaints it receives in a timely manner?

Internal Performance Standards

As part of the CRA's Service Complaints Program, the Agency has established two internal performance standards that reinforce our commitment to service. These measures are outlined below:

- The Agency aims to send the taxpayer a complaint acknowledgement letter within two business days of receiving the service complaint in 90% of cases and, in 2009-2010, this target was achieved 97.9% of the time. Every 15 days thereafter, we are committed to updating the taxpayer on the status of the complaint. In 2009-2010, the Agency succeeded 94.5% of the time against the target of 90%.
- The Agency also aims to resolve taxpayer complaints within 30 days. In 2009-2010, this was achieved in 92.7% of cases, compared with the target of 90%. Both internal standards continue to be met in the first half of 2010-2011.

As of September 24, 2010, the results for the two internal performance standards were as follows:

- The two-day acknowledgement standard was met in 97% of all cases.
- The 15-day contact to the taxpayer was met in 92% of all cases.
- The 30-day resolution was met in 92% of all cases.

In response to a next step identified by the Board in 2009-2010 to make the Service Complaints Program more visible and accessible to taxpayers, the Appeals Branch has begun working with the Strategy and Integration Branch to explore the possibility of having these internal measures published externally as service standards.

Sources of Evidence

- Annual Report to Parliament 2009-2010
- Service Redress – Board of Management December 2010
- Action plans addressing Ombudsman’s recommendations

2. Has the Agency demonstrated continuous improvement in relation to service complaints?

Continuous Improvements

Since the 2008-2009 fiscal year, when internal measures were implemented to demonstrate performance, service complaints have been responded to more efficiently. For the 2008-2009 fiscal year, the 15-business-day contact was achieved 86.7% of the time, and the 30 business days to resolve the complaint was achieved 83.6% of the time. For the 2009-2010 fiscal, the 15-business-day contact was achieved 96.6% of the time and the 30 business days to resolve was achieved 92.7% of the time.

Each year, the CRA uses information obtained through service complaints to review Agency processes, to find efficiencies, and to improve the service being offered to Canadians.

Future plans for the CRA’s service redress include more detailed trend analysis and the proactive identification of systemic issues through employee engagement. These actions will help bring a more co-ordinated approach to the Agency’s internal findings and those of the taxpayers’ ombudsman.

The CRA is continually working to integrate many of its internal redress mechanisms in order to be more proactive and to respond to issues earlier.

As part of the 2010 federal budget, the CRA committed to undertake consultations to identify ways in which transparency and accessibility can be strengthened for the various taxpayer service redress instruments. Consultations with various internal (CRA) and external stakeholder groups, such the Canadian Federation of Independent Business, the Canadian Taxpayers’ Federation, and the public in general were carried out in 2010. A report and action plan have been presented to the Minister of National Revenue for consideration and approval.

Board’s Assessment and Related Comments

	2009-2010	2010-2011
Board’s Assessment and Related Comments	Acceptable	Acceptable
Next Steps	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. Completed.	The CRA is to increase the level of awareness of its available recourse mechanisms based on consultations with various internal (CRA) and external stakeholders.



Management of Personnel

Strong

The CRA human resources management regime has the strong leadership and enabling infrastructure necessary to contribute to the achievement of priorities and program results guided by CRA values and ethics.

The CRA possesses a human resources management regime that is sustainable and responsive to changing environments.

The Agency has established human resources management policies that are communicated throughout the organization.

Executive leaders are engaged in an ongoing dialogue with employees that ensure the Agency processes and work environment are meeting the evolving needs of its diverse workforce.

The Agency workforce is guided by CRA values and ethics ensuring a respectful workplace.

Acceptable

The CRA human resources management regime has for the most part the strong leadership and enabling infrastructure necessary to contribute to the achievement of priorities and program results guided by CRA values and ethics.

The CRA possesses a human resources management regime that for the most part is sustainable and responsive to changing environments.

Human resources management policies exist and are for the most part communicated throughout the organization.

Executive leaders are for the most part engaged in an ongoing dialogue with employees that ensure Agency processes and work environment are meeting the evolving needs of its diverse workforce.

The Agency workforce is for the most part guided by CRA values and ethics ensuring a respectful workplace.

Opportunity For Improvement

The CRA human resources management regime has limited leadership and enabling infrastructure necessary to contribute to the achievement of priorities and program results guided by CRA values and ethics.

The CRA possesses a human resources management regime that is limited in terms of sustainability and responsiveness to changing environments.

Human resources management policies are under development and require further integration within the Agency.

The Agency has limited success in hiring and keeping necessary talent.

Limited attention is paid to promoting values and ethics in the Agency.

Attention Required

The CRA human resources management regime is demonstrating deficiencies in terms of leadership and the enabling infrastructure necessary to contribute to the achievement of priorities and program results guided by CRA values and ethics.

The CRA human resources management regime is deficient in terms of sustainability and responsiveness to changing environments.

Human resources management policies are deficient and lack integration within the Agency.

The Agency is unable to mobilize its employees to achieve Agency priorities.

No effort is made to promote value and ethics in the Agency.

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

Overview

The CRA is committed to attracting, developing, and retaining the talent it needs through an integrated planning approach which includes national, functional, and regional planning levels. A central element of this approach is Competency-Based Human Resources Management (CBHRM) which enables the Agency to evaluate, select, and develop employees based on core competencies identified by the Agency.

An integrated approach to planning, which includes a comprehensive demographic analysis and the development and implementation of the Agency's Strategic Workforce Plan continues to help the Agency in making human resources (HR) planning decisions based on the environment and business objectives. This planning process has identified technical capacity and knowledge transfer as important HR priorities. As a result of its succession planning activities for the EC group and non- EC positions, the CRA is well positioned to meet the future Human Resources and business needs of the organization.

The CRA participates in job fairs at universities and colleges, as well as in communities across the country. The CRA offers flexible hours of work, opportunities for advancement, career mobility, and employee development programs all of which are attractive to prospective employees. The Agency has a well-established history of investing in its workforce and supporting the development of its employees. All non- EC employees complete an individual learning plan on an annual basis which captures learning activities related to their current job and professional development. Employees have access to internal and external learning providers which extend the range of learning opportunities available to employees to develop their skills. In addition, technological solutions to learning continue to be explored and developed. Opportunities for employee mobility support individual learning and provide outstanding career opportunities.

In addition to the activities mentioned above that support retention, the Agency has a CRA Action Plan for the Renewal of Official Languages which establishes targets against which the Agency reports. The Agency continues to look for ways to improve return on investment and better target resources based on the demographic changes and on HR needs.

The promotion of employment equity in the workplace is of great importance for the Agency, and a strategic direction for the Agency with defined objectives has been prepared. On a national level, all four designated groups continue to be fully represented across the CRA with representation exceeding their labour market availability in most areas.

Key Questions

1. Does the Agency attract, develop and retain the talent it needs?

Recruitment

Overall Recruitment:

The Agency's recruitment rate for indeterminate employees for the year was 5.9% or 2,101 recruits, which is a decrease from 8.6% or 2,975 recruits from the previous year. It is also important to note that the high rate of recruitment in 2008-2009 was due to the acquisition of the new program "Corporate Tax Administration for Ontario".

- The internal recruitment rate of indeterminate employees (from term employees) was 4.2% in 2009-2010 compared to 4.9% in 2008-2009.

- The recruitment rate of indeterminate employees from other government departments was 0.5% in 2009-2010 compared to 3.1% in the previous year.
- The recruitment rate of indeterminate employees from outside of the federal public service was 1.2% in 2009-2010 compared to 3.1% in 2008-2009.

As a result of new business acquisition, 247 provincial employees impacted by the Provincial Sales Tax Reform (PSTAR) in Wave 1, were offered employment at the CRA starting November 2010. Of these, 214 accepted. (116 /144 in Ontario and 98/103 in British Columbia).

Letters of offer were also made to Ontario provincial employees for Wave 2 on-boarding in March 2010 and to 35 B.C. employees for on-boarding in July 2011. Current results are:

- Ontario Region: Letters of offer: 912; Accepted: 836; Declined: 37; No response to date: 33; Rescinded: 6 (employees no longer impacted). Response deadline was January 17, 2011. The Ontario Region and the Province of Ontario are attempting to verify the status of the 33 non-respondents. Adjusted acceptance rate (of those responding) 95.8%
- Pacific Region: Letters of offer: 35; Accepted: 19; Declined: 0; No response: 16. The Wave 2 B.C. employees have until February 7, 2011, to respond.
- Offers for 9 Wave 3 B.C. employees will be made in September 2011, for March 2012 on-boarding, and for 134 Wave 4 B.C. employees in January 2012, for July 2012 on-boarding.

The Agency had a projected target of 232 new graduates to be hired for 2010-2011. In the first two quarters, the CRA was at less than 50% (109) of its target; 20% (22) are self-identified visible minorities. Due to an anticipated decrease in external hiring, the Agency is not expected to reach its target.

Executive Cadre (EC) Recruitment:

During 2009-2010, 39 ECs were hired. From within the CRA, 33 ECs were hired (85%); 4 were hired from Public Works and Government Services Canada (10%); and 2 from the private sector (5%).

The following are highlights of EC population demographics as of April 1, 2010:

- The CRA's EC population is 604-337 at Headquarters (56%) and 267 in the regions (44%). This represents 1.2% of the Agency's population compared to 2.4% for the Public Service of Canada.
- Succession planning activities show that, overall, there is a large number of potential successors for most positions and that the Agency is well positioned to meet future needs.

End-State Pre-Qualification Processes (PQPs) and Time to Staff (TTS):

CRA's migration to End-State Pre-Qualification Processes is complete. Effective April 1, 2010, End-State PQPs are mandatory for all internal selection processes that will result in permanent promotions across the Agency. Many areas of the Agency have already succeeded in reducing the time it takes to staff.

As a result of End-State PQP implementation within the Agency, the methodology used to calculate TTS performance metrics was revised and implemented in the second quarter of 2009-2010. This change resulted in a performance indicator more reflective of the current staffing process.

While the definition of TTS remained the same, the average TTS is now based on selection processes that were completed in the year ending on the reporting date. For example, second quarter 2010-2011 average TTS is based on selection processes completed between October 1, 2009, and September 30, 2010. In order to provide a valid year-over-year comparison, the new methodology has been applied to historical data.

As of October 2010, a national TTS report is provided quarterly to each Assistant Commissioner (AC). The report provides the average TTS for internal, external, and interdepartmental selection processes (including PQP and non-PQP processes). Statistics from this report show the average TTS as:

- Overall — 230 days

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- Internal selection processes — 221 days
 - External selection processes — 242 days
 - Interdepartmental selection processes — 375 days.

Results for End-State PQPs demonstrated the potential for a reduced TTS average of 80 days for internal processes. Between April and October 2010, 205 internal selection processes were started within the Agency and all but one of those processes were End-State PQPs.

The methodology for calculating time to staff was changed in 2010 and consequently it is not possible to compare the current TTS numbers to the numbers that were reported last year. However, when using the new methodology to compare the TTS for a one-year period (October 1, 2009, to October 1, 2010) there has been a 7% decrease in the overall TTS and a 14% decrease in the TTS for internal selection processes.

Staffing Policy and Plan:

The Agency is adopting a responsible human resources management approach. The Agency Staffing Management Committee has implemented a CRA-wide Staffing Management Plan (SMP) and has started a Staffing Policy Simplification Project. The project's aim is to simplify and consolidate the Agency's staffing policy documents to make it easier for managers, the HR community, and employees to understand and apply. The project is also expected to streamline and improve the staffing processes.

Development

Development Programs:

Total intake to Management Development Programs for 2009-2010 was 70 participants.

- 51 participants were accepted into the Middle Management Development Program for 2009-2010.
- 23 people qualified for the Executive Development Program (EXDP) and 19 participants were accepted into the EXDP for 2009-2010.

Individual Learning Plans (ILPs):

ILPs demonstrate the CRA's commitment to invest in the development of its workforce talent. The ILP completion rate for 2010-2011 is approximately 93%.

Retention and Promotion

Retention and Promotion Rates:

In 2009-2010, the retention and promotion rates were 95.3% and 8.3% respectively. The Agency's separation rate for indeterminate employees decreased slightly, dropping to 4.7% (1,677 separations) from 5.4% (1,850 separations) in 2008-2009.

Sources of Evidence

- Permanent Post-Secondary Recruitment for 2010-2011 Actuals Reports
- Electronic Recruitment System (ERS) Pilot Report 1
- ERS Communication Strategy
- ERS Learning Strategy
- 2009-2010 Second Quarter Performance Report
- Final Report — Consultations on the Canada Revenue Agency Employee Assistance Program — November 2009
- Staffing Management Plan (SMP) Quarterly Reporting
- CAS

2. What is management doing to ensure that the capacity and talent of the CRA meets current and future Agency needs?

Executive/Cadre (EC) Succession Planning Process

The CRA has had a robust EC succession planning process in place since 2006, and regular meetings are held with potential successors. In addition, the CRA has participated in the Talent Management exercise for EC5s and EC6s with the Core Public Administration for the last three years. Since the Agency Management Committee (AMC) review in November 2009, EC succession plans for each branch and region have been updated. More than 3,800 potential successors have been identified for 507 EC positions. From the total number of successors, approximately 55% are repeaters (that is, successors have been identified for more than one position).

On October 19, 2010, the AMC participated in an all-day succession planning session. A follow-up session took place on November 19, 2010. The purpose of these sessions was to review the potential successors that had been identified for positions in an open discussion forum, and to identify potentially vulnerable areas in order to put risk mitigation strategies into place. The goal was to make sure that the CRA completes an in-depth analysis of critical positions and key areas of the Agency, and reviews the quality and quantity of potential successors identified to enable senior management to assess the Agency's strengths and/or risks in relation to business needs.

Overall, the CRA is in a good position and we will continue to identify, through integrated planning, the skills and/or competencies required to fill gaps to make sure that there is capacity to meet short- and long-term business needs. More specifically, functional program branches will work together horizontally to address common technical capacity issues. The official languages proficiency of executives has been identified as a possible barrier to succession. To address this, there is an annual official languages review and action planning process for the EC community.

Learning and development of potential successors will be the focus of a separate AMC discussion that will take place on February 10, 2011. The next succession planning review will take place in the fall of 2011.

Development of Risk Mitigation Strategies

Risk mitigation strategies, such as targeted learning and development, knowledge transfer, and external recruitment strategies are being put in place where the CRA is vulnerable in terms of readiness of potential successors.

Certain impediments to effective succession planning were identified, specifically retention and acquisition of official languages proficiency and the importance of confirming the anticipated retirement date and mobility of executives. Increased accountability and communication at each layer will continue to be reinforced.

Integrated Planning

The CRA identifies, through integrated planning, the skills and/or competencies needed to fill gaps to make sure that there is the capacity to meet short- and long-term business needs. The CRA establishes the readiness and willingness of individual employees to fill positions, both in the CRA current executive complement and in the feeder group. The Agency will continue to make sure that there is an appropriate support system in place to advance succession planning, such as an effective performance management regime, and fair access to learning and development tools.

Agency Strategic Workforce Plan (ASWP)

Since its first publication in 2008-2009, the ASWP has matured into an effective planning tool that establishes the workforce goals and objectives that the Agency must achieve to support the strategic priorities in the corporate business plan. The same approach is being applied at the branch and regional levels, and by July 2011, all branches and regions are to publish a workforce plan that integrates their workforce and business needs. This reflects the next steps highlighted by the Board in the 2009-2010 Assessment.

The third iteration of the ASWP was published on InfoZone in July 2010. To support the ASWP's goal/objective, the Strategic Workforce Planning Guidelines and a series of templates and other tools were also published on InfoZone.

Performance Rating

As of October 1, 2010, 96% of the Agency's managers have a rating of "mostly meets" or higher for core business responsibilities and 92% have a rating of "satisfactory" or higher for effective people management. Also, 94% of Agency employees have a rating of "mostly meets" or higher for core business responsibilities.

As the Agency enters its second decade, the Human Resources Branch will continue to build on its strong foundation to ensure that it provides leadership and strategic support to ensure that the CRA has the right people in the right place at the right time, with the right tools enabling excellence in program delivery, within a workplace that is both respectful and conducive to helping each employee reach his or her full potential.

Sources of Evidence

- EC Succession Plans and Learning and Development Plans per branch and region
- Agency Strategic Workforce Plan 2010-2011 to 2012-2013
- Deck: CRA Workforce and Demographics Indicators: An Overview for 2005 to 2010
- Performance Management Report as of November 24, 2010
- Corporate Business Plan 2010-13
- Agency Strategic Workforce Plan 2010-13
- Optimizing Organizational Performance Through an Effective Workforce Discussion Paper

3. Are CRA employees using the official language of their choice in their workplace?

Language of Choice

The CRA is committed to fully meet its responsibilities under the *Official Languages Act*, to comply with the spirit of the Act in all its business activities, and to take a proactive approach to implementing the Act.

Language Training:

For the 2009-2010 fiscal year, the CRA had 114 employees participating in full-time language training and more than 2,700 employees participating in part-time language training. In addition, a total of 2,247 licenses were distributed on the language training program "Pour l'amour du français/For the Love of English."

Language of Work:

Sustained efforts have been made to make sure that employees work in a bilingual environment and that managers' have the bilingual capacity to respond to the needs of their employees. Across the Agency, champions continue to provide reminders to managers of their responsibility to have a work environment that is conducive to the use of both official languages and where employees are free to be supervised in the language of their choice.

The Human Resources Branch is developing information/ training tools that will increase manager and employee awareness of their rights and responsibilities with respect to language of work.

Significant efforts have been made by the branches and regions during 2009-2010 to improve opportunities for supervisors to meet their linguistic profile. Increases have been noted in the number of supervisors attending full-time language training. Branches and regions are incorporating second language training in their workforce planning documents and increasing investment in this area.

Despite the continuous efforts being made across CRA, there are challenges remaining in the following areas:

- In terms of supervisory services, the number of supervisors who meet the linguistic profile of their position has increased to 90%. However, this result is below the expected target of 92% for 2009-2010; and
- 90% of employees providing internal services now meet the language requirements of their position, falling below the 92% target for 2009-2010.

Service to the Public:

The targets that were to be achieved by March 31, 2010, for this area have been exceeded. Of employees providing service to the public, 90% meet the language requirements of their position (exceeding 88% target for 2009-2010).

Overall, the number of incumbents providing service to the public has increased and the capacity gap has been reduced. The Agency continues to develop its bilingual capacity by actively offering a language training program to its employees and hiring bilingual employees.

To help achieve this objective, the Official Languages Division now provides monthly reports on bilingual capacity and on employees who do not meet the language requirements of their positions.

Sources of Evidence

• Quarterly Performance Reports, Office of the Commissioner of Official Languages (OCOL) Report Card
• Annual Review by the Chief Human Resources Officer
• CRA Action Plan for the Renewal of Official Languages 2008-2011
• CAS data
• Office of the Commissioner of the Official Languages (OCOL Office)—file maintained on CRA G drive

4. Is the CRA meeting its Employment Equity targets?

Employment Equity

As of March 31, 2010, results of the CRA's most recent workforce analysis indicate that all four designated employment equity groups (Aboriginal Peoples, persons with disabilities, visible minorities, and women) continue to be fully represented at the national, Agency-wide level. Representation of all four groups has surpassed their respective labour market availability (LMA):

- Representation of Aboriginal Peoples within the Agency increased from 2.9% to 3.0%, remaining above their LMA of 2.4%.
- Representation of persons with disabilities increased from 5.5% to 6.1%, remaining above their LMA of 3.8%.
- Representation of visible minorities increased from 16.5% to 17.7%, remaining above their LMA of 15.8%.
- Representation of women decreased slightly from 61.1% to 60.6%, remaining above their LMA of 58.8%.

Employment Equity in the Executive Group:

As of March 31, 2010, persons with disabilities and women are fully represented, while under-representation exists for Aboriginal Peoples and visible minorities.

- Representation of Aboriginal Peoples decreased from 2.1% in 2008-2009 to 1.7% in 2009-2010, below their LMA of 2.0%. Overall, this translates to a national gap of two employees.
- Representation of visible minorities decreased from 10.4% to 10.2%, below their LMA of 13.3%. Overall, this translates to a national gap of 17 employees.

In the most recent Strategic Direction for EE (for 2010-2011 to 2012-2013), the following objectives were established:

- To increase the participation rate of Aboriginal Peoples in management development programs from 4.1% as of March 31, 2009, to 6.0% as of March 31, 2013; and
- To increase the participation rate of visible minorities in management development programs from 19.0% as of March 31, 2009, to 20.0% as of March 31, 2013.

As of March 31, 2010:

- The participation rate of Aboriginal Peoples decreased from 4.1% to 3.6%.
- The participation rate of persons with disabilities decreased from 7.5% to 7.1%.
- The participation rate of visible minorities increased from 19.0% to 20.2%.
- The participation rate of women increased from 49.7% to 53.6%.

Sources of Evidence

- CRA's Workforce Analysis as of March 31, 2010 (Note: Internal representation rates are based on CAS data as of March 31, 2010; LMA rates for Aboriginal Peoples, visible minorities, and women are based on 2006 census benchmarks; LMA rates for persons with disabilities are based on the 2006 Participation Activity and Limitation Survey)
- CRA's Annual Employment Equity Report for 2009-2010 (not yet tabled in Parliament)
- For the executive group and Management Development Programs, information is based on CAS data as of March 31, 2010, and data provided by the CRA's Executive Personnel and Programs Directorate (EPPD)

5. Does the Agency provide opportunities for employees to develop their knowledge, competencies, and abilities?

Investment in Learning

The Agency's investment in learning in 2010-2011, fiscal year-to-date (FYTD), is \$101.5 million or 4.7% of payroll. This annual expenditure reinforces the CRA's continuous efforts to have a competent, knowledgeable, and engaged workforce that meets its business needs.

CRA Report Card on Learning

The report card provides an overview of the Agency's achievements in learning each fiscal year. In 2009-2010, managers and employees averaged approximately 9.4 learning days. The average for 2010-2011 (FYTD) is approximately 7 days.

Learning Products

Significant learning products were released during the fiscal year: T1 Outage, Delegation of Financial Authorities, Administered Activities, Aboriginal Awareness — E-Learning, End State PQP for Selection Board Members, and Manager On-boarding. In addition:

- New managers continued to benefit from the regular MG Learning Program sessions. For all three modules of the program combined (Orientation and Leadership, Finance and Administration, and Human Resources) a total of 44 sessions were given, and 889 participants were trained.
- The number of participants in Management Development Programs (MDP) fluctuates throughout the fiscal year due to intake and graduation. By fiscal year-end, there will be about 200 MDP participants.
- There are 49 current interchange agreements and 22 System Assignment Pay Plan (SAPP) appointments.
- For 2010-2011, the Career Management Web site received on average 5,763 hits per month and was rated the fourth most popular site on the Druid Web platform.
- In addition, over 200 managers participated in a specially designed course "Career Conversations: Engaging the Possibilities in 2010/11," providing managers with opportunities to develop the necessary skills to help with the retention and development of employees.

To support Provincial Sales Tax Reform (PSTAR) and GST/HST Program Enhancement, a learning needs analysis was conducted for the redesign of the Basic Audit Skills learning product and four modules were redesigned from the original GST/HST Legislation for Auditors curriculum. The requirements for new learning solutions and other redesigns are also being scoped. Integrated (corporate and technical) learning paths were developed to support an effective on-boarding of employees and managers. Progress has been achieved in the development of PSTAR-related learning solutions.

Mentoring Programs

National support for both corporate and regional mentoring programs and initiatives continued throughout 2010.

- The Ontario Region's Mentoring Program has been evaluated, which indicated that 95% of participants perceived the program to be a positive investment for the CRA.
- An evaluation will be conducted in the next fiscal year on the Corporate Audit and Evaluation Branch's (CAEB) Mentoring Program.

Employee Assistance Program (EAP)

The advisory services, training, and other learning tools offered by the EAP contribute to the development of leadership qualities necessary to create a culture of well-being in the organization. EAP management training specifically fills a void in the training on people-management skills available to managers. The advisory services are seen as a support for ongoing management skill development.

Competency Profiles

With respect to base competency profiles, as of October 1, 2010, 59% (23,983) of the Agency's employees have achieved five or more base competency levels required for their current substantive job; 77% (31,234) of employees have achieved four or more of the base competency levels; and 92% (37,135) of employees have achieved one or more of the base competency levels. Additionally, 99.4% (40,452) of Agency employees have completed job competency profiles.

Sources of Evidence

• Final Report — Consultations on the Canada Revenue Agency Employee Assistance Program — November 2009
• CRA Report Card on Learning 2009-2010
• Quarterly reports (PMPS)
• % of payroll
• Average learning day
• Directory of Learning Products: http://druid/dlp/index-e.asp
• CAS-TEM data
• Career Management Web site
• Ontario Regional Office — Results of the Year End Review of the Year-End Mentor Program Pilot, Executive Summary, 2010.
• 2009-2010 Second Quarter Performance Report

6. Does the Agency use the most effective training approaches?

E-Learning Products

In addressing next steps identified by the Board in last year's assessment, the CRA provided relevant up-to-date learning events in a number of delivery formats, leveraging e-learning technology, where applicable, and, as much as possible, to enable staff to have greater access to information when it is needed. For instance, 68% of new learning product designs incorporated e-learning. Additional examples illustrating how the Agency uses current technology to enhance learning include:

- Online discussion forums (such as, The Café at Manager's Corner) provide an online environment that encourages communication, collaboration, and connections among the Agency's managers and employees on a national scale.
- Webinar technologies used for MG Focal Point, where live sessions were hosted featuring subject matter experts (SMEs) from various disciplines to present specific items of interest to managers.

Furthermore, the CRA Strategic Direction for Learning Technologies (formerly known as the CRA e-Learning Strategy) is current and published on InfoZone.

Evaluation of Learning Products

CRA learning products continue to be evaluated by participants. The overall learning satisfaction for CRA national learning products in 2010-2011 is 4.24/5 (FYTD), above the accepted value for overall satisfaction of 3.5/5. These figures remain consistent with statistics from previous years. In addition, design approaches and strategies for national products are consistently piloted with sample learner audiences before being published for distribution, to assure the approaches will be well received and effective.

To address the next steps identified by the Board, the Agency is exploring measures to evaluate return on investment on learning.

Sources of Evidence

- CRA Report Card on Learning 2009-2010
- Manager's Community Web site: <http://druid/manager/04-cmty-e.asp>
- Webinar Web site: http://druid/manager/mglp_webinar/04-cmty-mgfcpt-wbnr-e.asp
- CRA Strategic Direction for Learning Technology 2010-2013: http://infozone/english/r2732472/hrb-dgrh/subSites/sdl/strategicDirectionLT2010_2013-e.asp
- Quarterly reports (PMPS)

Board's Assessment and Related Comments

	2009-2010	2010-2011
Board's Assessment and Related Comments	Strong	Strong
Next Steps	<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. Completed. • 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. Addressed. • The Agency will maximize the use of technology with respect to learning and evolve the way learning products are delivered. Completed. 	

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

Overview

The CRA has processes in place to make sure that the workplace is safe and that employees' health and wellness are being considered. In support of a healthy and safe workplace anchored on employee wellness, the CRA has realigned its occupational health and safety policies. Workplace wellness was improved by the creation of a site on InfoZone which underlines workplace practices and programs in support of wellness. Various activities have been undertaken by local Employee Assistance Program (EAP) personnel with the goal of promoting wellness.

The Canada Revenue Agency provides a healthy and safe working environment for its employees, as stipulated in the Canada Labour Code, Part II and the CRA Occupational Health and Safety Policy.

Labour relations are supported through various initiatives such as labour relations advisors who provide consulting services to managers and a training unit dedicated to labour relations in the Management Learning Program.

The CRA continues to maintain open lines of communication between management and the unions. The Agency continues to clearly communicate its willingness towards resolving bargaining issues within the current prescribed economic parameters established by the Government of Canada. The collaborative efforts of two national joint union-management committees, the National Conflict Resolution Committee and the National UMI Steering Committee, work together to make sure that there is a productive working relationship.

The Agency makes sure that collective agreements are respected by applying the provisions in a consistent manner and negotiating the terms and conditions of employment in accordance with the provisions of the *Public Service Labour Relations Act*.

The CRA Conflict Resolution Program provides a mechanism to support managers and employees in preventing and resolving workplace conflicts before they escalate.

The Discipline Policy and Guidelines have all the elements required to ensure cases involving misconduct are investigated and addressed while ensuring due process.

In 2009, the Agency released an updated Preventing and Resolving Harassment Policy which directs employee conduct and supports behaviour that reflects the values of the Agency.

The Injury and Illness Policy, created in 2004, is complemented by the 2010 Managing Injury and Illness Process Tool for Managers. The tool supports managers and provides for a consistent and standardized approach in managing disability cases, ensuring that employees are treated with fairness and respect.

Key Questions

1. How is the Agency working to improve its workplace wellness practices/programs, and are they effective?

Respectful Workplace

The results of the 2008 Public Service Employee Survey (PSES) led to action plans at the local level that contributed to the national theme of Respectful Workplace. In support of this theme, the following has been done nationally:

- A site was created on InfoZone, which has become one of the most visited sites on InfoZone.
- A video campaign featuring the Commissioner was launched for CRA employees between October and December 2010. Over 400 presenters supported ECs and MGs in the facilitation of the video viewing and the discussion on respectful workplace. Based on the feedback received by the national project office to date,

nearly 90% of the business areas have embraced the opportunity to renew their commitment to a respectful workplace. The feedback is being analyzed to steer the next segment of tools and services supporting the CRA in fostering respect and wellness in the workplace for the years to come.

The commitment to a respectful workplace has been included in the Effective People Management section of the EC Foundation Table.

At the regional and local levels, specific action plans have been created and follow-up activity will be carried out within the respective areas in support of the national theme.

National Health and Safety Policy Committee (NHSPC)

A Working Group of the NHSPC was established to examine the various options presented in the Phase III Report, and to determine how to best address the risks and hazards identified as a result of the Job Hazard Analysis (JHA). The JHA Action Report, prepared by the Working Group, outlines the proposed course of action that the Agency should take to address the hazards faced by “field employees”. It will be shared with the Board in June 2011.

An action plan has been approved that will facilitate the implementation of the JHA Action Report within reasonable time frames.

Occupational Health and Safety Complaints

The number of complaints for the 2009-2010 fiscal year are as follows:

- 367 disabling accidents
- 253 non-disabling (minor) accidents

Conflict Resolution Program

The program provides a mechanism to support managers and employees in preventing and resolving workplace conflicts before they escalate.

The program includes the delivery of short-term counselling services to CRA employees and their family members; advisory services to managers, union representatives, and human resources professionals; as well as a variety of preventative wellness information sessions and fairs, as discussed in the annual report.

Sources of Evidence

• 2008 Public Service Employee Survey results
• National Respectful Workplace site on InfoZone
• Regional and local action plans posted on the Respectful Workplace site
• Guidelines to Complete Executive/Cadre (EC) Performance Agreement and Manager’s Y280-1 Performance Agreement
• Management Report and Addendum to the Employee Performance Management Report
• The Job Hazard Analysis for Field Employees Action Report
• CRA Conflict Resolution Program
• Employee Assistance Program Annual Report 2009-2010

2. How effective is the working relationship between the unions and management?

Relationship Between the Unions and Management

The Agency has a good working relationship with each of its unions.

The Terms of Reference for Union Consultation, which was signed by the CRA and each of its unions, includes a set of guiding principles that promote healthy working relationships between the parties. It encourages concerted efforts to resolve issues at the lowest possible level as soon as they arise. Unions and management have a shared agenda whereby union involvement occurs at various levels in the organization.

In addition to the number of well-established formal consultation forums, the CRA regularly meets its unions, at the local, regional, and national levels, to consult and/or brief them on Agency and/or Government matters such as the Public Service Employee Survey, PSTAR, staffing, and Agency priorities.

CRA and the Professional Institute of the Public Service of Canada / Public Service Alliance of Canada:

Discussions between the CRA and PIPSC started again in February 2010 regarding the harmonized sales tax new business acquisition.

On April 20, 2010, the CRA and /AFS reached an agreement with respect to provincial employees joining the CRA as a result of harmonization of sales tax. This agreement put the CRA in a position to offer certain provincial staff positions in the AFS group, which was agreed to by the provinces in the amended human resources agreements.

The CRA has met, briefed, and shared information with and PSAC/UTE at the national, regional and local levels during the PSTAR initiative, and relations will continue through the implementation phase at the regional and local levels.

In support of the business lines, bargaining agents were informed as the GST/HST Program Enhancement decisions were taken and classification and organization structures implemented.

The CRA and are working jointly to resolve issues, such as concerns the union has related to the grievance process and the definition of audit. At the request of the union, a pay study is underway in preparation for upcoming negotiations.

UTE Collective Agreement:

The UTE collective agreement expired on October 31, 2010. Negotiations were successful in securing a new two-year agreement. Ratification of the new agreement was finalized, and the new collective agreement was signed on October 29, 2010.

Sources of Evidence

- Terms of Reference for Union Consultation; Minutes of National Union-Management Consultation Committee Meetings; Minutes of National Occupational Health and Safety Committee Meetings.
- CRA Directive on Compensation for the Executive/Cadre Group
- MoU regarding PSTAR job matching
- PSTAR and GST/HST Program Enhancement union/management relations

Board's Assessment and Related Comments

	2009-2010	2010-2011
Board's Assessment and Related Comments	Strong	Strong
Next Steps	None indicated.	

Expectation (c): Leadership – The Board must assure itself that the Agency demonstrates excellence in leadership which supports the on-going delivery of its programs today and in the future.

Overview

The Agency has demonstrated excellence in leadership by supporting its managers and leaders and by building bench strength for executive leadership. The Agency continues to support development programs to help with succession plans, and it continues to identify future leaders through meticulous succession planning. Executives at all levels have clear accountability aligned with the Agency priorities identified in the corporate business plan and the Agency strategic workforce plan.

Succession planning for the Executive/Cadre (EC-1 to EC-6) is a well-established process within the CRA. High-risk positions have been examined and risk mitigation strategies, such as targeted learning and development, as well as knowledge transfer and external recruitment strategies, are being put in place where the CRA is vulnerable in terms of readiness of potential successors.

The Agency continues to align its current and future business requirements with its workforce capability. Investment in technology and in human resources are equally important in the alignment with current and future business requirements.

Key Questions

1. Have knowledge transfer initiatives functioned to safeguard corporate memory?

Knowledge Management Advisory Group

This new group has been formed to look into knowledge management and knowledge transfer. Strategies are being developed under their oversight.

As part of the non- EC succession planning guidelines, a knowledge transfer tool is being developed with a scheduled date for release in March 2011.

Feeder Population Data

For most EC positions, the feeder population data suggests there is a large number of potential successors and that the Agency is well positioned to meet its future needs. Learning and development of potential successors will be the focus of a separate AMC discussion in early 2011.

Sources of Evidence

- EC Succession Plans and Learning and Development Plans per branch and region

2. Does the CRA Learning Program align with Agency business requirements?

Learning Policy

The supporting policy instruments to the Learning Policy have been approved by the Assistant Commissioner of the Human Resources Branch (HRB). The new directive and procedures aim to enhance the planning and evaluation of learning in the Agency by highlighting the integration of workforce planning and learning priorities, thus better aligning learning with CRA business goals and better enabling the Agency to continue to build its technical capacity with a planned approach. Progress has been made on implementation of the new Directive and Procedures on the Planning and Evaluation of Learning.

As a first step in the implementation, a draft Agency Learning Priorities (ALP) document has been prepared following HRB/TLD conversations with branches on their business priorities, learning strategies, and solutions. The ALP also includes a section on learning evaluations to be undertaken, some of which are underway. These evaluations will provide information on the effectiveness and efficiency of products and events, with a focus on learning transfer. Results will be available over the course of the next fiscal year.

EC Learning and Development Initiatives

These initiatives are aligned to Agency business requirements and have been implemented or are under development or consideration. These would include EC Orientation and Fundamentals.

Sources of Evidence

- CRA Directive and Procedures on the Planning and Evaluation of Learning.
- Orientation website: <http://infozone/english/r2732472/EC-ce/lifeevent/joining-e.asp>

Board's Assessment and Related Comments

	2010-2011
Board's Assessment and Related Comments	Strong
Next Steps	Knowledge transfer to be added as a new expectation in the BoMOF for 2011-2012.

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

Overview

Trust begins with the CRA's values that reflect its principles and beliefs which guide behaviour and practices. The Agency has taken considerable steps towards fostering and promoting CRA values and ethics throughout the organization. The CRA Code of Ethics and Conduct (Code), last revised in 2009, provides an overview of CRA values, policies, and guidelines and clearly outlines the standard of conduct for employees. Each new employee has to sign a copy of the Code; existing employees receive an annual reminder of it. When workplace issues do arise, the CRA's Conflict Resolution Program provides a mechanism to support managers and employees in preventing and resolving workplace conflicts before they escalate.

The Discipline Policy and Guidelines have all the elements required to make sure that cases involving misconduct are investigated and follow due process. The Discipline Policy and Guidelines are being reviewed to make sure that the Agency has a clear and consistent approach to discipline management that respects the rights of all parties. The current guidelines will be replaced with a user-friendly, process-oriented tool for managers called Procedures for Addressing Employee Misconduct. The revised policy is scheduled for presentation to the Board in June 2011.

The CRA Values and Ethics Office (established in 2009) is continuing the development of several national values and ethics initiatives.

The Agency is concentrating its efforts on promoting a national theme of a "Respectful Workplace" to strengthen the positive behaviour that all employees should adopt. In 2009, the Agency released an updated Preventing and Resolving Harassment Policy that is reflective of the CRA values and focuses on mechanisms that help prevent harassment, and where this is not possible, supports an efficient harassment resolution process. The policy is supported by an awareness session available to all employees. The Agency continues to address issues raised during the review of the Public Service Employee Survey results. The CRA is vigilant in addressing and assessing the identified issues and manages them in a systematic manner.

Key Questions

1. Does the number of security incidents involving CRA employees track favourably over the last three years?

Security Incident Status Reports

The Security and Internal Affairs Directorate provides quarterly security incident status reports to the Board of Management. The purpose of these reports is to provide statistical information and a narrative summary on significant internal affairs investigations, security incidents, and information security issues for the periods under review. The statistical appendices are divided into two distinct categories: high-risk and low-risk incidents.

A trend analysis at the fourth quarter of 2009-2010 compared to the same period in 2008-2009 shows an increase in the number of investigations into allegations of misuse of CRA systems. This increase is due to cases involving large numbers of employees in the same office in the Ontario and Pacific regions, as well as an increased number of proactive reviews at Headquarters at the request of senior managers. The analysis also revealed a decrease in the overall number of security incidents reported during the period compared to the same period of the last fiscal year.

Recently the investigative priorities have been refocused to concentrate on high-risk incidents (for example, abuse of authority, breach of trust, fraud, off-duty conduct, unauthorized access and unauthorized disclosure) as opposed to low-risk incidents (for example, inappropriate use of the email system).

Sources of Evidence

- Security Incident Status Report — Period Ending March 31, 2010

2. How does the Agency foster and promote the values and ethics of the CRA?

Public Servants Disclosure Protection Act

During 2009-2010, the Chief Audit Executive (CAE), as the Senior Officer for Internal Disclosure, continued to raise management and employee awareness of the internal disclosure function including delivering several presentations in the Pacific Region as a culmination of the regional visits started in 2008-2009. Over 40 presentations have been given to an audience of over 2300 employees across the country and at Headquarters.

Internal Fraud Control Program

The CRA is enhancing its Internal Fraud Control Program (MGs). The goal of the program, which is in its third year, is to further ensure that the CRA continues to take all reasonable measures to safeguard the assets, resources, information, and reputation of the organization. The MGs will continue to strengthen the fraud control environment of the Agency by conducting fraud risk assessments, which will allow the CRA to focus its controls, detection procedures, and investigations in higher-risk areas. In conjunction with training and awareness communications, these compliance activities will contribute to promoting the core values, ethical behaviour, and integrity framework of the CRA. The MGs has developed the Internal Fraud Control Policy, which defines internal fraud for the CRA and describes roles and responsibilities for the control of fraud.

Integrity Framework

To continue to promote and embed a culture governed by values and ethics, the CRA is enhancing its Integrity Framework, which is expected to be completed in 2011. The Integrity Framework will illustrate how CRA policies, instruments, and programs contribute to the integrity of the Agency. In partnership with branches, this Framework will combine key foundation pieces such as the report on “Benchmarking Values and Ethics at the CRA” and the “Ethical Risk Assessment” to highlight the Agency's strengths and encourage a more firmly entrenched culture of integrity.

Code of Ethics and Conduct

All new CRA employees review and sign off on the CRA Code of Ethics and Conduct, and the Conflict of Interest Policy. Each year, all employees are reminded of their obligations.

Training Products

Three new/updated training products, including sections relating to values and ethics and standards of conduct, were launched during 2010:

- A Good Start — Employee Orientation Program (TLD)
- Manager On-boarding Program (TLD)
- Pilot EC Learning Program (EPPD)

Sources of Evidence

- Annual Report on Internal Disclosures
- Draft CRA Internal Fraud Control Policy
- National Conflict Resolution Office Annual Report 2009-2010
- Integrity Framework—being developed
- Presentation on DRAFT Concept Integrity Framework made to HR Committee of the Board on September 20, 2010
- Code of Ethics and Conduct, and the Conflict of Interest Policy

Board’s Assessment and Related Comments

	2009-2010	2010-2011
Board’s Assessment and Related Comments	Strong	Strong
Next Steps	None indicated.	The CRA to continue to implement its values and ethics by updating its integrity framework, discipline policy, and internal fraud control program.



Management Accountability Assessment Ratings for CRA

Management Accountability Assessment Ratings for CRA

BoMOF Expectations		2008-2009	2009-2010	2010-2011	MAF – Areas of Management	2008-2009	2009-2010	2010-2011
Organization of the Agency	<ul style="list-style-type: none"> Governance <i>Renée-France Bouliane</i> Internal Accountability Structure <i>Renée-France Bouliane/ Filipe Dinis</i> 	ST	ST	ST	<ul style="list-style-type: none"> Governance and Planning 	ST	ST	ST
Administration of the Agency	<ul style="list-style-type: none"> Enterprise Risk Management <i>Brian Philbin</i> 	ST	ST	ST	<ul style="list-style-type: none"> Integrated Risk Management 	ST	ST	ST
	<ul style="list-style-type: none"> Program Evaluation <i>Patricia MacDonald</i> 	AC	AC	AC	<ul style="list-style-type: none"> Managing for Results 	ST	ST	AC
	<ul style="list-style-type: none"> Internal Audit <i>Patricia MacDonald</i> 	ST	ST	ST	<ul style="list-style-type: none"> Contribution to Government-Wide Priorities 	ST	ST	n/a
	<ul style="list-style-type: none"> Sustainable Development <i>Filipe Dinis</i> 	ST	ST	ST	<ul style="list-style-type: none"> Quality of Analysis in TB Submissions 	AC	AC	n/a
					<ul style="list-style-type: none"> Quality of Performance Reporting 	ST	ST	n/a
Management of Resources	<ul style="list-style-type: none"> Financial Management <i>Filipe Dinis</i> 	ST	ST	ST	<ul style="list-style-type: none"> Financial Management and Control 	AC	AC	AC
	<ul style="list-style-type: none"> Project Management <i>Filipe Dinis</i> 	AC	ST	ST	<ul style="list-style-type: none"> Information Management 	OFI	AC	AC
	<ul style="list-style-type: none"> Asset Management <i>Filipe Dinis</i> 	ST	ST	ST	<ul style="list-style-type: none"> IT Management 	ST	ST	ST
	<ul style="list-style-type: none"> Procurement Management <i>Filipe Dinis</i> 	ST	ST	ST	<ul style="list-style-type: none"> Management of Security 	ST	ST	ST
	<ul style="list-style-type: none"> Information Technology – Investments <i>Peter Poulin</i> 	ST	ST	ST				
	<ul style="list-style-type: none"> Information Technology – Security <i>Peter Poulin</i> 	n/a	ST	ST				

Management Accountability Assessment Ratings for CRA

	BoMOF Expectations	2008-2009	2009-2010	2010-2011	MAF – Areas of Management	2008-2009	2009-2010	2010-2011
Management of Services	• Service Strategy <i>Catherine Bennett</i>	AC	AC	AC	• Citizen-focused Service	AC	n/a	n/a
	• Service Performance Measurement <i>Catherine Bennett/Sandra Lavigne</i>	AC	AC	AC				
	• Service Redress Mechanism <i>Anne-Marie Lévesque</i>	ST	AC	AC				
Management of Personnel	• Workforce <i>Cheryl Fraser</i>	ST	ST	ST				
	• Workplace <i>Cheryl Fraser</i>	ST	ST	ST				
	• Leadership <i>Cheryl Fraser</i>	ST	ST	ST				
	• CRA Values & Ethics <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	

n/a Areas of Management that are no longer part of the Management Accountability Framework



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	
• Corporate Risk Inventory (CRI)		X			X
• Enterprise Risk Management (ERM) Framework (Policy/ Strategy)		X			
• Information Technology (IT) Strategy			X		
• Learning Policy/Plan		X			X
• Performance Agreement (Guidelines/ Matrix/Agreements)	X	X		X	X
• Program Evaluation Policy		X			
• Service Complaints Annual Report				X	
• Service Strategy				X	