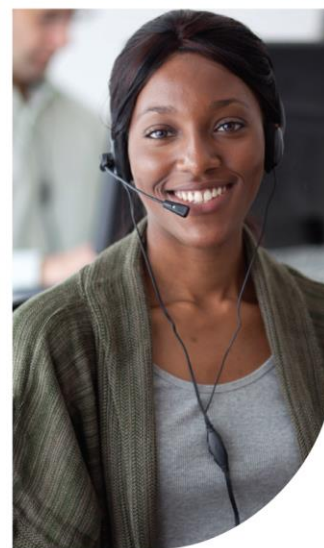
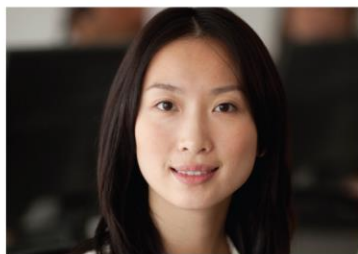


# Summary of the Board of Management Oversight Framework Assessment of Performance 2014-2015



Canada Revenue  
Agency

Agence du revenu  
du Canada

Canada 

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# Introduction

The Board of Management Oversight Framework (BoMOF) is a key accountability instrument that complements the Treasury Board Secretariat (TBS) Management Accountability Framework (MAF). It consists of a list of management expectations which directly address the oversight responsibilities granted to the Board of Management (BoM) under the *Canada Revenue Agency Act*.

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; and 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.

Each year, the Board performs an Assessment of Performance (Assessment) in areas of priority. Board members evaluate the Agency's overall management capacity, identify areas where further work is required, and discuss with Agency officials the next steps that should be taken. This year's Board Assessment against the BoMOF is set out in the following pages. Each page sets out the priority expectation, a summary of the evidence reviewed, and the Board's rating.

The following are the definitions of the ratings that the Board can give to an expectation:

<b>Strong</b>	All of the evidence meets or exceeds Board expectations and suggests continued strong performance.
<b>Acceptable</b>	Most of the evidence meets Board expectations.
<b>Opportunity for Improvement</b>	Some of the evidence meets Board expectations. Deficiencies noted.
<b>Attention Required</b>	None of the evidence meets Board expectations. Immediate attention required.

# List of Expectations

	BoMOF Expectation	2012-2013	2013-2014	2014-2015
<b>Organization of the Agency</b>	Governance	Not assessed	Acceptable +	Acceptable +
<b>Administration of the Agency</b>	Agency Performance Indicators	Acceptable	Not assessed	Acceptable
	Integrity and Security*	Not applicable	Not applicable	Acceptable
	Internal Red Tape Reduction*	Not applicable	Not applicable	Opportunity for Improvement
	External Red Tape Reduction*	Not applicable	Not applicable	Acceptable
<b>Management of Resources</b>	Financial Management	Strong	Strong	Strong
<b>Management of Services</b>	Continual improvement in service to Canadians (e-services)*	Not applicable	Not applicable	Acceptable
<b>Management of Personnel</b>	HR - Leadership	Not assessed	Acceptable +	Strong
	HR - Infrastructure	Not applicable	Not assessed	Strong

\*New expectations for 2014-2015

## Organization of the Agency

### **Governance:**

Does the CRA have the appropriate management governance structures in place to ensure that the right decisions are made in a timely manner?

### **Summary of Information considered by the Board:**

- The Agency has an appropriate governance structure for timely discussions on Agency priorities and effective decision making. The structure consists of corporate committees with specific mandates that oversee programs, policies, strategies, financial, and human resources. In addition, the Board of Management oversees the organization and management by monitoring strategic priorities, providing advice and direction at the appropriate time for the success of the CRA.
- To ensure the Agency's governance structure continues to promote a nimble and innovative organization, a corporate committee governance review was undertaken in 2014-2015 and many streamlining activities were launched for both the Agency and the Board of Management.

**Board's Rating:** Acceptable +

## Administration of the Agency

### Agency Performance Indicators:

Does the CRA have indicators to track timely progress against Corporate Business Plan (CBP) priorities?

### Summary of Information Considered by the Board:

- The Agency tracks progress on Corporate Business Plan (CBP) priorities and initiatives, service standards, performance indicators, Blueprint 2020 initiatives, and Red Tape Reduction commitments. The Agency also reports and monitors progress through the use of the Annual Report to Parliament, the Corporate Survey results, internal audits and evaluations, and mid-year reviews of executive performance agreements.
- The CBP identifies performance indicators and targets to track progress against the Agency's program-level expected outcomes. Consistent with the Treasury Board Secretariat's Management, Resources, and Results Structure (MRRS) policy, the results for these indicators are reported in the Departmental Performance Report (DPR).
- The Agency reports on the results of each of its 51 service standards publicly on the CRA website, and in its DPR and the Annual Report to Parliament.

**Board's Rating:** Acceptable

## Administration of the Agency

### Integrity and Security:

Does the CRA take necessary, timely measures to prevent, monitor, detect, and manage breaches of integrity and security?

### Summary of Information Considered by the Board:

- The CRA has developed an Integrity Framework which is composed of five layers covering integrity instruments, a culture of integrity, integrity-based decision making, tools for integrity, and values in action. It incorporates everything the Agency does to optimize security, trust, integrity, health, productivity, and sustainable success.
- The Commissioner chairs a corporate committee which meets monthly to discuss integrity, service, and compliance.
- The CRA is on track to meeting its initiatives related to preventing, monitoring, detecting, and managing breaches of integrity and security.

**Board's Rating:** Acceptable

# Administration of the Agency

## Red Tape Reduction Internal:

Is the CRA taking timely action to reduce internal red tape and is its implementation plan on schedule?

### Summary of Information Considered by the Board:

- As part of Blueprint 2020 employee engagement, simplifying internal processes and reducing internal red tape became one of the priority actions for both the CRA and the Public Service as a whole.
- As engaged staff are constantly finding innovative new ways to bring greater efficiencies to the workplace, red tape reduction (RTR) will become a part of our everyday business.
- Every branch, region, and office is working to reduce internal red tape. Steps are being taken to streamline program delivery, simplify administrative processes, reduce paper burden, increase efficiency and, where possible, expand the use of automation and self-serve options.
- The Board must assure itself that the Agency is on track to reducing red tape as efficiently as possible.

**Board's Rating:** Opportunity for improvement



## Administration of the Agency

### Red Tape Reduction External:

Is the CRA taking timely action to reduce external red tape and is its implementation plan on schedule?

### Summary of Information Considered by the Board:

- The Government of Canada initiated the Red Tape Reduction Commission (RTRC) in January 2011 to reduce the compliance burden on private businesses. The RTRC completed consultations in 2011 and a list of 1,100 irritants related to tax administration was developed. In 2012, the CRA organized the irritants into 12 overarching Action Plans that were part of the government of Canada's overall action plan to address red tape reduction (RTR). The CRA successfully delivered on its commitments in the action plans.
- The CRA held its own consultations in 2012 with small and medium-sized businesses to better focus some of its key commitments and deliver on and adjust its RTR action plans. The CRA was seeking input on information availability and clarity, reporting obligations, use of existing online services, exploration of potential online services, and duplication of information requirements across federal departments and different levels of government. The CRA successfully delivered on commitments which were important to small and medium-sized businesses.
- The CRA held a second round of consultations in 2014 to obtain feedback on the RTR efforts delivered to ensure the CRA RTR action plans continue to meet the needs of Canadian businesses. The feedback from these consultations informed the new action plans for 2015-2016.
- On January 23, 2015, The Minister of National Revenue received the Canadian Federation of Independent Business' 2015 Golden Scissors Award for a change to tax administration that eliminated more than 800,000 payroll remittances for over 50,000 small businesses. The award was created to honour elected officials or others in government who have shown leadership in reducing red tape for businesses.

**Board's Rating:** Acceptable

# Management of Resources

## Financial Management:

Does the CRA have the appropriate processes, and internal controls to ensure federal, provincial, and territorial taxes assessed are reported accurately, completely, and in a timely manner?

## Summary of Information Considered by the Board:

- The CRA has audited financial statements for administered activities to reflect the total assets, liabilities, revenues, and expenses administered by the CRA on behalf of the Government of Canada, the provinces, territories, First Nations, and other government organizations. Revenues are recognized in accordance with the stated accounting policies, which are based on Canadian public sector accounting standards.
- The Audited Statement of Income and Capital Taxes Payable to the Provinces and Territories (the TCA Statement) reflects provincial and territorial income and capital taxes assessed as of December 31, settlement payments made by the Department of Finance to March 31, and the amounts due from (to) Canada. The Agency provides the assessment information to the Department of Finance, which prepares the Statement.
- In accordance with the Treasury Board Policy on Internal Control, the CRA has an ongoing program to conduct Internal Control over Financial Reporting (ICFR) assessments. These assessments relate to either design effectiveness (i.e., point in time) or operating effectiveness (i.e., period of time). The ICFR assessments for programs forming part of the Tax Collection Agreements (TCA) are audited by the Office of the Auditor General (OAG).

**Board's Rating:** Strong

# Management of Services

## Continual Improvement in Service to Canadians (E-services):

Is the CRA implementing the right mix of new E-services to ensure timely results on the continual improvement in service to Canadians?

### Summary of Information Considered by the Board:

- In 2010, the Agency launched the *Enhancing Secure Online Services Strategy - 2010-2015* (SOLS) to guide the next generation of CRA self-service applications. This Strategy provided a strategic, horizontal, coordinated, and client-centric approach for the “drive to e” across the Agency.
- A key success of SOLS was the delivery of the e-Documents initiative, along with the e-Delivery and e-Payments initiatives. The introduction of e-Documents allows more taxpayers and their representatives to submit documents electronically through *My Account*, *My Business Account*, and *Represent a Client*. Since the three initiatives have been implemented in October 2012, the number of registered users in the CRA service portals has increased by 41%.
- The CRA is committed to continuous improvement in e-services. In the 2014-15 year, a new online mail service was established to enable the CRA to send e-mail notifications to individuals who opt in for the service. In 2015, individuals will be able to receive electronic notices of assessment. In addition, a new mobile application is planned for release in 2015, which will allow taxpayers to view basic personal tax information from their mobile device.
- Building on the successes of SOLS, the next phase of the Agency’s e-services transformation will be addressed in the CRA’s new *e-Interactions Strategy*. This Strategy will ensure that the Agency is continuously developing tools that allow people to interact digitally and consistently, across all business lines. For the 2015 tax filing season, a web based user survey has been launched to validate the direction of the e-Interactions deliverables. The web-based survey is expected to be conducted annually to track changes in trends to ensure the Agency’s strategy remains current.
- The CRA’s wide range of e-services has become the preferred service channel for many taxpayers. In 2013-2014, 80% of individuals filed their tax return online, up from 58% in 2009-2010, and the number of businesses using My Business Account increased from 724,000 in 2009-2010 to 1.9M in 2013-2014.

**Board’s Rating:** Acceptable

## Management of Personnel

### HR Leadership:

How is the CRA ensuring timely renewal of the executive cadre?

#### Summary of Information Considered by the Board:

- CRA succession plans continue to emphasize internal development and selection of executive talent, with external recruitment a secondary but increasingly important option.
- The CRA is seeking the right balance between developing talent and acquiring talent to ensure ongoing leadership stability. To achieve this balance, the Agency will further align development and recruitment strategies and continue to expand executive recruitment to the private sector, provincial governments, and the core federal service.
- Potential successors have been identified for the Agency's 446 EC positions.
- As of December 31, 2014, 18 selection processes were conducted during the fiscal year for positions at the EC-1 to EC-6 levels.

**Board's Rating:** Strong

# Management of Personnel

## HR Infrastructure:

Does the Agency take the necessary measures to modernize its human resources management infrastructure?

### Summary of Information Considered by the Board:

- During the past year, the CRA focused on HR modernization with an emphasis on simplifying, standardizing, consolidating, and streamlining its HR processes and programs. The CRA is also working to maximize technology to fully enable self-service capabilities.
- The vision is a more cohesive and focused HR function that will leverage technology, deploy fast and effective service and support, and create consistent, value-added programs.
- The Common Human Resources Business Process (CHRBP) is the standard for human resources service delivery across the Government of Canada. The CHRBP is a set of common business processes designed to standardize, simplify, and streamline human resources management. The CHRBP alignment exercise was initiated and completed at the CRA.

**Board's Rating:** Strong