

Canadian Food Inspection Agency

2015–16

Departmental Performance Report

Approved:

The Honourable Jane Philpott, PC, MP
Minister of Health

For the period ending March 31, 2016

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Minister's Message

The Honourable Jane Philpott, PC, MP
Minister of Health



I am pleased to present this Departmental Performance Report, which provides details on the many activities that the Canadian Food Inspection Agency (CFIA) conducted during the 2015–2016 fiscal year to fulfill its mission. In 2015–2016, the CFIA once again lived up to its reputation as a world-class regulator in the animal health, plant protection, and food safety sectors. Using a scientific approach focused on prevention, the Agency worked closely with its portfolio partners — Health Canada and the Public Health Agency of Canada — to continue implementing modern regulations, processes, and systems, all with service excellence in mind.

With regard to **food safety**, the CFIA began to phase in its new integrated Agency Inspection Model in the fall of 2015, applying the new inspection model in select fish, feed, dairy, and greenhouse facilities across the country. The new model, which applies globally recognized prevention-based concepts, is introducing a standard process for inspections across all regulated commodities. In addition, the CFIA continued to reform the regulations that support the *Safe Food for Canadians Act* and the *Agricultural Growth Act* to further strengthen and modernize Canada's food safety system.

To mitigate risks to Canada's **plant resources**, which are essential to a safe and accessible food supply, the CFIA modernized the legislation protecting Canada's plant resources. In February 2015, amendments to the *Plant Breeders' Rights Act* came into force, which opened the door to Canada ratifying the 1991 update of the International Convention for the Protection of New Varieties of Plants in June 2015. The CFIA's Plant Breeders' Rights Office now accepts applications and grants rights under the revised intellectual property framework.

In addition, the CFIA advanced on several **animal health** priorities in 2015–2016. For example, after experiencing outbreaks of the highly pathogenic avian influenza, the CFIA and the U.S. Department of Agriculture jointly implemented a guidance framework that outlined how Canada and the United States would recognize and accept each other's decisions regarding animal disease eradication zones when an outbreak occurs. This framework allowed trade to continue in disease-free zones while the outbreaks were being managed in the affected areas.

Also during 2015–2016, the CFIA expanded its initiatives contributing to **consumer protection**. By using modern digital tools like Pinterest, Twitter, Facebook, LinkedIn, and its website, the Agency shared food safety advice and information on food recalls with a growing number of Canadians in a timely and interactive way. In fact, the CFIA experienced major growth in its social media audiences — the number of Twitter followers increased by 83%, the Facebook fan base grew by 264%, and the LinkedIn community expanded by 32%. The Agency also posted more than 3,045 social media messages, which generated more than 15 million views.

The CFIA strengthened its **international collaboration** efforts during the 2015–2016 fiscal year. For example, the Agency continued working to align its regulatory approaches with the United States through the Regulatory Cooperation Council and the Beyond the Border initiative. The Agency collaborated with other international partners through the European Union’s Joint Management Committee meetings, the World Organization for Animal Health (OIE), the Codex Alimentarius Commission, the World Trade Organization’s Sanitary and Phytosanitary Committee meetings with Colombia and Korea, various plant health meetings with the United States, Australia, and New Zealand, and Consultative Committee on Agriculture meetings with Mexico and Brazil.

The world is changing quickly — with new technology, business transformation, increases in import and export volume, new and emerging threats, and increasing consumer expectations — but I am confident that the CFIA’s tireless efforts are keeping up with that change. I am proud of the skills, integrity, and professionalism that CFIA employees display every day. Through their hard work and dedication, they personify the Government of Canada’s commitment to the health and safety of Canadians.

The Honourable Jane Philpott, PC, MP
Minister of Health

Results Highlights

The CFIA continues to meet its mandate objectives of safeguarding plant resources, animal health and food safety, which enhances Canada's environment, economy and the well-being of its citizens. Highlights in 2015–16 include:

- Through its **daily activities**ⁱ, the CFIA:
 - Develops and enforces import and export controls to safeguard Canada's plant resources
 - Protects Canada's animals' health and welfare and verifies that animal feeds are safe and vaccines are effective
 - Inspects food processing facilities to verify compliance with regulations
 - Contributes to shaping international standards and facilitates trade and access to markets
 - Conducts an average of 3,000 food safety investigations annually
- The CFIA continued to advance its **transformation agenda** in 2015–16. Achievements included:
 - Advancing the Regulatory Modernization Agenda: most provisions of the *Agricultural Growth Act* came into force; legislative amendments to the *Plant Breeders' Rights Act* came into force; proposed amendments to the *Health of Animals Regulations* were drafted; revisions to the proposed *Safe Food for Canadians Regulations* were made; engagement with stakeholders on options to modernize food labelling was completed
 - Phasing in of the integrated Agency Inspection Model
 - Expanded social media communication providing for greater public outreach and access to CFIA information
 - Developed an Integrated Risk Management (IRM) Framework to provide the foundation for the integration of risk management across the Agency and across all risk types. The integration of risk management will add value as a key component of Agency decision-making, business planning, resource allocation and operational management. The framework includes a revised IRM Policy that pertains to four key areas: leadership, processes, governance and accountability

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- The CFIA facilitated **market access** for Canada's agricultural products in different ways. Achievements included:
 - Reinstated trade with major trading partners after a Bluetongue disease (an infectious insect-borne viral disease of ruminants) outbreak in Canada
 - Following outbreaks of avian influenza (bird flu) in December 2014 in British Columbia and April 2015 in Ontario, the CFIA applied the zoning agreement with the United States Department of Agriculture to enable trade in areas outside the affected zones while the disease was controlled and removed
 - Gained access for blueberries from British Columbia to China and Korea, beef and ready-to-eat meat to Ukraine, and pork and pork products to India
 - Negotiated expansion of the scope of the EU-Canada Organics Equivalency Arrangement
 - Expanded access for live aquatic animal species to Vietnam
 - Maintained access for exports of live aquatics, seafood, pet food and fishery products to China

The total resources utilized by the Agency for 2015–16 are summarized below

<p>5,901 Actual FTEs</p>	<p>\$749,362,527 Actual Spending</p>
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Section I: Organizational Overview

Organizational Profile

Appropriate Minister: The Honourable Dr. Jane Philpott, PC, MP

Institutional Head: B.A. (Bruce) Archibald, Ph.D.

Ministerial portfolio: Health

Enabling Instruments:

CFIA Wide

- Canadian Food Inspection Agency Actⁱⁱ
- Agriculture and Agri-Food Administrative Monetary Penalties Actⁱⁱⁱ

Food Safety

- Food and Drugs Act^{iv} (as it relates to food)
- Safe Food for Canadians Act^v (SFCA) (Once brought into force, the SFCA will replace the following):
 - Canada Agricultural Products Act^{vi}
 - Consumer Packaging and Labelling Act^{vii} (as it relates to food)
 - Fish Inspection Act^{viii}
 - Meat Inspection Act^{ix}

Plant and Animal Health

- Agricultural Growth Act^x (Amends and modernizes all the Plant and Animal Health related Acts)

Plant

- Fertilizers Act^{xi}
- Plant Breeders' Rights Act^{xii}
- Plant Protection Act^{xiii}
- Seeds Act^{xiv}

Animal Health

- Health of Animals Act^{xv}
- Feeds Act^{xvi}

Year of Incorporation / Commencement: 1997

Other: N/A

Organizational Context

Raison d’être

The Canadian Food Inspection Agency (CFIA) is one of Canada’s largest science-based regulatory agencies. It has approximately 6,555¹ employees working across Canada in the National Capital Region (NCR) and in four operational areas (Atlantic, Quebec, Ontario and Western).

The CFIA is dedicated to safeguarding food safety, animal, and plant health, which enhances the health and well-being of Canada’s people, environment, and economy.

The CFIA develops and delivers inspection and other services in order to:

- Prevent and manage food safety risks
- Protect plant resources from pests, diseases and invasive species
- Prevent and manage animal and zoonotic diseases
- Contribute to consumer protection
- Contribute to market access for Canada’s food, plants, and animals

The CFIA bases its activities on science, effective risk management, commitment to service and efficiency, and collaboration with domestic and international organizations that share its objectives.

Responsibilities

The CFIA is responsible for administering and enforcing 13 federal statutes and 38 sets of regulations, for supporting a sustainable plant and animal resource base and regulating the safety and quality of food sold in Canada. In November 2012, the *Safe Food for Canadians Act* received Royal Assent. This new legislation, when fully in force, will bring into effect new regulations and provide the necessary legal framework for a more consistent approach to strengthening food inspection in Canada. The *Safe Food for Canadians Act* consolidates and will replace the *Fish Inspection Act*, the *Canada Agricultural Products Act*, the *Meat Inspection Act*, and the food provisions of the *Consumer Packaging and Labelling Act*.

THE CFIA’S KEY FEDERAL PARTNERS

- Health Canada
- Agriculture and Agri-Food Canada
- Public Health Agency of Canada
- Canada Border Services Agency
- Canadian Grain Commission
- Public Safety Canada
- Fisheries and Oceans Canada
- Natural Resources Canada, including Canadian Forest Service
- Global Affairs Canada
- Environment and Climate Change Canada, including Canadian Wildlife Service

¹ This number includes active employees as well as those on paid or unpaid leave.

The *Agricultural Growth Act* received Royal Assent on February 25, 2015 and most provisions have come into force. The *Agricultural Growth Act* modernized and strengthened federal agriculture legislation, supports innovation in the Canadian agriculture industry and enhances global market opportunities for Canadians. The *Agricultural Growth Act* updated the following suite of Acts that the CFIA uses to regulate Canada's agriculture sector: *Plant Breeders' Rights Act*, *Feeds Act*, *Fertilizers Act*, *Seeds Act*, *Health of Animals Act*, *Plant Protection Act*, and the *Agriculture and Agri-Food Administrative Monetary Penalties Act*.

The CFIA shares many of its core responsibilities with other federal departments and agencies, with provincial, territorial and municipal authorities, with private industry, and with other stakeholders. The CFIA works with its partners to implement food safety measures; manage plant, animal, and food risks, incidents and emergencies; and promotes the development of food safety and disease control systems to maintain the safety of Canada's high-quality agriculture, agri-food, aquaculture and fishery products. The CFIA's activities include verifying the compliance of imported products; registering and inspecting establishments; testing plants, animals, and their related products, and food; and approving the use of many agricultural inputs.

Additionally, the CFIA actively participates in international fora for the development of international science-based rules, standards, guidelines and policies. It also engages in the management of sanitary and phytosanitary committees established under international agreements and actively promotes the Canadian science-based regulatory system among foreign trading partners. The CFIA negotiates to resolve scientific and technical issues, contributing to market access for Canadian goods. It also provides scientific advice, develops new technologies, provides testing services, and conducts regulatory research.

Within a three-year period, with the passage of the *Safe Food for Canadians Act* in 2012, which is not yet fully in force, and the *Agricultural Growth Act* in 2015, every statute administered and enforced by the CFIA has been provided with new authorities. Having a modern legislative base is critical for the CFIA to address new challenges and issues, and respond to new pressures, trends and science.

New authorities include:

- Modern inspector authorities so that inspectors have the right tools to do their job
- Revised and strengthened offence provisions, with more up-to-date fines and penalties
- Explicit authorization for export certification
- Regulatory authority to require licensing and/or registration
- Explicit authority to incorporate documents by reference²
- Regulatory authority to require preventive control plans and quality management plans for manufacturers
- Document and record-keeping requirements

² Incorporation of documents by reference is a drafting technique that may be used to bring the content of the incorporated document into a regulation, without the need to reproduce the document in the regulation itself.

At the CFIA, decisions are based on high- quality, timely, relevant science. Science informs policy development and program design and delivery through foresight, advice, risk assessment, the influence of international standards, research and development, and testing.

Strategic Outcome and Program Alignment Architecture

To effectively fulfill its responsibilities in safeguarding Canada’s food supply and sustaining its animal and plant resource base, the CFIA strives to achieve its strategic outcome³ of maintaining “a safe and accessible food supply and plant and animal resource base”. The CFIA’s Program Alignment Architecture (PAA) illustrates the Agency’s plans to allocate and manage its resources to achieve the corresponding expected results. The CFIA’s PAA framework, through which resources are allocated for effective delivery of its mandate and performance reporting to Parliament, consists of:

1. Strategic Outcome: A safe and accessible food supply and plant and animal resource base.

1.1 Program: Food Safety Program

1.1.1 Sub Program: Meat and Poultry

1.1.2 Sub Program: Egg

1.1.3 Sub Program: Dairy

1.1.4 Sub Program: Fish and Seafood

1.1.5 Sub Program: Fresh Fruits and Vegetables

1.1.6 Sub Program: Processed Products

1.1.7 Sub Program: Imported and Manufactured Food Products

1.2 Program: Animal Health and Zoonotics Program

1.2.1 Sub Program: Terrestrial Animal Health

1.2.2 Sub Program: Aquatic Animal Health

1.2.3 Sub Program: Feed

1.3 Program: Plant Resources Program

1.3.1 Sub Program: Plant Protection

1.3.2 Sub Program: Seed

1.3.3 Sub Program: Fertilizer

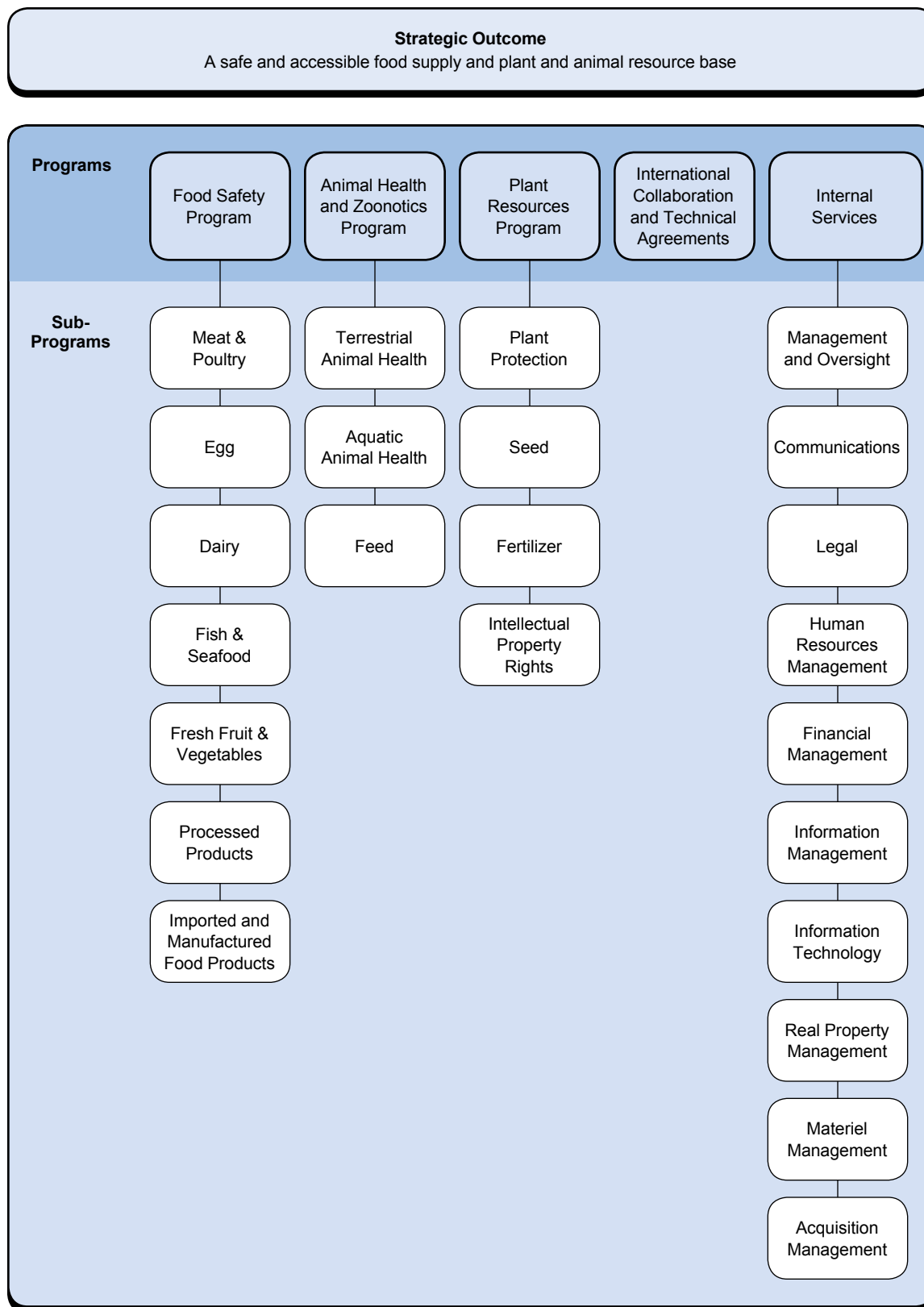
1.3.4 Sub Program: Intellectual Property Rights

1.4 Program: International Collaboration and Technical Agreements

Internal Services

³ A Strategic Outcome is defined as a long-term and enduring benefit to Canadians that stems from the Agency’s vision and mission. It represents the difference the Agency intends to make for Canadians.

Program Alignment Architecture



Operating Environment and Risk Analysis

Risk Analysis

The CFIA is responsible for identifying and managing risks to the plant and animal resource base and the food supply on which safe food and a prosperous economy depends. Integrating risk management into policy, priority setting, planning, delivery, review and reporting activities supports informed decision making across and within the Agency.

The vast majority of the risks that fall within the Agency's mandate are managed in concert with numerous partners and stakeholders, both domestic and international. Factors influencing key strategic risks faced by the Agency include, but are not limited to:

- the ongoing emergence of new pathogens due to increases in international travel and trade, microbial adaptation, changes in production methods and distribution as well as human behavior
- the convergence of human, animal and ecosystem health issues
- the emergence of global supply chains, which have fundamentally changed the way agricultural products are produced, processed, packaged, distributed and sold
- an increase in both the volume and variety of goods coming into Canada
- increased export opportunities for Canadian producers, coupled with changing international standards and more stringent requirements
- rapid advances in processing and manufacturing technologies, resulting in significant increases in production speed, volume and diversity and the subsequent need for legislative and regulatory frameworks to keep pace
- an increasingly knowledgeable, demanding and risk-averse consumer and stakeholder base
- a growing international consensus around the need for common technologies and scientific approaches to support industry oversight and the global agri-food trade

Current risk management practices at the CFIA include the development of a Corporate Risk Profile (CRP). The Agency's CRP identifies the key strategic risks to which the Agency is exposed as a result of its internal and external operating environments, and provides strategies aimed at reducing risk exposure to tolerable levels over the next several years. The Corporate Risk Profile was last fully renewed in 2012 with a refresh of the annex in 2014.

The Agency's transformation agenda has been driven by a vision for an enhanced outcome and risk-based, preventive system. To enhance the Agency's ability to more quickly align its efforts to have the greatest impact on reducing risk, the CFIA has developed a Comparative Risk Model that systematically measures and compares the diverse risks that the Agency manages on behalf of Canadians.

The comparative risk model is still being implemented but has already provided the CFIA with information regarding the relative importance of risks and cost-effectiveness of controls to mitigate them. It supports the Government’s commitment to evidence-based decision making and transparency. Information gained informs decisions about how best to plan inspections, surveillance and other activities. The ultimate outcome will be the CFIA’s ability to deliver the best value in terms of risk reduction for public dollars spent.

Table 1 highlights the CFIA’s key strategic risks, ranked in terms of likelihood and impact, and provides associated planned response strategies. All risks link to the organization’s Program Alignment Architecture (PAA).

Table 1: Key Risks

Risk	Risk Response Strategy	Link to Program Alignment Architecture
<p>Managing Change</p> <p>The ability to effectively manage change on an ongoing basis.</p> <p>The global evolution of economic, social and environmental factors influences the regulatory and business environment within which the Agency operates.</p> <p>Additionally, the current environment demands innovation to achieve efficiencies while maintaining or increasing effectiveness in the way the Agency does its business and delivers its mandate.</p>	<p>Agency Transformation</p> <p>Human Resource Modernization</p> <ul style="list-style-type: none"> • Talent Management – Established the Talent Management Framework and automated tools to identify and manage talent within the Agency at the EX level • Succession Management – conducted executive level succession management exercise which resulted in the identification of critical positions, leadership pipeline strengths and gaps • Policy Suite for Executives was implemented with talent management being the foundation. New terms and conditions signed by all • Virtual Training was used as a way to modernize learning at the Agency to bring learning to the learners (specifically for the inspectorate) • Established the Peer Support Program to provide support to employees, not only to manage personal stress but also work related changes and stressors • A new scientific regulation standard modernized the Agency's people management model in classification. The result was a role-based, competency-driven classification platform on which over 1,000 CFIA scientists were on-boarded and reduced the number of work descriptions and different, unique positions in the Agency's work architecture by the hundreds. Service – a modernized approach to classification of positions moving away from tasks to more broadly defined roles and expectations backed by competency profiles. This unique approach is revolutionary and will prove an influential body of work across the government's science community • One HR for Government Science Committee – established to develop recommendations and improvements on human resource management of the science community 	<p>Linked to the CFIA's Strategic Outcome of a safe and accessible food supply and plant and animal resource base.</p>

Risk	Risk Response Strategy	Link to Program Alignment Architecture
Managing Change (continued)	<p>Reinforce Values and Ethics</p> <ul style="list-style-type: none"> • Developed innovative awareness building mechanisms such as the Umbrella online tool, Values & Ethics awareness video and Capsules of Information for CFIA employees • Developed actions to address the results of the February 2014 Ethical Climate Survey • Organized the Agency's third annual Values & Ethics Day • Updated Values & Ethics Strategy to reflect the Agency's Transformation Agenda, Blueprint 2020 and the "One Agency" initiative • Updated Values & Ethics training for managers and supervisors • Updated Values & Ethics at Pre-Requisite Employment Program and People Management for Supervisors courses • Updated Conflict of Interest and Post-Employment Policy to provide better guidance to employees • Acknowledged the Values & Ethics Code for the Public Sector, the Agency Code of Conduct and the Conflict of Interest Policy during the annual performance agreement process <p>Enhance Project Management</p> <ul style="list-style-type: none"> • Released a revised version of the Enterprise Project Management Framework in March 2016, which included updates to existing tools and templates and the addition of new tools to enhance delivery of projects 	Linked to the CFIA's Strategic Outcome of a safe and accessible food supply and plant and animal resource base.

Risk	Risk Response Strategy	Link to Program Alignment Architecture
Managing Change (continued)	<p>Enhance Service and Communication</p> <ul style="list-style-type: none"> Put in place a framework to help the Agency move towards an integrated, proactive and digital first communications environment Through CFIA's digital communications strategy and three-year evergreen implementation plan, a number of highly visible projects were delivered through effective partnerships with client branches, portfolio partners and other Government of Canada partners. The Agency actively promoted CFIA's success stories to internal and external audiences, using existing internal tools and social media platforms such as Pinterest, Twitter, LinkedIn, and Facebook; and, contributed content to a new Government of Canada Science of Health blog <p>Strengthen Planning, Performance Monitoring and Reporting</p> <ul style="list-style-type: none"> The CFIA planning process continues to evolve and integrate risk management into decision-making. In 2015–16, program risk owners in the Plant Resources, Animal Health and Food Safety programs identified their respective three-year business line strategic priorities to inform branch strategic planning. This systematic approach to Agency planning better aligned business priorities with branch capacity, including the enabling branches, from strategic to tactical levels. The streamlined collection of Agency planning information will be used to inform corporate level planning and reporting 	Linked to the CFIA's Strategic Outcome of a safe and accessible food supply and plant and animal resource base.

Risk	Risk Response Strategy	Link to Program Alignment Architecture
Managing Change (continued)	Public and Stakeholder Engagement on Key Agency Initiatives <ul style="list-style-type: none"> • In support of spring 2015 consultations with small businesses, developed a number of new products designed for use by industry and regulated parties, including infographics on key themes (e.g., preventive controls, categories of hazards and key principles for importers) as well as multilingual fact sheets (12 languages) highlighting key food safety elements, preventive food safety controls and traceability • Feedback received during the consultations with industry and stakeholders was used to inform planning for pre-publication of regulations in <i>Canada Gazette I</i>, including the development of new resources (e.g., decision tools, multimedia products and videos) to support industry's understanding of proposed requirements. A compliance promotion strategy for undeclared allergens was also developed and approved. The first series of products under this strategy were developed, in particular an interactive infographic on allergen labelling (to be available in seven languages) 	Linked to the CFIA's Strategic Outcome of a safe and accessible food supply and plant and animal resource base.

Risk	Risk Response Strategy	Link to Program Alignment Architecture
<p>Management of Information and IM/IT Infrastructure</p> <p>The ability to make risk-based decisions due to the lack of timely, accurate and useful data and information.</p> <p>The Agency's diverse information requirements and national presence has resulted in an IM/IT infrastructure containing a complex mix of new and old equipment that supports multiple IM/IT systems and databases. Differences in how information is collected, analyzed, and used across multiple systems and hardware may impede information sharing and timely operational and regulatory decision making.</p>	<p>Agency Transformation</p> <ul style="list-style-type: none"> • Modernized applications and implemented an Application Portfolio Management Program which moved the Agency toward a balanced and sustainable technology platform, built on Government of Canada standards • Investment planning was further advanced, resulting in better demand management for the Agency's information management and information technology • Achieved greater engagement in Branch and Agency governance, which resulted in better project management of application and platform modernization efforts • Created an Architecture Review Committee and program to ensure alignment of the Agency's IMIT approach and Government of Canada strategies <p>A Flexible and Scalable Electronic Service Delivery Platform (ESDP)</p> <ul style="list-style-type: none"> • Began development of the business requirements for phase I of the electronic service delivery platform, with phased implementation to begin in December 2016, beginning with the Dairy sector <p>Collaboration with Shared Services Canada</p> <ul style="list-style-type: none"> • Established and staffed a dedicated Client Relationship Manager position to facilitate and enhance the Agency's communication and relationship with Shared Services Canada <p>Business Information Management Centre (BIMC) Dashboards</p> <ul style="list-style-type: none"> • Strengthened the tools, processes and governance of the Agency's Business Information Management Centre to capture and report on operational data, and also enhance the Centre's program performance management capabilities. Further enhanced Dashboards for Senior Management by providing strategic analysis to better highlight the areas of attention related to the delivery of the core Program and Corporate functions of the Agency 	<p>Linked to the CFIA's Strategic Outcome of a safe and accessible food supply and plant and animal resource base.</p>

Risk	Risk Response Strategy	Link to Program Alignment Architecture
Management of Information and IM/IT Infrastructure (continued)	IMIT Strategy <ul style="list-style-type: none"> Defined and received President's approval for a new Agency IMIT Strategy that provides direction for investment planning, and verifies continued alignment with Government of Canada technology strategies Proactively participated in enterprise platform modernization and consolidation activities with Shared Services Canada, including email transition, data center migration, and transition to MyGCHR, the human resources management system recently adopted by the Government of Canada Advanced service delivery modernization initiatives aimed at providing citizens and employees with modern digital tools Web Renewal <ul style="list-style-type: none"> Prepared for migration to Canada.ca, the common Government of Canada website being constructed, by completing a full review of its current web content to ensure consistency with the Canada.ca style guide, and also developed a detailed migration plan for CFIA content Provided advice and guidance to the Community of Federal Regulators, Health Canada, and Treasury Board Secretariat on how to develop a Government-wide plan for posting legislative guidance on Canada.ca Ensured that CFIA employees were well informed of the Web Renewal Initiative, a government-wide priority to consolidate all departmental/agency websites into fewer than six 	Linked to the CFIA's Strategic Outcome of a safe and accessible food supply and plant and animal resource base.

Risk	Risk Response Strategy	Link to Program Alignment Architecture
<p>Transparency and Leveraging Relationships</p> <p>Opportunity for the Agency to increase its transparency and accountability to stakeholders.</p> <p>Information sharing enables regulated parties to take steps to ensure compliance and helps to increase public awareness and confidence in the Canadian marketplace. Diverse methods exist to engage and collaborate with industry, other governmental stakeholders and the public to enhance the development of outputs that are mutually beneficial and agreed-upon.</p>	<p>Creation of a Single Window Information Portal</p> <ul style="list-style-type: none"> • Maintained ongoing collaboration with Canada Border Services Agency on the Single Window Initiative in order to address minor challenges with the system as it is implemented <p>User Fee/ Service Standard Modernization</p> <ul style="list-style-type: none"> • Continued user fee and service standard modernization • Continued exploration and development of alternative service delivery mechanisms. The objective is to transfer responsibilities from CFIA staff and CFIA laboratories to accredited service providers (including veterinarians and approved laboratories) where appropriate. A Quality Management Oversight Framework was developed, and the criteria that will guide the transfer of tests for alternative service delivery arrangements have been established. The CFIA is ready to transfer tests when export certificates are renegotiated with trading partners <p>Communication and Stakeholder Engagement on Agency Key initiatives</p> <ul style="list-style-type: none"> • In support of spring 2015 consultations with small businesses, the CFIA developed a number of new products designed for use by industry and regulated parties, including infographics on key themes (e.g., preventive controls, categories of hazards and key principles for importers) as well as multilingual fact sheets (12 languages) highlighting key food safety elements, preventive food safety controls and traceability <p>International Engagement</p> <ul style="list-style-type: none"> • Continued to engage with various countries through existing bilateral fora (e.g. Joint Management Committee meeting with the EU, SPS Committee meetings with Colombia and Korea, hosting plant health meeting with the United States, Australia and new Zealand, and Consultative Committee on Agriculture meetings with Mexico and Brazil), and through ad hoc bilateral meetings such as incoming foreign visits 	<p>Linked to the CFIA's Strategic Outcome of a safe and accessible food supply and plant and animal resource base.</p>

Risk	Risk Response Strategy	Link to Program Alignment Architecture
<p>Emergency Management</p> <p>The ability to respond to multiple simultaneous or large-scale emergencies.</p> <p>The CFIA has a well-planned emergency preparedness and response capacity. However, threat environments continue to evolve, requiring regular updating of plans and responses to reflect changes and find efficiencies to ensure that the Agency maintains a minimum of essential business functions during emergencies.</p>	<p>Agency Emergency Management Plans</p> <ul style="list-style-type: none"> Developed the Agriculture and Agri-Food Canada and the Canadian Food Inspection Agency Agreement on Emergency Response Coordination. The agreement sets out roles and responsibilities and establishes a working relationship between the two organizations regarding emergency response activities affecting the agriculture and agri-food sector in the context of each organization's legislated responsibilities <p>Maintenance and Monitoring of Current Emergency Management Preparedness/ Response Mitigation Strategies</p> <ul style="list-style-type: none"> Finalized After Action Reviews for the responses to the December 2014 Avian Influenza (AI) outbreak in British Columbia, the February 2015 identification of a cow in Alberta with Bovine Spongiform Encephalopathy (BSE), also known as mad cow disease, and the April 2015 Avian Influenza outbreak in Ontario. These reviews identified areas for improvement, and recommendations and corrective actions which are being implemented to improve on future response capabilities 	<p>Linked to the CFIA's Strategic Outcome of a safe and accessible food supply and plant and animal resource base.</p>

Risk	Risk Response Strategy	Link to Program Alignment Architecture
<p>Scientific Capability</p> <p>The ability to have the scientific capability to adapt and respond in a timely manner.</p> <p>Advancements in science and technology have increased the complexity of the commodities the Agency regulates. Additionally, there is growing international consensus around the need for common scientific equipment and approaches to support industry oversight and the global agri-food trade. The Agency is expected to maintain an employee base and modern laboratory facilities that reflects these advancements in regulated products and international requirements.</p>	<p>CFIA Science Branch Action Plan</p> <p>The CFIA's Science Branch developed an Action Plan that will enable the Branch to:</p> <ul style="list-style-type: none"> • Articulate measurable goals, objectives and timelines • Reach agreements with branch employees, clients and key stakeholders • Illustrate at regular intervals, the delivery of actual results against expected outcomes • Provide an interactive communication tool and responsive decision aid for planning and resource management • The Science Branch will monitor and report on this action plan mid-year and year-end for the final year of this three year plan with the goals of improved performance information for the Science Branch managers, enhanced accountability within the Agency and meaningful information for external reporting <p>Canadian Food Safety Information Network (CFSIN)</p> <ul style="list-style-type: none"> • Signed a data sharing arrangement with Alberta Health and Alberta Agriculture and Forestry on February 3, 2016 • Launched a pilot project with Alberta to identify methods of sharing food safety data • Completed a draft inventory of environmental scanning and intelligence data. The inventory will continue to be updated as work on environmental scanning for the CFSIN progresses • Completed a comprehensive draft of the data dictionary 	<p>Linked to the CFIA's Strategic Outcome of a safe and accessible food supply and plant and animal resource base.</p>

Risk	Risk Response Strategy	Link to Program Alignment Architecture
Scientific Capability (continued)	<p>Modernizing Equipment and Laboratories</p> <ul style="list-style-type: none"> Using Lean Education Academic Network (LEAN) tools, the Ottawa Laboratory Carling (OLC) streamlined its processes and increased capacity, thus improving the service standards for the animal feed service by a 20% reduction in processing time. Many lean initiatives developed in 2015–16, with implementation ongoing into 2016–17, are expected to further improve service standards Completed renovations to enhance the food safety laboratory capacity at both the Greater Toronto Area and the St. Hyacinthe laboratories <p>Enhancing Laboratory Response Capacity</p> <ul style="list-style-type: none"> Identified relevant projects necessary to develop novel, more rapid and sensitive detection methods to enhance the Agency's response to food safety incidents and progress is being made as planned. Methods developed in previous projects have been operationalized Genome Canada, CFIA and Alberta Innovates-BioSolutions (AI-Bio) Partnership was established to support research that applies the latest bioinformatics and genomics technologies in the detection and surveillance of priority foodborne pathogens 	Linked to the CFIA's Strategic Outcome of a safe and accessible food supply and plant and animal resource base.

Risk	Risk Response Strategy	Link to Program Alignment Architecture
<p>Legislative, Regulatory and Program Framework</p> <p>The ability of the current legislative, regulatory and program framework to support the effective delivery of the Agency's mandate.</p> <p>Rapid advances in processing and manufacturing technologies have resulted in significant increases in production speed, volume and diversity, requiring the subsequent need for updated legislative and regulatory frameworks. Statutes and authorities impact the design and delivery of programs that regulate new commodities and support economic competitiveness within the industry.</p>	<p>Legislative Modernization</p> <ul style="list-style-type: none"> Legislative amendments to the <i>Plant Breeders' Rights Act</i> came into force on February 27th, 2015. Canada subsequently ratified the 1991 Act of the International Convention for the Protection of New Varieties of Plants (UPOV'91) on June 19th, 2015, and became bound by the Convention on July 19th, 2015. The Plant Breeders' Rights Office now accepts applications and grants rights under the revised, UPOV'91 based, intellectual property framework <p>Regulatory Modernization</p> <ul style="list-style-type: none"> Based on stakeholder feedback, made selected revisions to the proposed <i>Safe Food for Canadians Regulations</i> since release of draft preliminary text for consultation in summer 2015. The proposed Regulations are targeted for pre-publication in <i>Canada Gazette, Part I</i>, for late fall 2016 <p>Business Transformation/Program Frameworks</p> <ul style="list-style-type: none"> Implemented the compartmentalization program for domestic National Aquatic Animal Health Program successfully on 31 December 2015 	<p>Linked to the CFIA's Strategic Outcome of a safe and accessible food supply and plant and animal resource base.</p>

Risk	Risk Response Strategy	Link to Program Alignment Architecture
<p>Inspection Effectiveness</p> <p>The ability to have appropriate inspection effectiveness to expeditiously prevent, detect and respond to threats to food safety, animals and plants.</p> <p>Until recently, the Agency delivered 14 independently evolved inspection programs, each having diverse and complex requirements for training, information collection and industry compliance that differ depending on the commodity being regulated.</p> <p>Currently, the Agency's resource efficiency is impacted due to the maintenance of multiple training programs and IM/IT systems used to address distinct variations in inspection processes, tools, and information collection.</p>	<p>Integrated Agency Inspection Model (iAIM)</p> <ul style="list-style-type: none"> Developed Foundational Operational Guidance for Standard Inspection Procedures and Compliance Verification of a Preventive Control Plan for all three business lines, based on the integrated Agency Inspection Model. This Guidance was validated and implemented in four commodity areas (Dairy – Food Safety Enhancement Program, Fish – Quality Management Program, Plant – Canadian Greenhouse Certification Program and Feed – Oilseed). Implementation included development of commodity-specific reference material, national training and the development of tools to document inspection results. Operational Guidance to support the issuance of Administrative Monetary Penalties for violations of the <i>Meat Inspection Act and Regulations</i> was published in April 2015 <p>Establishment Risk Assessment Model</p> <ul style="list-style-type: none"> Conducted a cost benefit analysis for each option of data collection of the inherent and mitigation factors of the model Continued Information Management and Information Technology enablement project with refinement of the business case, high level business requirements and five year costing of the project <p>Ongoing Recruitment, Training and Provisions of Tools for Inspectors</p> <ul style="list-style-type: none"> Developed a new Scientific Regulation classification standard, complete with replacements of work descriptions in favour of descriptors of the roles of the functions. The Scientific Regulation classification standard amalgamates all science-based positions in the Biological Sciences, Agriculture and Chemistry groups and will be fully implemented in 2016–17 Altered the training delivery strategy supporting the <i>Safe Food for Canadians Regulations</i> (SFCR) for better alignment with the effective start date of the SFCR. Both the learning objectives and content were reviewed and validated and a revised project plan is ready for implementation in 2016–17 	<p>Linked to the CFIA's Strategic Outcome of a safe and accessible food supply and plant and animal resource base.</p>

Risk	Risk Response Strategy	Link to Program Alignment Architecture
Inspection Effectiveness (continued)	Strengthen Risk Management, Planning, Performance Monitoring and Reporting <ul style="list-style-type: none"> The CFIA planning process continues to evolve and integrate risk management into planning and decision-making. In 2015–16, program risk owners in the Plant Resources, Animal Health, and Food Safety programs identified their respective three-year business line strategic priorities to inform branch strategic planning. This systematic approach to Agency planning better aligned business priorities with branch capacity, including the enabling branches, from strategic to tactical levels. The streamlined collection of this Agency planning information will be used to inform corporate level planning and reporting 	Linked to the CFIA's Strategic Outcome of a safe and accessible food supply and plant and animal resource base.

Organizational Priorities

The Government continued to ensure that CFIA remains a world-class regulator in the plant, animal health, and food sectors.

Transforming itself through innovating processes and systems, increasing and enhancing domestic and international partnership, and collaborating with stakeholders helped the CFIA achieve the objectives and priorities outlined in its Long-Term Strategic Plan. The Long-Term Strategic Plan helps the CFIA to mitigate risks, strengthen its foundation, and effectively deliver core program activities. Priorities focused on in 2015–16 include:

Priority: Increased focus on **prevention**

Description: An increased focus on prevention provides an opportunity to minimize risks to human, animal and ecosystem health. As well, integrating proactive and preventive risk management approaches into all CFIA programs and bolstering these approaches with a clear inclusive focus on partnerships and information sharing helps the CFIA to anticipate, prevent, prepare for, and manage issues, including emergencies.

Priority Type:⁴ Ongoing

Key Supporting Initiatives:

Planned Initiatives	Start Date	End Date	Summary of Progress	Link to Agency's Program Alignment Architecture
Integrating proactive and preventive risk management approaches into all CFIA programs and bolstering these approaches with a clear inclusive focus on partnerships and information sharing ⁵ , will help the CFIA to anticipate, prevent, prepare, and manage issues, including managing emergencies.	2013	Ongoing	The CFIA made the following progress in integrating proactive and preventive risk management approaches into all CFIA programs:	<p>All the planned initiatives are linked to the following programs:</p> <ul style="list-style-type: none"> • Food Safety Program • Animal Health and Zoonotics Program • Plant Resources Program • International Collaboration and Technical Agreements

⁴ Type is defined as follows: previously committed to – committed to in the first or second fiscal year prior to the subject year of the report; ongoing – committed to at least three fiscal years prior to the subject year of the report; and new – newly committed to in the reporting year of the Report on Plans and Priorities or the Departmental Performance Report.

⁵ The exchange of information among partners is conducted according to applicable provincial and/or federal access to information and privacy legislation and common law principles, and existing information-sharing arrangements.

Planned Initiatives	Start Date	End Date	Summary of Progress	Link to Agency's Program Alignment Architecture
Goals for this priority are: <ul style="list-style-type: none"> Stakeholders have a clear and common understanding of the primary role that they play in managing risk 	2013	Ongoing	<ul style="list-style-type: none"> Jointly implemented the Guidance Framework on the zoning arrangement signed under the Regulatory Cooperation Council with the United States Department of Agriculture (USDA). The arrangement outlines how Canada and the United States will recognise and accept each other's decisions regarding animal disease eradication zones in the event of an animal disease outbreak 	All the planned initiatives are linked to the following programs: <ul style="list-style-type: none"> Food Safety Program Animal Health and Zoonotics Program Plant Resources Program International Collaboration and Technical Agreements
	2014	Ongoing	<ul style="list-style-type: none"> Developed an Emergency Management Framework in collaboration with Agriculture and Agri-Food Canada (AAFC) and provincial partners. The Framework sets the strategic direction for partners (federal, provincial, territorial, and municipal governments, non-governmental organizations, industry, producers, and individuals) to collaboratively prevent, mitigate, prepare for, respond to and recover from emergencies facing the agriculture sector 	

Planned Initiatives	Start Date	End Date	Summary of Progress	Link to Agency's Program Alignment Architecture
<ul style="list-style-type: none"> Continue to implement legislative and regulatory modernization within the Agency 	2013	2018 for current modernization process and ongoing thereafter	<ul style="list-style-type: none"> Continued to work on the amendment of Part XII (Humane Transport) of the <i>Health of Animals Regulations</i> to enhance animal welfare and the humane treatment of animals during transport, and to align with international standards, industry best practices and current scientific knowledge regarding animal welfare during transportation Continued with work toward modernizing the <i>Feeds Regulations</i> to address current gaps and weaknesses, and provide more clarity to regulated parties 	<p>All the planned initiatives are linked to the following programs:</p> <ul style="list-style-type: none"> Food Safety Program Animal Health and Zoonotics Program Plant Resources Program International Collaboration and Technical Agreements
	2013	Ongoing	<ul style="list-style-type: none"> The <i>Agricultural Growth Act</i>, Bill C-18, received Royal Assent on February 25, 2015 and by Order in Council, as of February 27, 2015, all amendments to the <i>Plant Breeders' Rights Act</i> came into force. The Canadian government ratified the 1991 Act of the International Convention for the Protection of New Varieties of Plants (UPOV'91) on June 19, 2015, and became bound by this treaty on July 19, 2015 	

Planned Initiatives	Start Date	End Date	Summary of Progress	Link to Agency's Program Alignment Architecture
<ul style="list-style-type: none"> Proactive and preventive risk management approaches are integrated into all CFIA programs 	2014	Ongoing	<ul style="list-style-type: none"> Revised sections of a draft proposed for the <i>Safe Food for Canadians Regulations</i> in response to stakeholder feedback. Prepared interpretive guidance based on key elements such as trade, preventive controls and traceability Continued to enhance the CFIA's risk-based approach to oversight activities through the continued development of an Establishment-based Risk Assessment (ERA) Model for licensed domestic food producing establishments. The model provides a standard and consistent tool to inform CFIA oversight decisions for licensed establishments, the type, frequency and intensity of CFIA's oversight activities being more proportional to the risks. This model will also provide risk assessment results that will facilitate the allocation of resources to areas of higher risk 	<p>All the planned initiatives are linked to the following programs:</p> <ul style="list-style-type: none"> Food Safety Program Animal Health and Zoonotics Program Plant Resources Program International Collaboration and Technical Agreements
	2015	2015	<ul style="list-style-type: none"> Conducted surveys to verify the success of the eradication measures of the Asian Long-horned Beetle implemented in 2014. The surveys found no Asian Long-horned Beetle 	

Planned Initiatives	Start Date	End Date	Summary of Progress	Link to Agency's Program Alignment Architecture
<ul style="list-style-type: none"> Proactive and preventive risk management approaches are integrated into all CFIA programs <i>(continued)</i> 	2015	2015	<ul style="list-style-type: none"> Finalized After Action Reviews for the responses to the December 2014 Avian Influenza outbreak in British Columbia, February 2015 identification of a cow in Alberta with Bovine Spongiform Encephalopathy (BSE), also known as mad cow disease, and the April 2015 outbreak of Avian Influenza in Ontario. These reviews identified areas for improvement, and recommendations and corrective actions which are being implemented to improve future response capabilities Continued research to develop novel, more rapid and sensitive detection methods to enhance the Agency's response to food safety incidents. Methods developed in previous projects have been operationalized Evolved CFIA's approach to risk management by developing a framework for integrated risk management to support a more formalized and risk-informed approach to decision-making Developed a comparative risk model to facilitate the comparison of risks across business lines, with the view to creating a stronger and more evidence based understanding of relative risk and improving the ability to inform decisions 	<p>All the planned initiatives are linked to the following programs:</p> <ul style="list-style-type: none"> Food Safety Program Animal Health and Zoonotics Program Plant Resources Program International Collaboration and Technical Agreements

Planned Initiatives	Start Date	End Date	Summary of Progress	Link to Agency's Program Alignment Architecture
<ul style="list-style-type: none"> Inspection systems are designed to verify industry's prevention systems 	2014	2015	<ul style="list-style-type: none"> Developed Foundational Operational Guidance for Standard Inspection Procedures and Compliance Verification of a Preventive Control Plan for all three business lines, based on the integrated Agency Inspection Model. This Guidance was validated and implemented in four commodity areas (Dairy – Food Safety Enhancement Program, Fish – Quality Management Program, Plant – Canadian Greenhouse Certification Program and Feed – Oilseed). Implementation included development of commodity-specific reference material, national training and the development of tools to document inspection results Operational Guidance to support the issuance of Administrative Monetary Penalties for violations of the <i>Meat Inspection Act and Regulations</i> was published in April 2015 	<p>All the planned initiatives are linked to the following programs:</p> <ul style="list-style-type: none"> Food Safety Program Animal Health and Zoonotics Program Plant Resources Program International Collaboration and Technical Agreements

Planned Initiatives	Start Date	End Date	Summary of Progress	Link to Agency's Program Alignment Architecture
<ul style="list-style-type: none"> Partnerships, networks and information sharing help the CFIA anticipate, prevent, and prepare 	2012	Ongoing	<ul style="list-style-type: none"> Formed a Program Delivery Committee to identify and address priority areas for improvement in order to maintain the integrity of Canada's Bovine Spongiform Encephalopathy control program delivery Participated in an initiative led by the Public Health Agency of Canada to develop a framework to prevent the spread of Antimicrobial Resistance while providing input and leadership into the development of further Antimicrobial Resistance and Antimicrobial Resistance Use surveillance, stewardship and innovation activities Developed a framework and program recommendations for veterinary oversight of medically important microbiological drugs in feeds in collaboration with Health Canada In collaboration with the United States Department of Agriculture, met with plant protection officials from China, Korea and Japan in 2015 to further assess and enhance the Asian Gypsy Moth pre-departure certification program in each country 	<p>All the planned initiatives are linked to the following programs:</p> <ul style="list-style-type: none"> Food Safety Program Animal Health and Zoonotics Program Plant Resources Program International Collaboration and Technical Agreements

Planned Initiatives	Start Date	End Date	Summary of Progress	Link to Agency's Program Alignment Architecture
<ul style="list-style-type: none"> Partnerships, networks and information sharing help the CFIA anticipate, prevent, and prepare (<i>continued</i>) 	2014	2016	<ul style="list-style-type: none"> Became a member of a joint government-industry Potato Task Force, tasked to develop a forward plan for delivering the potato seed certification program for Canadian potato seed producers that respects the necessary requirements set by United States Department of Agriculture's Animal and Plant Health Inspection Section 	<p>All the planned initiatives are linked to the following programs:</p> <ul style="list-style-type: none"> Food Safety Program Animal Health and Zoonotics Program Plant Resources Program International Collaboration and Technical Agreements
	2013	2019	<p>Implement Canadian Food Safety Information Network (CFSIN)</p> <ul style="list-style-type: none"> Signed a data sharing arrangement with Alberta Health and Alberta Agriculture and Forestry on February 3, 2016 Launched a pilot project with Alberta to identify methods of sharing food safety data Completed a draft inventory of environmental scanning and intelligence data Treasury Board granted expenditure authority in April 2016 Completed a comprehensive draft of the data dictionary on April 10, 2016 	

Priority: Focus on **service excellence**

Description: The CFIA's role as an effective regulator is enhanced by a focus on service excellence. Strengthening the CFIA's citizen-centred service delivery culture will result in enhanced program delivery and increased confidence in the Agency as a trusted and credible regulator by domestic and international stakeholders.

Priority Type:⁴ Ongoing

Key Supporting Initiatives:

Planned Initiatives	Start Date	End Date	Summary of Progress	Link to Agency's Program Alignment Architecture
Strengthening the CFIA's citizen-centred service delivery culture will result in enhanced program delivery and increased confidence in the Agency as a trusted and credible regulator by domestic and international stakeholders. Goals for this priority are:	2014	Ongoing	<p>The CFIA made progress in its effort to strengthen the Agency's citizen-centered service delivery culture. They include:</p> <ul style="list-style-type: none"> Linked the Traceability National Information Portal with the CFIA's Laboratory Sample Tracking System database to offer authorized users access to animal health, and animal movement and location information through a single window Developed the first series of products under the compliance promotion strategy for undeclared allergens, in particular an interactive infographic on allergen labelling which would be available in seven languages 	All the planned initiatives are linked to the following programs:
<ul style="list-style-type: none"> Service culture is embedded within the Agency. Complaints and Appeals Office provides a single-window for stakeholders to register complaints, compliments and comments related to CFIA's regulatory decisions or service delivery 	2015	Ongoing	<ul style="list-style-type: none"> The Complaints and Appeals Office (CAO) continued to contribute to improvement in service delivery and program design. Data collected by CAO is analyzed to identify trends for opportunities and improvement that are used for business planning and programs enhancement 	<ul style="list-style-type: none"> Food Safety Program Animal Health and Zoonotics Program Plant Resources Program International Collaboration and Technical Agreements

Planned Initiatives	Start Date	End Date	Summary of Progress	Link to Agency's Program Alignment Architecture
	2014	2017	<ul style="list-style-type: none"> Continued to develop partnerships with approved private and provincial laboratories to provide alternative service delivery options for the Agency 	<p>All the planned initiatives are linked to the following programs:</p> <ul style="list-style-type: none"> Food Safety Program Animal Health and Zoonotics Program Plant Resources Program International Collaboration and Technical Agreements
<ul style="list-style-type: none"> The CFIA is a trusted, transparent and credible regulator with adaptable, predictable and consistent program delivery 	2015	2015	<ul style="list-style-type: none"> Reviewed a Quality Management Oversight Framework and established the criteria necessary to guide the transfer of tests for alternative service delivery arrangements Actively promoted CFIA's success stories to internal and external audiences using internal tools and social media platforms such as Pinterest, Twitter, LinkedIn and Facebook Initiated the development of the business requirements for phase I of the Electronic Service Delivery Platform. Phased implementation is scheduled to begin in December 2016 	
<ul style="list-style-type: none"> CFIA services support efficient and effective regulation of those sectors of the marketplace that it regulates. 	2014	Ongoing	<ul style="list-style-type: none"> Collaborated with the United States, Australia and New Zealand on an education and awareness approach to reduce invasive plants introduction through e-commerce Developed new products designed for use by industry and regulated parties, including infographics on key themes (e.g., preventive controls, categories of hazards and key principles for importers) as well as multilingual fact sheets (12 languages) highlighting key food safety elements, preventive food safety controls and traceability 	

Planned Initiatives	Start Date	End Date	Summary of Progress	Link to Agency's Program Alignment Architecture
<ul style="list-style-type: none"> CFIA services support efficient and effective regulation of those sectors of the marketplace that it regulates. <i>(continued)</i> 	2014	Ongoing	<ul style="list-style-type: none"> Provided advice and guidance to the Community of Federal Regulators, Health Canada, and Treasury Board Secretariat on how to develop a Government-wide plan for posting legislative guidance on Canada.ca Launched the Single Window Initiative with Canada Border Services Agency (CBSA) to deliver an integrated electronic solution for the collection, consolidation and dissemination of commercial trade data. The initiative provides a single entry point for the advanced electronic reporting of import information required to satisfy CBSA and CFIA regulatory requirements. The CFIA maintains ongoing collaboration with Canada Border Services Agency to address minor challenges with the system as it is implemented Using Lean Education Academic Network (LEAN) tools, the Ottawa Laboratory Carling (OLC) streamlined its processes and increased capacity, thus improving the service standards for the animal feed service by a 20% reduction in processing time. Many lean initiatives developed in 2015–16, with implementation ongoing into 2016–17, are expected to further improve service standards 	<p>All the planned initiatives are linked to the following programs:</p> <ul style="list-style-type: none"> Food Safety Program Animal Health and Zoonotics Program Plant Resources Program International Collaboration and Technical Agreements

Priority: Focus on internal **performance excellence**

Description: Optimizing performance enables the CFIA to evaluate the effectiveness of the Agency’s policies and programs in order to allocate resources to areas of highest risk. This also enables the Agency to adapt and evolve to meet new demands and expectations with a focus on internal performance excellence

Priority Type:⁴ Ongoing

Key Supporting Initiatives:

Planned Initiatives	Start Date	End Date	Summary of Progress	Link to Agency’s Program Alignment Architecture
<p>Optimizing performance will enable the CFIA to evaluate the effectiveness of the Agency’s policies and programs in order to allocate resources to areas of highest risk. Goals for this priority are:</p> <ul style="list-style-type: none"> • Strong internal management systems and governance that support risk-based planning and resource allocation 	2013	Ongoing	<p>The CFIA made the following progress toward its drive for performance excellence:</p> <ul style="list-style-type: none"> • Developed the internal processes necessary to support the application of the Treasury Board Acquired Services Policy on Investment Planning – Assets and Acquired Services 	<p>All the planned initiatives are linked to the following programs:</p> <ul style="list-style-type: none"> • Food Safety Program • Animal Health and Zoonotics Program • Plant Resources Program • International Collaboration and Technical Agreements • Internal Service

Planned Initiatives	Start Date	End Date	Summary of Progress	Link to Agency's Program Alignment Architecture
<ul style="list-style-type: none"> • Strong internal management systems and governance that support risk-based planning and resource allocation (continued) 	2013	Ongoing	<ul style="list-style-type: none"> • The CFIA's existing Enterprise Project Management Framework describes the implementation process for projects undertaken in the Agency. In 2015–16, the CFIA: <ul style="list-style-type: none"> ◦ Clarified the type of investments that have to be managed through the Enterprise Project Management Framework and approved a tool to guide Agency investments ◦ Initiated the integration of Investment Planning and Project Management 'work intake' processes ◦ Completed a full review of the Enterprise Project Management Framework toolkit and updated it to include current practices and disciplines ◦ Released an updated version of the Enterprise Project Management Framework in March 2016, which included updates to existing tools and templates and the addition of new tools to aid project teams in the delivery of projects 	<p>All the planned initiatives are linked to the following programs:</p> <ul style="list-style-type: none"> • Food Safety Program • Animal Health and Zoonotics Program • Plant Resources Program • International Collaboration and Technical Agreements • Internal Service

Planned Initiatives	Start Date	End Date	Summary of Progress	Link to Agency's Program Alignment Architecture
<ul style="list-style-type: none"> Strong internal management systems and governance that support risk-based planning and resource allocation (continued) 	2013	Ongoing	<ul style="list-style-type: none"> Modernized applications and implemented an Application Portfolio Management Program. These efforts, along with lessons learned during implementation, moved the Agency toward a balanced and sustainable technology platform, based on Government of Canada standards Developed an action plan to address the results of the February 2014 Ethical Climate Survey Prepared for migration to Canada.ca by completing a full review of the Agency's current web content to ensure consistency with the Canada.ca style guide, and by developing a detailed migration plan for CFIA content 	<p>All the planned initiatives are linked to the following programs:</p> <ul style="list-style-type: none"> Food Safety Program Animal Health and Zoonotics Program Plant Resources Program International Collaboration and Technical Agreements Internal Service

Planned Initiatives	Start Date	End Date	Summary of Progress	Link to Agency's Program Alignment Architecture
<ul style="list-style-type: none"> A performance management mindset is embedded in the Agency. 	2013	Ongoing	<ul style="list-style-type: none"> Ensured green procurement was incorporated into procurement management processes and tools and procurement specialists' training and procurement heads' and managers' performance evaluations Updated the Values & Ethics Strategy to reflect the Agency's Transformation Agenda, Blueprint 2020 and the "One Agency" initiative Strengthened the tools, processes and governance of the Agency's Business Information Management Centre to capture and report on operational data, and also enhance the Centre's program performance management capabilities Continued to enhance the CFIA's risk-based approach to oversight activities through the continued development of an Establishment-based Risk Assessment (ERA) Model for licensed domestic food producing establishments. The model provides a standard and consistent tool to inform CFIA oversight decisions for licensed establishments, the type, frequency and intensity of CFIA's oversight activities being more proportional to the risks. This model will also provide risk assessment results that will facilitate the allocation of resources to areas of higher risk 	<p>All the planned initiatives are linked to the following programs:</p> <ul style="list-style-type: none"> Food Safety Program Animal Health and Zoonotics Program Plant Resources Program International Collaboration and Technical Agreements Internal Service

Priority: Focus on **people** supported by training and tools

Description: Focusing on diverse talent, supported by training and modern tools, results in a stable and skilled CFIA workforce with adaptable and motivated employees.

Priority Type:⁴ Ongoing

Key Supporting Initiatives:

Planned Initiatives	Start Date	End Date	Summary of Progress	Link to Agency's Program Alignment Architecture
<p>Focusing on diverse talent, supported by training and modern tools will result in a stable and skilled CFIA workforce with adaptable and motivated employees. Goals for this priority are:</p> <ul style="list-style-type: none"> The CFIA continues to retain and attract competent, qualified, and motivated personnel 			<p>The following is the progress made against the goals identified under this priority:</p> <ul style="list-style-type: none"> Developed a new Scientific Regulation classification standard, and replaced work descriptions with role descriptors. The scientific regulation classification standard amalgamates all science-based positions in the Biological Sciences, Agriculture and Chemistry groups, and will be fully implemented in 2016–17 	<p>All the planned initiatives are linked to the following programs:</p> <ul style="list-style-type: none"> Food Safety Program Animal Health and Zoonotics Program Plant Resources Program International Collaboration and Technical Agreements Internal Service
<ul style="list-style-type: none"> Individuals have the tools, training and information they need to support the Agency and progress in their careers 			<ul style="list-style-type: none"> Launched a project management course specific for CFIA Executives and Executive equivalents in collaboration with the Canada School of the Public Service in January 2015. The course contents were further refined in 2015-2016 	

Planned Initiatives	Start Date	End Date	Summary of Progress	Link to Agency's Program Alignment Architecture
<ul style="list-style-type: none"> Individuals have the tools, training and information they need to support the Agency and progress in their careers (<i>continued</i>) 			<ul style="list-style-type: none"> Altered the training delivery strategy supporting the <i>Safe Food for Canadians Regulations</i> to better align with the effective start date of the <i>Safe Food for Canadians Regulations</i>. Both the learning objectives and content were reviewed and validated and a revised project plan is ready for implementation in 2016–17 Conducted a Collective Staffing Review (CSR) and an audit of staffing to identify potential opportunities for improvement. In response, a staffing tiger team is being established to identify innovative ways to staff positions at the CFIA. Greater transparency and monitoring of staffing actions will also be implemented Updated Values & Ethics training for managers and supervisors, and also updated Conflict of Interest and Post-Employment Policy to provide better guidance to employees Participated in various inter-governmental meetings, coordinated information sharing throughout the Agency, and ensured that CFIA employees were well informed of the Web Renewal Initiative 	<p>All the planned initiatives are linked to the following programs:</p> <ul style="list-style-type: none"> Food Safety Program Animal Health and Zoonotics Program Plant Resources Program International Collaboration and Technical Agreements Internal Service

Planned Initiatives	Start Date	End Date	Summary of Progress	Link to Agency's Program Alignment Architecture
<ul style="list-style-type: none"> The CFIA has the culture it needs to achieve the Long-Term Strategic Plan – a culture of engagement. 	2014	2015	<ul style="list-style-type: none"> Sustained consultation and engagement with Federal-Provincial/Territorial governments and industry stakeholders culminated in the implementation in December 2015 of the Domestic Control Program, which is the last phase of the Domestic National Aquatic Animal Health Program, was successfully implemented on December 31, 2015 	<p>All the planned initiatives are linked to the following programs:</p> <ul style="list-style-type: none"> Food Safety Program Animal Health and Zoonotics Program Plant Resources Program
	2014	2015	<ul style="list-style-type: none"> Developed and made publicly available standards for domestic compartments free of specific diseases within declared infected areas as part of the Domestic Movement Program 	<ul style="list-style-type: none"> International Collaboration and Technical Agreements Internal Service

Section II: Expenditure Overview

Actual Expenditure

Actual Spending in 2015–16 was \$43.8 million higher than the Planned Spending mainly due to incremental in-year authorities and expenditures related to: funding received for the Federal Infrastructure Initiative and Electronic Service Delivery Platform; Statutory Compensation Payments made as a result of the Avian Influenza outbreak in Ontario; and, salary related disbursements made on behalf of the Treasury Board Secretariat (maternity and paternity allowances, entitlements on cessation, etc.).

In 2014–15, the Agency concluded collective bargaining settlement negotiations applicable from 2010–11 through to 2013–14. The requirement for CFIA to absorb the ongoing cost increases associated with three of four years settled significantly impacted the Agency's FTE utilization. The ongoing cost of the most recent round of negotiations totalled approximately \$30 million annually. Given that nearly 80% of the Agency's annual operating expenditures support personnel costs, there was limited flexibility to realign non-personnel authorities to cover these increases. As a result, the Agency FTE complement declined through attrition in all Programs. This downward trend was moderately offset by incremental funding received through Supplementary Estimates.

It should be noted that spending authorities and related expenditure information was drawn from the Public Accounts of Canada which were prepared using an expenditure basis of accounting, also known as modified cash accounting. However, the Agency uses the full accrual method of accounting to prepare and present its annual Agency financial statements.

Budgetary Financial Resources – (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	Difference (actual minus planned)
698,151,888	705,551,888	789,959,478	749,362,527	43,810,639

Human Resources (Full-time equivalents – FTEs⁶)

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
6,148	5,901	(247)

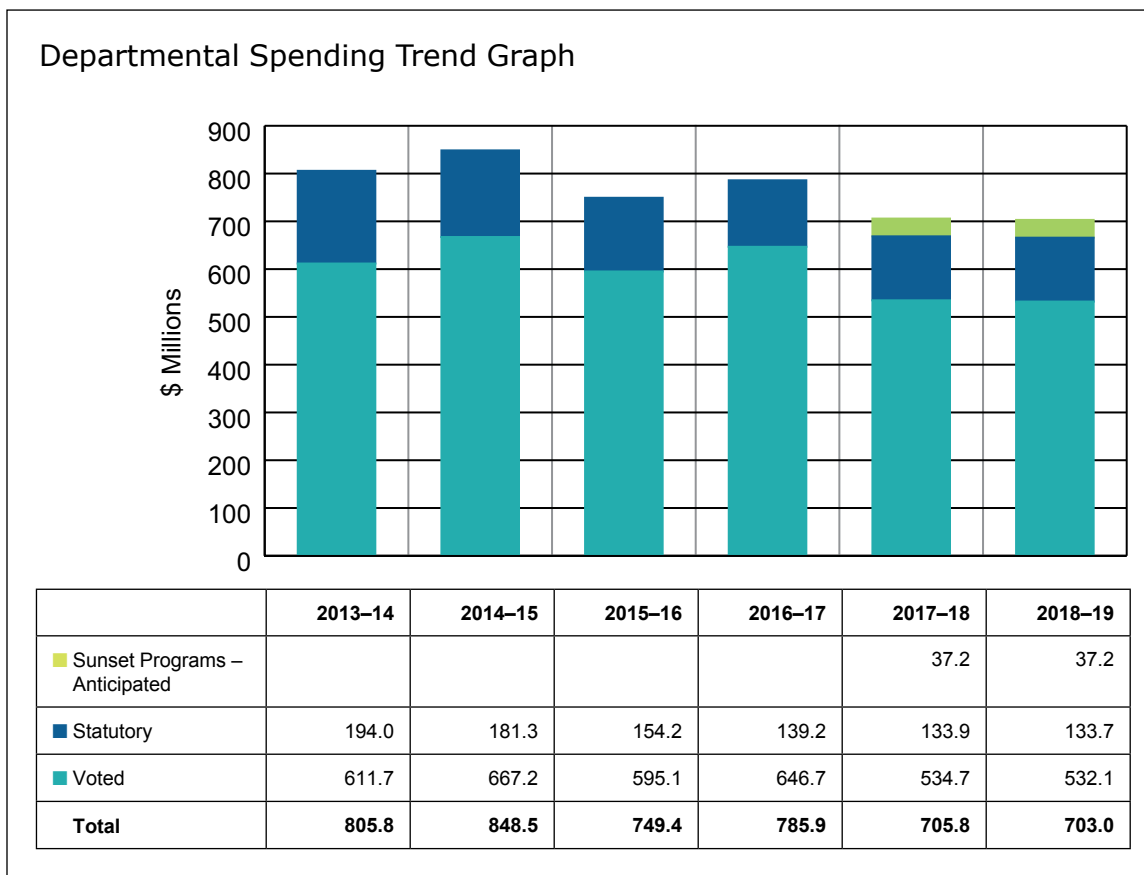
⁶ Full-Time Equivalent (FTE): A measure of human resource consumption, it calculates the number of assigned hours of work over the total hours of regularly scheduled work (37.5 hours per week over 12 months). For example, an employee who works half-time (18.75 hours per week) over a 12-month period is equivalent to a 0.5 FTE.

Budgetary Performance Summary

Budgetary Performance Summary Table for Strategic Outcome and Program(s) (dollars)

Strategic Outcome, Program(s) and Internal Services	2015–16 Main Estimates	Planned Spending			2015–16 Total Authority Available for use	Actual Spending (authorities used)		
		2015–16	2016–17	2017–18		2015–16	2014–15	2013–14
Strategic Outcome: A safe and accessible food supply and plant and animal resource base								
Food Safety Program	362,958,350	363,836,779	365,461,365	318,276,712	408,312,924	376,113,531	421,520,442	364,310,526
Animal Health and Zoonotics Program	113,659,211	114,552,020	138,055,855	123,478,947	144,620,153	141,043,127	162,039,970	187,939,265
Plant Resources Program	76,204,256	76,730,103	93,894,697	78,723,209	82,153,712	79,807,062	90,262,195	86,537,965
International Collaboration and Technical Agreements	30,000,919	34,682,935	35,727,492	35,727,492	32,938,250	32,552,166	40,718,768	35,004,557
Subtotal	582,822,736	589,801,837	633,139,409	556,206,360	668,025,039	629,515,886	714,541,375	673,792,313
Internal Services Subtotal	115,329,152	115,750,051	113,999,756	112,417,466	121,934,439	119,846,641	133,951,514	131,959,340
Total	698,151,888	705,551,888	747,139,165	668,623,826	789,959,478	749,362,527	848,492,889	805,751,653

Departmental Spending Trend



Agency spending peaked in 2014–15 as a result of significant one-time salary related costs, including retroactive salary settlement payments, the cash out of accumulated severance, and, the transition salary payment in arrears. Another spending peak is anticipated in 2016–17 mainly due to temporary incremental spending in support of the Federal Infrastructure Initiative and the Electronic Service Delivery Platform Initiative. Agency spending is forecasted to stabilize across 2017–18 and 2018–19 at a level that reflects on-going savings resulting from Budget 2012 initiatives.

The Agency will assess the level of resources required for programs with sunsetting funding and seek renewal as required in order to maintain and continuously improve Canada's strong food safety system, and safe and accessible food supply and plant and animal resource base.

Expenditure by Vote

For information on the Canadian Food Inspection Agency's organizational voted and statutory expenditures, consult the *Public Accounts of Canada 2016*.^{xvii}

Alignment of Spending With the Whole-of-Government Framework

2015–16 Actual Spending by Whole-of-Government-Framework
Spending^{xviii} Area (dollars)

Strategic Outcome	Program	Spending Area	Government of Canada Outcome	2015–16 Actual Spending
A safe and accessible food supply and plant and animal resource base	Food Safety Program	Social Affairs	Healthy Canadians	376,113,531
	Animal Health and Zoonotics Program	Social Affairs	Healthy Canadians	141,043,127
	Plant Resources Program	Economic Affairs	A clean and healthy environment	79,807,062
	International Collaboration and Technical Agreements	International Affairs	A prosperous Canada through global commerce	32,552,166

Total Actual Spending by Spending Area (dollars)

Spending Area	Total Planned Spending	Total Actual Spending
Economic Affairs	76,730,103	79,807,062
Social Affairs	478,388,799	517,156,658
International Affairs	34,682,935	32,552,166
Government Affairs ⁷	0	—

⁷ Government Affairs is not applicable because this Spending Area does not align with the Programs delivered by the Canadian Food Inspection Agency. For more information, refer to:
<http://www.tbs-sct.gc.ca/hgw-cgf/finances/rgs-erdg/wgf-ipp-eng.asp>

Financial Statements Highlights and Financial Statements

Financial Statements Highlights

The financial highlights presented within the Agency's Performance Report are intended to serve as a general overview of the CFIA's financial position and operations. Financial statements are prepared in accordance with accrual accounting principles, Treasury Board accounting policies and year-end instructions issued by the Office of the Comptroller General which are based on Canadian generally accepted accounting principles for the public sector as required under Section 31 of the *Canadian Food Inspection Agency Act*.

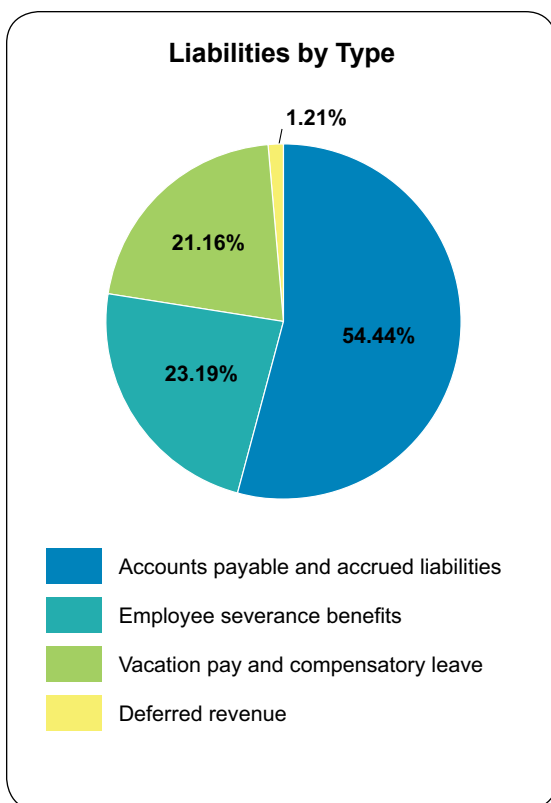
However, the financial information previously presented in the earlier portion of Section II of this Departmental Performance Report was drawn from the Public Accounts of Canada which were prepared using an expenditure basis of accounting, also known as modified cash accounting.

The main financial highlights for 2015–16 are the reduction in the allowance for severance benefits following the remaining cash-out by the employees and the reduction in salaries resulting from a decrease in the workforce. The compensation payments in the Animal Health and Zoonotics Program for 2015–16 are similar to last fiscal year and mostly relate to Avian Influenza. Capital investments related to the modernization of information technologies were comparable to the prior year.

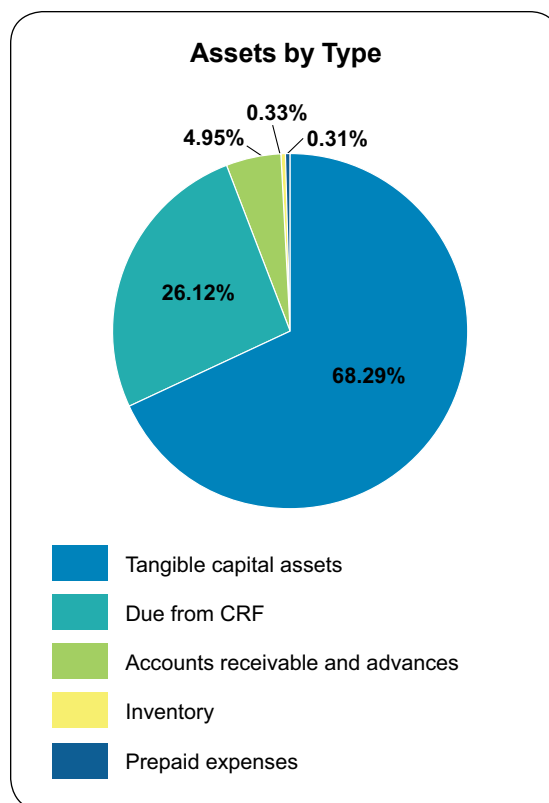
Condensed Statement of Operations and Agency Net Financial Position (Unaudited) For the Year ended March 31, 2016 (in thousands of dollars)					
Financial Information	2015–16		2014–15 Actual	Difference (2015–16 actual minus 2015–16 planned)	Difference (2015–16 actual minus 2014–15 actual)
	Planned Results	Actual			
Total expenses	828,095	817,882	840,801	(10,213)	(22,919)
Total revenues	54,298	53,104	54,713	(1,194)	(1,609)
Net cost of operations before government funding and transfers	773,797	764,778	786,088	(9,019)	(21,310)
Agency – Net Financial position	N/A	113,246	100,423	N/A	12,823

Condensed Statement of Financial Position (Unaudited) As at March 31, 2016 (in thousands of dollars)			
Financial Information	2015–16	2014–15	Difference (2015–16 minus 2014–15)
Total liabilities	145,217	183,651	(38,434)
Total net financial assets	80,240	96,497	(16,257)
Agency – net debt	64,977	87,154	(22,177)
Total non-financial assets	178,223	187,577	(9,354)
Agency – Net Financial Position	113,246	100,423	12,823

The total expenses were \$818 million in 2015–16, a decrease of \$23 million compared to last year's \$841 million. The variance came mostly from a decrease in salaries resulting from a reduction in the workforce by attrition (130 indeterminate employees plus a reduction in term employees) to cover for future collective bargaining impacts. The total revenues amounted to \$53 million for 2015–16, similar to last year.



Total liabilities at the end of 2015–16 were \$145 million, a decrease of \$38 million over the previous year. The decrease is mostly the result of \$23 million in the cash out of severance benefits. The entire \$34 million in employee severance allowance represented 23% of total liabilities. The accounts payable and accrued liabilities corresponded to 54% (\$79 million) of the total liability. Vacation pay and compensatory leave amounted to \$31 million (21%), while deferred revenue represented around 1% of total liabilities.



The total net financial assets of \$80 million represents a decrease of \$16 million compared to last year's \$96 million, the variation is the amount of Due from the Consolidated Revenue Fund being lower than the prior year because of the 2014–15 payable at year end with Treasury Board for the Employee Benefits Plan. The non-financial assets (\$178 million) were \$10 million less compared to \$188 million in 2014–15, because of a reduction in Tangible Capital Assets net book value linked to higher amortization. Tangible capital assets represented the largest portion of total assets, at 68%, while Due from CRF corresponded to 26% at \$68 million. Accounts receivable and advances only represented 5%, followed by the inventory and prepaid expenses which were both less than 1% of total assets.

Comparison between Future-Oriented Financial Information and Actual Results

CFIA planned results are taken from the 2015–16 Future-Oriented Statement of Operations referenced in the Agency’s 2015–16 Report on Plans and Priorities. They are based on assumptions and approved budget as of December 2014.

The main difference between the planned and the actual expenses comes from the compensation payments related to the Avian Influenza leading to higher expenses than forecasted in the Animal Health and Zoonotics Program. The change in actuarial estimations impacting the allowance for severance benefits also had an impact. Finally, the salaries were less than anticipated.

Financial Statements

Financial Statements of

CANADIAN FOOD INSPECTION AGENCY (UNAUDITED)

Year ended March 31, 2016

CANADIAN FOOD INSPECTION AGENCY

Statement of Management Responsibility Including Internal Control Over Financial Reporting (Unaudited)

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2016 and all information contained in these statements rests with the Agency's management. These financial statements have been prepared by management using the Government's accounting policies, which are based on Canadian public sector accounting standards.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgement, and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the Agency's financial transactions. Financial information submitted to the *Public Accounts of Canada* and included in the Agency's *Departmental Performance Report* is consistent with these financial statements.

Management is also responsible for maintaining an effective system of internal control over financial reporting (ICFR) designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are properly authorized and recorded in accordance with the *Financial Administration Act* and other applicable legislation, regulations, authorities and policies.

Management seeks to ensure the objectivity and integrity of data in its financial statements through careful selection, training and development of qualified staff; through organizational arrangements that provide appropriate divisions of responsibility; through communication programs aimed at ensuring that regulations, policies, standards, and managerial authorities are understood throughout the Agency and through conducting an annual risk-based assessment of the effectiveness of the system of ICFR.

The system of ICFR is designed to mitigate risks to a reasonable level based on an on-going process to identify key risks, to assess effectiveness of associated key controls, and to make any necessary adjustments.

A risk-based assessment of the system of ICFR for the year ended March 31, 2016 was completed in accordance with the Treasury Board *Policy on Internal Control* and the results and action plans are summarized in the annex.

CANADIAN FOOD INSPECTION AGENCY

Statement of Management Responsibility Including Internal Control Over Financial Reporting (Unaudited)

The effectiveness and adequacy of the Agency's system of internal control is reviewed by the work of internal audit staff, who conduct periodic audits of different areas of the Agency's operations, and by the Departmental Audit Committee, which is responsible for providing the President with independent and objective advice on the maintenance of adequate control systems and the quality of financial reporting. The Departmental Audit Committee provides this support through oversight of core areas of the Agency's controls and accountabilities.

The financial statements of the Canadian Food Inspection Agency have not been audited.

Original signed by:

B.A. (Bruce) Archibald, PhD
President

Yves Bacon, CPA, CMA
Vice-President, CMB and Chief Financial
Officer

Ottawa, Canada
August 24, 2016

CANADIAN FOOD INSPECTION AGENCY

Statement of Financial Position (Unaudited)

As at March 31

(In thousands of dollars)

	2016	2015
Liabilities		
Accounts payable and accrued liabilities (Note 4)	\$ 79,053	\$ 94,250
Vacation pay and compensatory leave	30,734	30,794
Deferred revenue	1,754	1,441
Employee severance benefits (Note 5 (b))	33,676	57,166
Total liabilities	145,217	183,651
Financial Assets		
Due from Consolidated Revenue Fund	67,522	88,246
Accounts receivable and advances (Note 6)	12,801	8,325
Total gross financial assets	80,323	96,571
Accounts receivable and advances held on behalf of Government (Note 6)	(83)	(74)
Total net financial assets	80,240	96,497
Agency - net debt	64,977	87,154
Non-Financial assets		
Prepaid expenses	814	1,744
Inventory	857	905
Tangible capital assets (Note 7)	176,552	184,928
Total non-financial assets	178,223	187,577
Agency - net financial position	\$ 113,246	\$ 100,423

Contingent liabilities (Note 8)

Contractual obligations (Note 9)

The accompanying notes are an integral part of these financial statements.

Original signed by:

B.A. (Bruce) Archibald, PhD
President

Ottawa, Canada
August 24, 2016

Yves Bacon, CPA, CMA
Vice-President, CMB and Chief Financial
Officer

CANADIAN FOOD INSPECTION AGENCY

Statement of Operations and Agency Net Financial Position (Unaudited)

Year ended March 31

(In thousands of dollars)

	2016 Planned Results	2016	2015
Expenses			
Food Safety Program	\$ 424,502	\$ 409,984	\$ 417,402
Animal Health and Zoonotics Program	136,953	155,933	163,560
Plant Resources Program	90,555	90,028	90,170
International Collaboration and Technical Agreements	41,523	37,834	40,916
Internal Services	134,562	124,103	128,753
Total expenses	828,095	817,882	840,801
Revenues			
Inspection fees	37,854	37,577	37,879
Registrations, permits, certificates	7,713	8,282	8,804
Miscellaneous fees and services	6,020	4,985	5,360
Establishment license fees	1,707	1,922	2,001
Administrative monetary penalties	1,211	556	1,150
Grading	160	101	100
Interest	32	32	39
Gain on disposal of assets	-	-	25
Revenues earned on behalf of Government	(399)	(351)	(645)
Total revenues	54,298	53,104	54,713
Net cost of operations	773,797	764,778	786,088
Government funding and transfers			
Net Cash provided by government		714,126	760,419
Change in due from Consolidated Revenue Fund		(20,724)	29,850
Services provided without charge by other government departments (Note 10)		84,550	84,172
Assets funded by other government departments (OGD)		-	20
Transfer of the transition payments for implementing salary payments in arrears (Note 11)		(128)	(17,196)
Transfer of assets and liabilities from/to OGD		(223)	-
Net cost of operations after government funding and transfers		(12,823)	(71,177)
Agency - net financial position - Beginning of year		100,423	29,246
Agency - net financial position - End of year		\$ 113,246	\$ 100,423

Segmented information (Note 12)

The accompanying notes are an integral part of these financial statements.

CANADIAN FOOD INSPECTION AGENCY

Statement of Change in Agency Net Debt (Unaudited)

Year ended March 31
(In thousands of dollars)

	2016	2015
Net cost of operations after government funding and transfers	\$ (12,823)	\$ (71,177)
Change in tangible capital assets		
Acquisition of tangible capital assets	36,919	21,058
Amortization of tangible capital assets	(44,144)	(34,843)
Proceeds from disposal of tangible capital assets	(532)	(657)
Net (loss) or gain on disposal of tangible capital assets	(482)	25
Post-capitalization of tangible capital assets	86	74
Tangible capital assets funded by other government departments (OGD)	-	20
Tangible capital assets transfer to OGD	(223)	-
Total change due to tangible capital assets	(8,376)	(14,323)
Change in inventories	(48)	109
Change in prepaid expenses	(930)	1,260
Net increase in Agency net debt	(22,177)	(84,131)
Agency - net debt - Beginning of year	87,154	171,285
Agency - net debt - End of year	\$ 64,977	\$ 87,154

The accompanying notes are an integral part of these financial statements.

CANADIAN FOOD INSPECTION AGENCY

Statement of Cash Flows (Unaudited)

Year ended March 31
(In thousands of dollars)

	2016	2015
Operating activities		
Cash received from:		
Fees, permits and certificates	\$ (55,112)	\$ (55,349)
Cash paid for:		
Salaries and employees benefits	590,962	646,645
Operating and maintenance	122,835	133,712
Transfer payments	18,712	14,375
Revenues collected on behalf of Government	342	635
Cash used by operating activities	677,739	740,018
Capital investment activities		
Acquisition of tangible capital assets	36,919	21,058
Proceeds from disposal of tangible capital assets	(532)	(657)
Cash used by capital investment activities	36,387	20,401
Net cash provided by Government of Canada	\$ 714,126	\$ 760,419

The accompanying notes are an integral part of these financial statements.

CANADIAN FOOD INSPECTION AGENCY

Notes to the Financial Statements (Unaudited)

Year ended March 31, 2016

1. Authority and Purposes

The Canadian Food Inspection Agency (the "Agency") was established, effective April 1, 1997, under the *Canadian Food Inspection Agency Act*. The *Act* consolidates all federally mandated food and fish inspection services and federal animal and plant health activities into a single agency.

The Agency is a departmental corporation named in Schedule II to the *Financial Administration Act* and reports to Parliament through the Minister of Health.

The mandate of the Agency is to enhance the effectiveness and efficiency of federal inspection and related services for food, animals and plants. The objectives of the Agency are to contribute to a safe food supply and accurate product information; to contribute to the continuing health of animals and plants; and to facilitate trade in food, animals, plants, and related products.

In delivering its mandate, the Agency operates under the following 4 programs supported by internal services:

- (a) Food Safety Program: The Food Safety Program aims to mitigate risks to public health associated with diseases and other health hazards in the food supply system and to manage food safety emergencies and incidents. The program achieves its objectives by promoting food safety awareness through public engagement and verification of compliance by industry with standards and science-based regulations. The program delivers initiatives to verify that consumers receive food safety and nutrition information and to mitigate unfair market practices targeting consumers and industry. Collaboration with other governments and stakeholders further enhances the Agency's ability to track, detect and mitigate risks associated with food and the food supply system, including food-borne illness. This program supports public health and instils confidence in Canada's food system.
- (b) Animal Health And Zoonotics Program: The Animal Health and Zoonotics Program aims to mitigate risks to Canada's animal resource base, animal feeds and animal products, which are integral to a safe and accessible food supply system as well as to public health. The program achieves its objectives by mitigating risks to Canada's animals (including livestock and aquatic animals) from regulated diseases, managing animal disease emergencies and incidents, mitigating and managing risks to livestock and derived food products associated with feed, promoting animal welfare and guarding against deliberate threats to the animal resource base. The program helps to mitigate risks associated with animal diseases that can be transmitted to humans by controlling diseases within animal populations. This program supports the health of Canada's animal resources and instils confidence in the safety of Canada's animals, animal products and by-products, and production systems.
- (c) Plant Resources Program: The Plant Resources Program aims to mitigate risks to Canada's plant resource base, which is integral to a safe and accessible food supply, as well as to public health and environmental sustainability.

The program achieves its objectives by regulating agricultural and forestry products; mitigating risks to the plant resource base (including crops and forests) from regulated pests and diseases; regulating the safety and integrity of seeds, fertilizers and plant products; and

CANADIAN FOOD INSPECTION AGENCY

Notes to the Financial Statements (Unaudited)

Year ended March 31, 2016

managing plant health emergencies and incidents. The program also guards against deliberate threats to the plant resource base, facilitates the introduction of emerging plant technologies and protects the rights of plant breeders. Achieving the objectives of the program instils confidence in Canada's plants, plant production systems and plant products, and contributes to the health of Canada's plant resources.

- (d) **International Collaboration And Technical Agreements:** The CFIA's International Collaboration and Technical Agreements program contributes to a coherent, predictable, and science-based international regulatory framework that facilitates meeting regulatory requirements of importing countries' food, animals and plants, and their products, resulting in the facilitation of multi-billion dollar trade for the Canadian economy. The program achieves its objectives through actively participating in international fora for the development of international science-based rules, standards, guidelines and policies and, the management of sanitary and phytosanitary committees established under international agreements. The CFIA's active promotion of the Canadian science-based regulatory system with foreign trading partners and negotiations to resolve scientific and technical issues contribute to market access.
- (e) **Internal Services:** Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. Internal services include only those activities and resources that apply across an organization, and not those provided to a specific program. The groups of activities are Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; and Acquisition Services.

The Agency is responsible for the administration and enforcement of the following acts: *Agriculture and Agri-Food Administrative Monetary Penalties Act, Canadian Food Inspection Agency Act, Feeds Act, Fertilizers Act, Health of Animals Act, Plant Breeders' Rights Act, Plant Protection Act, Seeds Act, and the Safe Food for Canadians Act*, which once enacted, will replace the *Canada Agricultural Products Act, Fish Inspection Act, Meat Inspection Act, and Consumer Packaging and Labelling Act* (as it relates to food).

In addition, the Agency is responsible for enforcement of the *Consumer Packaging and Labelling Act* and the *Food and Drugs Act* as they relate to food, except those provisions that relate to public health, safety, or nutrition.

Operating and capital expenditures are funded by the Government of Canada through parliamentary authorities. Compensation payments under the *Health of Animals Act* and the *Plant Protection Act* and employee benefits are authorized by separate statutory authorities. Revenues generated by its operations are deposited to the Consolidated Revenue Fund and are available for use by the Agency.

CANADIAN FOOD INSPECTION AGENCY

Notes to the Financial Statements (Unaudited)

Year ended March 31, 2016

2. Summary of Significant Accounting Policies

These financial statements have been prepared using the Government's accounting policies stated below, which are based on Canadian public sector accounting standards. The presentation and results using the stated accounting policies do not result in any significant differences from Canadian public sector accounting standards.

Significant accounting policies are as follows:

(a) Parliamentary authorities

The Agency is mainly financed by the Government of Canada through Parliamentary authorities. Authorities provided to the Agency do not parallel financial reporting according to generally accepted accounting principles since authorities are primarily based on cash flow requirements. Consequently, items recognized in the Statement of Operations and Agency Net Financial Position and in the Statement of Financial Position are not necessarily the same as those provided through authorities from Parliament. Note 3 provides a high level reconciliation between the bases of reporting. The planned results amounts in the "Expenses" and "Revenues" sections of the Statement of Operations and Agency Net Financial Position are the amounts reported in the Future-Oriented Statement of Operations approved in February 2015 and included in the *2015-16 Report on Plans and Priorities (RPP)*. The planned results are consistent with the information presented in the RPP and are based on approved budgetary figures as of December 2014. Planned results are not presented in the "Government funding and transfers" section of the Statement of Operations and Departmental Net Financial Position and in the Statement of Change in Departmental Net Debt because these amounts were not included in the 2015-16 Report on Plans and Priorities.

(b) Net cash provided by Government of Canada

The Agency operates within the Consolidated Revenue Fund (CRF), which is administrated by the Receiver General for Canada. All cash received by the Agency is deposited to the CRF and all cash disbursements made by the Agency are paid from the CRF.

The net cash provided by Government is the difference between all cash receipts and all cash disbursements, including transactions between departments of the Government of Canada.

(c) Due from the Consolidated Revenue Fund (CRF)

The amount of due from CRF are the result of timing differences at year-end between when a transaction affects authorities and when it is processed through the CRF. Amounts due from the CRF represent the net amount of cash that the Agency is entitled to draw from the CRF without further authorities to discharge its liabilities.

(d) Revenues

Revenues for fees, permits and certificates are recognized in the accounts as the services are provided.

CANADIAN FOOD INSPECTION AGENCY

Notes to the Financial Statements (Unaudited)

Year ended March 31, 2016

Funds received from external parties for specified purposes are recorded upon receipt as deferred revenue. Revenue from external parties for specified purposes is recognized in the period in which the related expenses are incurred.

Other revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenues.

Revenues earned on behalf of Government are non-respendable and are not available to discharge the Agency's liabilities. These revenues are presented as a reduction to the Agency's revenues. While the President is expected to maintain accounting control, he or she has no authority regarding the disposition of non-respendable revenues.

As a result, non-respendable revenues are considered to be earned on behalf of Government of Canada and are therefore presented in reduction of the Agency's revenues.

(e) Expenses

Expenses are recorded on an accrual basis:

Transfer payments are recognized in the year in which the recipient has met the eligibility criteria or fulfilled the terms of a contractual transfer agreement.

Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.

Services provided without charge by other government departments for accommodation, the employer's contribution to the health and dental insurance plans, legal services and Shared Services Canada expenses are recorded as operating expenses at their estimated cost.

(f) Employee future benefits

(i) Pension benefits:

The Agency's eligible employees participate in the Public Service Pension Plan (the "Plan"), a multi-employer plan administered by the Government of Canada. Both the employees and the Agency contribute to the cost of the Plan. The Agency's contributions are expensed during the year in which the services are rendered and represent the total pension obligation of the Agency. Under present legislation the Agency is not required to make contributions with respect to actuarial deficits of the Plan.

(ii) Severance benefits:

As part of collective agreement negotiations with the employees, and changes to conditions of employment, the accumulation of severance benefits under the employee severance pay program has ceased commencing in 2012. As of March 31st 2015, all employees had been given the option to be immediately paid the full or partial value of benefits earned to date or collect the full or remaining value of benefits on termination from the public service. The obligation relating to the benefits earned to be paid on termination is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

CANADIAN FOOD INSPECTION AGENCY

Notes to the Financial Statements (Unaudited)

Year ended March 31, 2016

(iii) Other future benefit plans:

The Government of Canada sponsors a variety of other future benefit plans from which employees and former employees can benefit during or after employment or upon retirement. The Public Service Health Care Plan and the Pensioners' Dental Services Plan represent the two major future benefit plans available to the Agency's employees.

The Agency does not pay for these programs as they fall under the Government of Canada's financial responsibilities, but the Agency records its share of the annual benefits paid under these programs as a service provided without charge by other government departments. No amount is recorded in the Agency's financial statements with regard to either the actuarial liability of these programs at year end or the annual increase of such liabilities.

(g) Accounts receivable and advances

Accounts receivable and advances are stated at amounts expected to be ultimately realized; a provision is made for receivables where recovery is considered uncertain.

(h) Contingent liabilities

Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

(i) Inventory

Inventory consists of laboratory materials, supplies and livestock held for future program delivery and not intended for re-sale. It is valued at cost. If it no longer has service potential, it is valued at the lower of cost or net realizable value.

(j) Tangible capital assets

All tangible capital assets and leasehold improvements having an initial cost of \$10,000 or more are recorded at their acquisition cost. Amortization of tangible capital assets is recorded on a straight-line basis over the estimated useful life of the asset as follows:

Asset class	Amortization Period
Buildings	20-30 years
Machinery and equipment	5-20 years
Computer equipment and software	3-10 years
Vehicles	7-10 years
Leasehold improvements	Lesser of the remaining term of the lease or useful life of the improvement
Assets under construction	Once in service, in accordance with asset class

CANADIAN FOOD INSPECTION AGENCY

Notes to the Financial Statements (Unaudited)

Year ended March 31, 2016

(k) Measurement uncertainty

The preparation of these financial statements requires management to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable.

The most significant items where estimates are used are contingent liabilities, the liability for employee severance benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

CANADIAN FOOD INSPECTION AGENCY

Notes to the Financial Statements (Unaudited)

Year ended March 31, 2016

3. Parliamentary Authorities

The Agency receives most of its funding through annual Parliamentary authorities. Items recognized in the Statement of Operations and Agency Net Financial Position and the Statement of Financial Position in one year may be funded through Parliamentary authorities in prior, current or future years. Accordingly, the Agency has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

(a) Reconciliation of net cost of operations to current year authorities used:

(In thousands of dollars)	2016	2015
Net cost of operations before government funding and transfers	\$764,778	\$786,088
Adjustments for items affecting net cost of operations but not affecting authorities:		
Add (less):		
Services provided without charge by other government departments	(84,550)	(84,172)
Amortization of tangible capital assets	(44,144)	(34,843)
Revenues pursuant to Section 30 of the CFIA act	52,527	53,407
Refund of Prior year expenditures	3,079	5,000
Bad debt	(118)	(197)
Change in Employee Severance Benefits	23,490	52,707
Change in Allowance for Expired Collective Agreements	(2,988)	28,080
Other net changes in future funding requirements	1,170	4,727
Gain (loss) on disposal of tangible capital assets	(482)	25
Post-capitalization of tangible capital assets	86	74
	(51,930)	24,808
Adjustments for items not affecting net cost of operations but affecting authorities:		
Add (less):		
Acquisition of tangible capital assets	36,919	21,058
Proceeds from disposal of tangible capital assets	(532)	(657)
Transition payments for implementing salary payments in arrears	128	17,196
	36,515	37,597
Current year authorities used	749,363	\$848,493

CANADIAN FOOD INSPECTION AGENCY

Notes to the Financial Statements (Unaudited)

Year ended March 31, 2016

(b) Authorities provided and used:

(In thousands of dollars)	2016	2015
Vote 1 - Operating expenditures	\$567,541	\$660,582
Vote 5 - Capital expenditures	62,009	27,959
Revenues pursuant to Section 30 of the CFIA act	68,152	93,870
Statutory compensation (transfer) payments	17,131	12,555
Statutory contributions to employee benefits plans and other statutory authorities	75,126	88,249
Less:		
Authorities available for future years	(6,179)	(13,406)
Lapsed authority – operating	(7,182)	(13,965)
Lapsed authority – capital	(27,235)	(7,351)
Current year authorities used	\$749,363	\$848,493

4. Accounts Payable and Accrued Liabilities

The following table presents details of the Agency's account payable and accrued liabilities:

(In thousands of dollars)	2016	2015
Accounts payable to other government department (OGD)	\$3,713	\$21,906
Accounts payable to external parties	34,921	29,872
	38,634	51,778
Accrued liabilities	40,419	42,472
Total	\$79,053	\$94,250

5. Employee Benefits

(a) Pension benefits.

The Agency's employees participate in the public service pension plan (the "Plan"), which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plan benefits and they are indexed to inflation.

Both the employees and the Agency contribute to the cost of the Plan. Due to the amendment of the Public Service Superannuation Act following the implementation of provisions related to the Canada's Economic Action Plan 2012, employee contributors have been divided into two groups – Group 1 relates to existing plan members as of December 31, 2012 and Group 2 relates to members joining the Plan as of January 1, 2013. Each group has a distinct contribution rate.

The 2015-2016 expense amounts to \$51,500,288 (\$60,107,261 in 2014-2015). For Group 1 members, the expense represents approximately 1.25 times (1.41 times in 2014-2015) the

CANADIAN FOOD INSPECTION AGENCY

Notes to the Financial Statements (Unaudited)

Year ended March 31, 2016

employee contributions and, for Group 2 members, approximately 1.24 times (1.39 times in 2014-2015) the employee contributions.

The Agency's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

(b) Severance benefits

The Agency provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation. Benefits will be paid from future authorities.

As part of collective agreement negotiations with the employees, and changes to conditions of employment, the accumulation of severance benefits under the employee severance pay program has ceased commencing in 2012.

Employees have been given the option to be immediately paid the full or partial value of benefits earned to date or collect the full or remaining value of benefits on termination from the public service. These changes have been reflected in the calculation of the outstanding severance benefit obligation. Information about the severance benefits, measured for March 31, is as follows:

(In thousands of dollars)	2016	2015
Accrued benefit obligation, beginning of year	\$57,166	\$109,873
Expense for the year	(3,907)	16,289
Benefits paid during the year	(19,583)	(68,996)
Accrued benefit obligation, end of year	\$33,676	\$57,166

6. Accounts Receivable and Advances

The following table presents details of accounts receivable and advances:

(In thousands of dollars)	2016	2015
Receivables from other government departments (OGD)	\$6,748	\$2,505
Receivables from external parties	5,664	6,036
Employee advances	849	287
	13,261	8,828
Less:		
Allowance for doubtful accounts on receivables from external parties	(460)	(503)
Accounts receivable	12,801	8,325
Accounts receivable and advances held on behalf of Government	(83)	(74)
Net accounts receivable	\$12,718	\$8,251

CANADIAN FOOD INSPECTION AGENCY

Notes to the Financial Statements (Unaudited)

Year ended March 31, 2016

7. Tangible Capital Assets (In thousands of dollars)

Capital asset class	Cost				Accumulated amortization					2016 Net book value	2015 Net book value
	Opening balance	Acquisitions	Adjustments (1)	Disposals and write-offs	Closing balance	Opening balance	Amortization (2)	Disposals and write-offs	Closing balance		
Land	\$3,330	\$ -	\$ -	\$ -	\$3,330	\$ -	\$ -	\$ -	\$ -	\$3,330	\$3,330
Buildings	294,028	5,691	2,117	174	301,662	223,989	18,227	174	242,042	59,620	70,039
Machinery and equipment	93,453	5,537	(230)	3,743	95,017	54,191	5,728	3,228	56,691	38,326	39,262
Computer equipment and software	91,011	3,941	12,769	61	107,660	64,959	14,602	90	79,471	28,189	26,052
Vehicles	30,011	3,434	-	4,569	28,876	21,365	2,429	4,533	19,261	9,615	8,646
Assets under construction	26,521	17,858	(15,150)	-	29,229	-	-	-	-	29,229	26,521
Leasehold improvements	55,273	458	237	4,417	51,551	44,195	3,158	4,045	43,308	8,243	11,078
	\$593,627	\$36,919	\$(257)	\$12,964	\$617,325	\$408,699	\$44,144	\$12,070	\$440,773	\$176,552	\$184,928

(1) Adjustments include assets under construction of \$15,150,000 that were transferred to the other categories upon completion of the assets.

(2) Amortization expense for the year ended March 31, 2016 is \$44,144,000 (2015 - \$34,843,000).

CANADIAN FOOD INSPECTION AGENCY

Notes to the Financial Statements (Unaudited)

Year ended March 31, 2016

8. Contingent Liabilities

Claims relating to both legal claims and employee grievances have been made against the Agency in the normal course of operations. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimate of liability is accrued and an expense recorded in the financial statements.

Amounts have been accrued for contingent liabilities as at March 31, 2016 pertaining to legal claims. The amount of the contingent liabilities for legal claims recognized is based on management's best estimate. Other legal claims against the Agency and other defendants include a class action suit related to bovine spongiform encephalopathy (BSE) for which the likelihood of liability is not determinable.

No amounts have been accrued pertaining to employee grievances as at March 31, 2016.

9. Contractual Obligations

The nature of the Agency's activities can result in some large multi-year contracts and agreements whereby the Agency will be obligated to make future payments when the services/goods are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

(In thousands of dollars)	2017	2018	2019	2020	2021 and thereafter	Total
Operating contracts	\$ 21,577	\$ 3,670	\$ 2,889	\$ 2,661	\$ 428	\$ 31,225
Operating leases	3,216	12	10	6	-	3,244
Transfer payments	404	91	49	-	-	544
Capital projects	133	-	-	-	-	133
Total	\$25,330	\$3,773	\$2,948	\$2,667	\$ 428	\$35,146

10. Related Party Transactions

The Agency is related as a result of common ownership to all Government of Canada departments, agencies, and Crown corporations. The Agency enters into transactions with these entities in the normal course of business and on normal trade terms.

(a) Services provided without charge by other government departments

During the year, the Agency received without charge from other government departments: The employer's contribution to the health and dental insurance plans, accommodation, certain

CANADIAN FOOD INSPECTION AGENCY

Notes to the Financial Statements (Unaudited)

Year ended March 31, 2016

legal services and Shared Services Canada expenses. These amounts have been recognized in the Agency's Statement of Operations and Agency Net Financial Position as follows:

(In thousands of dollars)	2016	2015
Employer's contribution to the health and dental insurance plans	\$41,097	\$39,628
Accommodation	29,463	30,661
Legal services	1,432	1,325
Shared Services Canada expenses	12,558	12,558
	\$84,550	\$84,172

(b) Other transactions with related parties

(In thousands of dollars)	2016	2015
Accounts receivable from other government departments and agencies	\$6,748	\$2,505
Accounts payable to other government departments and agencies	3,713	21,906
Expenses – Other Government departments and agencies	110,188	122,822
Revenues – Other Government departments and agencies	380	666

11. Transfer of the transition payments for implementing salary payments in arrears

The Government of Canada implemented salary payments in arrears in 2014-15. As a result, a one-time payment was issued to employees and will be recovered from them in the future. The transition to salary payments in arrears forms part of the transformation initiative that replaces the pay system and also streamlines and modernizes the pay processes. This change to the pay system had no impact on the expenses of the Department. Prior to year end, the transition payments for implementing salary payments in arrears were transferred to a central account administered by Public Works and Government Services Canada, who is responsible for the administration of the Government pay system.

12. Segmented information

Presentation by segment is based on the Agency's program alignment architecture. The presentation by segment is based on the same accounting policies as described in the Summary of significant accounting policies in note 2. The following table presents the expenses incurred and revenues generated by program, by major object of expenses and by major type of revenues. The segment results for the period are as follows:

CANADIAN FOOD INSPECTION AGENCY

Notes to the Financial Statements (Unaudited)

Year ended March 31, 2016

(in thousands of dollars)	2016					2015	
	Food Safety Program	Animal Health and Zoonotics Program	Plant Resources Program	International Collaboration and Technical Agreements	Internal Services	Total	Total
Transfer Payments							
Compensation payments	\$-	\$15,498	\$1,633	\$-	\$-	\$17,131	\$12,555
Other	837	377	51	537	-	1,802	879
Total transfer payments	837	15,875	1,684	537	-	18,933	13,434
Operating Expenses							
Salaries and employee benefits	308,113	98,806	66,318	30,907	79,590	583,734	623,943
Professional and special services	28,732	10,452	4,406	1,140	22,921	67,651	69,335
Accommodation	19,486	7,422	4,754	1,745	4,435	37,842	39,036
Amortization	22,039	8,512	4,830	2,031	6,732	44,144	34,843
Utilities, materials and supplies	8,389	5,616	3,288	215	1,896	19,404	18,619
Travel and relocation	8,410	3,032	1,602	545	1,416	15,005	15,134
Communications	6,316	2,454	1,379	580	2,154	12,883	12,817
Furniture and equipment	3,655	1,656	677	23	1,584	7,595	4,067
Repairs	2,995	1,386	728	67	794	5,970	5,218
Equipment rentals	456	336	146	11	1,827	2,776	3,390
Information	101	32	79	3	549	764	374
Miscellaneous	214	261	84	8	132	699	591
Loss on disposal of assets	241	93	53	22	73	482	-
Total operating expenses	409,147	140,058	88,344	37,297	124,103	798,949	827,367
Total expenses	409,984	155,933	90,028	37,834	124,103	817,882	840,801
Revenues							
Inspection fees	26,396	1,001	3,973	6,207	-	37,577	37,879
Registrations, permits, certificates	2,043	685	892	4,662	-	8,282	8,804
Miscellaneous fees and services	244	1,518	1,406	1,465	352	4,985	5,360
Establishment license fees	1,897	-	25	-	-	1,922	2,001
Administrative monetary penalties	27	308	164	-	57	556	1,150
Grading	99	-	-	2	-	101	100
Interest	-	-	-	-	32	32	39
Gain on disposal of assets	-	-	-	-	-	-	25
Revenues earned on behalf of Government	-	-	-	-	(351)	(351)	(645)
Total revenues	30,706	3,512	6,460	12,336	90	53,104	54,713
Net cost of operations	\$379,278	\$152,421	\$83,568	\$25,498	\$124,013	\$764,778	\$786,088

Summary of the assessment of effectiveness of the systems of internal control over financial reporting and the action plan of the Canadian Food Inspection Agency for fiscal year 2015–16 (unaudited)

Annex to the Statement of Management Responsibility Including Internal Control over Financial Reporting

(unaudited)

1. Introduction

This document provides summary information on the measures taken by the Canadian Food Inspection Agency (CFIA or the Agency) to maintain an effective system of internal control over financial reporting (ICFR), including information on internal control management and assessment results and related action plans.

Detailed information on the CFIA's authority, mandate and program activities can be found in the Agency's [Departmental Performance Report](#) and [Report on Plans and Priorities](#).

2. Agency system of internal control over financial reporting

2.1 Internal control management

The CFIA has a well-established governance and accountability structure to support departmental assessment efforts and oversight of its system of internal control. An Agency internal control management framework, approved by the President, is in place and includes:

- Organizational accountability structures as they relate to internal control management to support sound financial management, including roles and responsibilities of senior managers in their areas of responsibility for control management;
- Values and ethics;
- Ongoing communication and training on statutory requirements, and policies and procedures for sound financial management and control; and
- At least semi-annual monitoring of and regular updates on internal control management, as well as the provision of related assessment results and action plans to the President and departmental senior management and, as applicable, the Agency Audit Committee.

The Agency Audit Committee provides advice to the President on the adequacy and functioning of the Agency's risk management, control and governance frameworks and processes.

(unaudited)

2.2 Service arrangements relevant to financial statements

The Agency relies on other organizations for the processing of certain transactions that are recorded in its financial statements:

Common arrangements

- Public Services and Procurement Canada (PSPC) centrally administers pay services and the procurement of goods and services, as per the Agency's Delegation of Authority, and provides accommodation services;
- The Treasury Board Secretariat provides the Agency with information used to calculate various accruals and allowances;
- The Department of Justice provides legal services to the CFIA; and
- Shared Services Canada provides information technology (IT) infrastructure services to the CFIA in the areas of data centre and network services.

Specific arrangements

- Agriculture and Agri-Food Canada (AAFC) provides the CFIA with:
 - The SAP financial system platform to capture and report all financial transactions;
 - The Enterprise data warehouse to report financial information; and
 - The PeopleSoft human resource system platform to manage pay and leave transactions.

3. Agency assessment results during fiscal year 2015-16

The key findings and significant adjustments required from the current year's assessment activities are summarized below.

New or significantly amended key controls: In the current year, there were no significantly amended key controls in existing processes which required a reassessment. Design and operating effectiveness testing was conducted on any new key controls identified. Significant adjustments were not required for the new key controls.

Ongoing monitoring program: As part of its rotational ongoing monitoring plan, the Agency completed its reassessment of entity-level controls within Values & Ethics, People Management and Governance; Information Technology controls within PeopleSoft and Electronic Invoicing, and the financial controls within the business processes of Pay, Non-Pay, Statutory Compensation Payments and Financial Close & Reporting. For the most part, the key controls that were tested performed as intended, with remediation required as follows:

- Improvements to existing values and ethics training;
- Improvements to PeopleSoft access controls and retention of approval documentation;
- Improvements to documentation of information technology general controls, user access control and retention of access approval documentation, for Electronic Invoicing applications, and;

(unaudited)

- Clarification of information contained in pay authorization reports and retention of pay related documentation.

4. Departmental Action Plan

4.1 Progress during fiscal year 2015–16

The CFIA continued to conduct its ongoing monitoring according to the previous fiscal year's rotational plan as shown in the following table:

Previous year's rotational ongoing monitoring plan for current year	Status
Complete on-going operating effectiveness testing for People Management, Governance and Financial Close & Reporting.	Completed as planned; no remedial actions required.
Complete on-going operating effectiveness testing for Values and Ethics, Pay, Non-Pay Statutory Compensation Payments, People Soft and Electronic Invoicing.	Completed as planned; remedial actions in progress.
Continue to follow up on outstanding improvement opportunities identified in previous years.	Improvement opportunities are substantially completed for Capital Assets and are in progress for Pay and Revenue. Other improvement opportunities identified in previous years have been fully implemented.

(unaudited)

4.2 Action Plan for the next fiscal year and subsequent years

The CFIA's rotational ongoing monitoring plan over the next three years, based on an annual validation of risks and controls and related adjustments as required, is shown in the following table.

Key Control Areas	2016-17	2017-18	2018-19
Entity level controls			
Values and Ethics	No	No	Yes
Governance	No	Yes	No
Risk Management	No	Yes	No
Financial Management	Yes	No	Yes
People Management	No	No	Yes
Information technology general controls under Agency management			
SAP/Enterprise	Yes	No	Yes
PeopleSoft	No	Yes	No
Electronic Invoicing	No	No	Yes
Business Process Controls			
Pay	Yes	Yes	Yes
Non-Pay (Operating and Maintenance)	No	Yes	No
Revenue	Yes	No	Yes
Capital Assets	Yes	No	Yes
Financial Close and Reporting	Yes	Yes	Yes
Statutory Compensation Payments	No	Yes	No

In addition to the risk-based on-going monitoring plan, the Agency plans to continue to address outstanding remediation.

Section III: Analysis of Programs and Internal Services

This section details the CFIA's planned activities for its strategic outcome as informed by a number of factors, including Federal Government and Agency priorities, the Agency's Corporate Risk Profile, and the application of lessons learned. Lessons learned may be derived from a variety of sources, including: internal and external audits; internal program evaluations; stakeholder feedback and consultation; information from performance measurement (including quality management); and structured post-incident analysis following events such as significant plant pest occurrence or animal disease outbreak or a major food safety recall. This section features key areas on which the CFIA focused its efforts over the last year.

Assessment of Performance Targets

Performance targets for compliance rates are qualitative or quantitative goals set by the CFIA that provide a basis for measuring the performance of regulated parties and the Agency toward achieving expected results. The targets in this report are for critical program areas and based either on historical averages of actual performance or on the expected results of effective programming (e.g. rate of industry compliance with regulatory standards). The CFIA has assessed the extent to which performance has met or exceeded established targets and provided analysis when performance has fallen below targets. Targets for programs that monitor activities are set differently than for programs that focus on specific areas of non-compliance. In terms of compliance rates, the CFIA deems a performance variance of +/- 2% (percent) to be "Met".

Strategic Outcome: A Safe and Accessible Food Supply and Plant and Animal Resource Base

Mitigating risks to food safety is a key CFIA priority. Safeguarding the health and well-being of Canada's people, environment, and economy is the driving force behind the design and development of the CFIA's programs. The CFIA, in collaboration and partnership with industry, consumers, universities, and federal, provincial and municipal organizations, continues to work towards protecting Canadians from preventable health risks related to food and zoonotic diseases.

The CFIA supports Canadian agriculture and the ability of agri-food businesses to enter domestic and global markets and compete successfully therein. To support this objective, the CFIA continued to modernize and enforce regulatory and program frameworks for imports and exports that meet both Canadian and international requirements. The CFIA continued to regularly engage in outreach and consultation activities with key stakeholders and partners including industry, consumers, and international trade and standards organizations. This engagement enables the CFIA to maintain open and transparent communication with its stakeholder and consultative groups.

To support transparency, the CFIA collated an evergreen list of scientific peer-reviewed publications that will inform a federal tool that will be available to the public. In addition, the CFIA led a federal Open Science Implementation Plan project to develop guidance on releasing scientific data supporting peer-reviewed publications, and contributed to the design of Open Science Phase 2 (2016–18)

The CFIA strived for excellence and continuous improvement to achieve greater safety outcome and integrity from regulatory systems. The CFIA continued to move towards a more preventive and systems-based approach under the integrated Agency Inspection Model to enable both the CFIA and regulated parties to more readily adapt to emerging risks and global and scientific trends. The CFIA's integrated Agency Inspection Model applies globally recognized risk management concepts based on prevention. The integrated Agency Inspection Model replaces the improved food inspection model to fully align the strategic outcomes for all CFIA inspection work and reflect the full Agency mandate. The model represents the CFIA's vision and its approach to regulatory inspection. The CFIA has begun phasing the model into operation and will continue through 2020. More information about implementation will be provided to stakeholders as it progresses.

The CFIA continued to advance regulatory reform in support of the *Safe Food for Canadians Act* to further strengthen and modernize Canada's food safety system. The *Agricultural Growth Act*, which was passed by the House of Commons on November 24, 2014, and the Senate on February 24, 2015, received Royal Assent on February 25, 2015. The *Agricultural Growth Act* is designed to modernize and strengthen federal agriculture legislation, support innovation in the Canadian agriculture industry and enhance global market opportunities. The Act^{xix} introduces changes to the suite of statutes

that the CFIA uses to regulate our agricultural sector. All of the CFIA sections of the *Agricultural Growth Act* are now in force – except one. Subsection 53(1) of the Act, which amends the definitions of “livestock” and “sell” in the *Feeds Act*, will require regulations to operate. The CFIA continued to work on regulatory renewal for fertilizer and feed and amendments of animal health and plant protection regulatory frameworks.

The CFIA is also focused on several horizontal initiatives aimed at contributing to consumer protection. The CFIA enhanced stakeholder engagement, continued to advance its food labelling modernization and transparency initiatives, build and enhance data systems and capacity for decision-making, and deliver on its many day to day operational activities. These day to day activities include providing the public with food recall and allergy alert notices and implementing import border blitzes designed to identify and intercept imported food items that may pose a health threat to Canadians.

In line with the improvements made to the Food Safety Program, the CFIA started to implement inspection modernization for the Plant Resources and Animal Health & Zoonotics programs. This will assist the Agency to clearly define responsibilities for regulated parties and the CFIA, provide consistent oversight of sectors subject to regulations enforced by the CFIA, expand the use of science and inspection data to help focus resources on areas with the greatest risk, and adapt inspection to focus on verifying the effectiveness of regulated parties’ controls.

Genomics science at the CFIA aims to develop and apply new knowledge and expertise, and faster and more accurate and cost-effective diagnostic technologies, tools and methods for detection, isolation, identification and characterization of new and emerging pathogens, pests and invasive species relevant for the Agency’s three Business Lines (Plant, Animal and Food). In 2016–17, the CFIA will participate in Phase VI (2016-2019) of Genomics Research and Development Initiative’s (GRDI) new Shared Priority projects involving scientific research collaboration for the application of genomics. These new shared priority projects are expected to address the Government of Canada’s strategic priorities of anti-microbial resistance and protecting Canada’s biodiversity and ecosystems.

The Government of Canada did not proceed with amendments to Program Alignment Architectures last year but has introduced the new Policy on Results, effective July 1, 2016, which requires every department and agency to develop its Departmental Results Framework, Program Inventory, and Program Information Profile and submit to Treasury Board Secretariat by November 2017. The CFIA is currently developing these new instruments.

The performance tables listed in the proceeding pages describe the performance indicators used to measure the extent to which the CFIA is achieving its single strategic outcome. The methodology used in assessing the actual performance of each indicator is available on our [website^{xx}](#).

To be successful in delivering on its Strategic Outcome, the CFIA has a robust risk management discipline and fosters its use throughout the Agency. As such, the CFIA continued to monitor and assess its operating environment in order to be aware of the risks and opportunities potentially impacting the achievement of its desired outcome. The CFIA key corporate risks, as outlined in its CRP, are summarized in Table 1.

As part of its modernization agenda, the CFIA developed and is refining a comparative risk model to facilitate comparison of risks across the Agency's business lines and provide a stronger analytical basis to inform long-term organizational planning and decision-making. The model is anchored on the CFIA's new Integrated Risk Management Framework (Framework), which aims to strengthen the integration of risk management practices and processes across and within the Agency. The Framework will support consistency in the application of risk management to planning and decision-making.

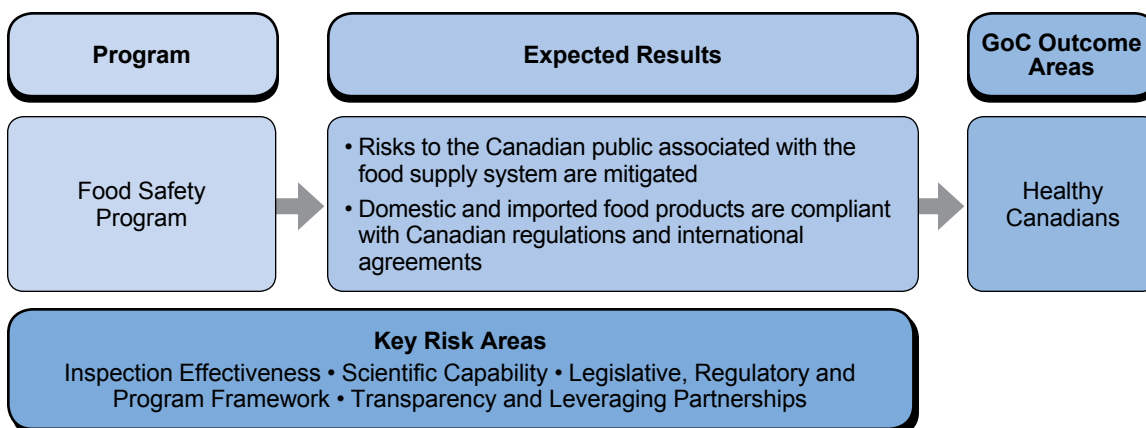
In order to mitigate risks and achieve its strategic outcome, the Agency, through the actions of its program activities (Food Safety, Animal Health and Zoonotics, Plant Resources, International Collaboration and Technical Agreements), concentrated its 2015–16 efforts on modernizing regulations and processes and systems, building scientific capacity and partnership, partnering domestically and internationally, and engaging and collaborating with stakeholders.

These efforts helped the Agency support the following four priorities:

- An increased focus on **prevention** which will provide an opportunity to minimize risks to human, animal and plant health
- The CFIA's role as an effective regulator will be enhanced by a focus on **service excellence**
- Adapt and evolve to meet new demands and expectations with a focus on internal **performance excellence**
- Focusing on **people** who are supported by training and tools

Programs

Program 1.1: Food Safety Program



The Food Safety Program aims to mitigate risks to public health associated with diseases and other health hazards in the food supply system and to manage food safety emergencies and incidents. The program achieves its objectives by promoting food safety awareness through public engagement and verification of compliance by industry with standards and science-based regulations. The program delivers initiatives to verify that consumers receive food safety and nutrition information and to mitigate unfair market practices targeting consumers and industry. Collaboration with other governments and stakeholders further enhances the Agency's ability to track, detect and mitigate risks associated with food and the food supply system, including food-borne illness. This program supports public health and instils confidence in Canada's food system.

Program Performance Analysis and Lessons Learned

Regulatory Modernization

In 2015–16, the CFIA continued to make progress against the Safe Food for Canadians Action Plan launched in 2013. The CFIA:

- Revised sections of a draft proposed for the *Safe Food for Canadians Regulations* in response to feedback received from stakeholders during consultations conducted in summer 2015. Drafted interpretive guidance on key elements such as trade, preventive controls and traceability

- The Food Virology National Reference Centre at the Canadian Food Inspection Agency (CFIA) laboratory in St. Hyacinthe, Quebec was established to further enhance Canada's ability to effectively detect viral contaminants in food, such as noroviruses and hepatitis A
- A partnership was established between the CFIA and Génome Québec to develop genomics-based analytical methods for pathogen detection and epidemiological support. This initiative is expected to lead to the development of more precise, molecular-based methods for identifying specific strains of foodborne viruses that could help in tracing outbreaks of viral foodborne illness back to a specific source

- Drafted a series of 27 model systems, which are guidance documents to provide information about new or historically accepted practices and procedures. They focus on helping small and newly regulated food businesses comply with specific elements of the preventive control and traceability requirements
- Developed Foundational Operational Guidance for Standard Inspection Procedures and Compliance Verification of a Preventive Control Plan for all CFIA's three business lines and based on the Integrated Agency Inspection Model. The Guidance was validated and implemented in four commodity areas: Dairy – Food Safety Enhancement Program; Fish – Quality Management Program; Plant – Canadian Greenhouse Certification Program; and Feed – Oilseed. The implementation included the development of commodity-specific reference material, national training and the development of tools to document inspection results

Food Labelling Modernization Initiatives

To advance its food labelling initiative in 2015–16 the CFIA:

- Completed engagements on options to modernize food labelling. Engaged more than 1,600 stakeholders in the process. Feedback from stakeholders will inform the development of key recommendations to modernize the food labelling framework and food compositional standards. Other Food Labelling Modernization initiatives included Beer Standard and Standard Container Sizes. CFIA is working closely with HC to align and coordinate engagement activities, proposals, and implementation of proposed regulatory changes associated with these modernization initiatives
- Conducted a Service Lab Workshop in December 2015 with partners from Health Canada (HC), Agriculture and Agri-Food Canada, Canadian General Standards Board, and Innovation, Science and Economic Development Canada on food compositional standards. CFIA worked closely with HC to align and coordinate engagement activities, proposals, and the coming into force dates of proposed regulatory changes associated with these modernization initiatives

Risk Based Oversight Framework to Further Modernize Canada's Food Safety System

In 2015–16, the CFIA continued to enhance its risk-based approach to oversight activities through the continued development of an Establishment-based Risk Assessment (ERA) Model for licensed domestic food producing and storing establishments. The model provides a standard and consistent tool to inform CFIA oversight decisions for licensed establishments, the type, frequency and intensity of CFIA's oversight activities being more proportional to the risks. The CFIA conducted a cost-benefit analysis for each option of data collection of the inherent and mitigation factors.

The Information Management and Information Technology enablement project continued with the refinement of the business case, high level business requirements and five years costing of the project. Webinars aimed at presenting the results of the pilot project were presented in March 2016 to establishments and inspectors as part of the meat and dairy pilots.

Enhancing Detection and Responsiveness to Food-Borne Incidents

In 2015–16, a Treasury Board submission seeking project approval and expenditure authority for the Canadian Food Safety Information Network (CFSIN) was submitted to the Treasury Board. A bilateral data sharing arrangement with Alberta Health and Alberta Agriculture and Forestry was signed on February 3, 2016. A pilot project, aimed at better understanding the data requirements of both the CFIA and its Alberta counterparts, was started and a draft inventory of environmental scanning and intelligence data was completed. A comprehensive draft of the data dictionary was completed.

CFIA, in collaboration with Public Health Agency of Canada, Health Canada and the provincial health authorities, responded to an outbreak of *Vibrio parahaemolyticus* (a bacterium that causes acute gastroenteritis in humans) linked to consumption of British Columbia oysters. CFIA conducted an internal review of the design and delivery of CFIA's risk management activities related to *Vibrio*. The review focused on the Quality Management Program requirements and the CFIA's activities, with the goal of providing additional guidance to industry. CFIA staff also participated in a BC-focused multi-jurisdictional and stakeholder working group to improve actions and controls throughout the producer, processor and distribution chain.

CFIA undertook considerable work to respond to emerging issues and recalls related to Salmonella in chia and products containing chia and allergens in spices. This resulted in additional targeted oversight, both in the areas of focus during inspections as well as sampling, at Imported and Manufactured Food facilities handling these products.

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
362,958,350	363,836,779	408,312,924	376,113,531	12,276,752

Human Resources (Full-Time Equivalents — FTEs)

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
3,311	3,155	(156)

The increase from Planned to Actual Spending of \$12.3 million largely relates to incremental funding received to deliver: the first year of the Federal Infrastructure Initiative, approved to accelerate the renewal and upgrade of CFIA assets; the Electronic Service Delivery Platform, which will provide technologies and tools for industry, international trading partners, and CFIA inspectors and staff to more efficiently carry out their respective roles and conduct regular business transactions electronically. Additional resources were also received from Treasury Board central votes to offset salary related disbursements made on behalf of the Treasury Board Secretariat (maternity and paternity allowances, entitlements on cessation, etc.).

This increase was partially offset by the program re-alignment of resources (dollars and FTEs) to Internal Services in order to comply with new requirements of the amended Treasury Board *Guide on Internal Services Expenditures: Recording, Reporting and Attributing*, which came into effect on April 1, 2015.

FTEs were also impacted by the requirement for CFIA to absorb the ongoing cost increases associated with collective bargaining settlement negotiations from 2010–11 through to 2012–13. The ongoing cost of the most recent round of negotiations totalled approximately \$30 million annually. Given that nearly 80% of the Agency's annual operating expenditures support personnel costs, there was limited flexibility to realign non-personnel authorities to cover these increases. As a result, the Agency FTE complement declined through attrition in all Programs, including Food Safety.

Performance Results

Expected Result	Performance Indicators	Targets	Actual Results	
Risks to the Canadian public associated with the food supply system are mitigated	Number of commodity areas where federally-registered establishments meet established compliance targets	6 out of 6 met	5 out of 6 met	
	Meat and Poultry	98%	95.60%	Not Met ⁸
	Egg	98%	96.22%	Met ⁹
	Dairy	98%	99.00%	Met
	Fish and Seafood	98%	98.11%	Met
	Fresh Fruits and Vegetables	98%	98.85%	Met
	Processed Products	98%	97.77%	Met
	Percentage of Public Warnings for Class I food recalls that are issued within 24 hours of a recall decision	100%	95.03%	Not Met ¹⁰
	Percentage of Public Warnings for Class II food recalls that are issued within 24 hours of a recall decision	95%	100%	Met

⁸ The CFIA continues to communicate and work with industry on compliance promotion and the understanding of all requirements and related Compliance Verification System policies. The CFIA aims to increase the levels of compliance through ongoing communication and education and continue its vigilance through inspection and the enforcement of defined standards. Reporting capabilities related to non-compliances were redeveloped this fiscal year. Monthly reports have enhanced the response in addressing issues requiring corrective action. This may have contributed to the increase in non-compliances resulting in enforcement letters.

⁹ There were 7 out of 185 inspected registered egg-grading stations that received at least one enforcement action letter. Out of the unsatisfactory inspected grading station, six took corrective action and met the requirements and one did not renew its license.

The Food program will assess the non-compliance to determine whether there are any systemic issues requiring more specific follow up.

¹⁰ Eight recalls did not meet the requirements of this indicator. Reasons for the delays included: additional lot codes and products being voluntarily added to the recall by the recalling firm; changes in product information which required further validation of the risk; late notification of additional distribution; waiting for the publication of the press release by another government department who had requested the recall; and extenuating circumstances beyond the control of the CFIA or the recalling firm.

The time frames for not achieving the 24 hour time standard ranged from 12 minutes to approximately 5 hours, with four of these eight public warnings issued within 25 hours.

Operations Branch will improve the current process to ensure that high priority files not completed by the end of a work day are addressed as a high priority at the onset of the next business day.

The Office of Food Safety and Recalls and the Web Operations Unit are developing an alternate procedure for notifying newswire services when it is identified that the 24 hour time standard may not be met using the normal procedure.

Expected Result	Performance Indicators	Targets	Actual Results	
Domestic and imported food products are compliant with Canadian regulations and international agreements	Number of commodity areas where domestic food products meet established compliance targets	6 out of 6 met	6 out of 6 met	
	Meat and Poultry	95%	97.32%	Met
	Egg	95%	99.00%	Met
	Dairy	95%	97.94%	Met
	Fish and Seafood	95%	97.61%	Met
	Fresh Fruits and Vegetables	95%	98.95%	Met
	Processed Products	95%	98.12%	Met
	Number of commodity areas where imported food products meet established compliance targets	6 out of 6 met	4 out of 6 met	
	Meat and Poultry	95%	98.62%	Met
	Egg	95%	99.53%	Met
	Dairy	95%	88.54%	Not Met ¹¹
	Fish and Seafood	95%	87.89%	Not Met ¹²
	Fresh Fruits and Vegetables	95%	96.83%	Met
	Processed Products	95%	96.98%	Met

¹¹ Microbiological organisms: $12/245 = 95.1\%$ compliance rate. Imported cheese found to be non-compliant for microbiological organisms are placed on directed sampling until 10 consecutive lots are found to be satisfactory. Products tested for microbiological organisms are typically held by the importer until results are received to avoid recalls due to unsatisfactory results.

Chemical residues: $50/296 = 83.1\%$ compliance rate. Of the 50 non compliant samples, 43 are for chemical residues and 7 are for nutritional labelling. Of the 43 samples that are non-compliant, 39 are for Thiouracil. Indications are that Thiouracil is occurring in dairy products due to a natural reaction to cows having a Brassicacea rich feed. Not including the 39 Thiouracil results gives $11/296 = 96.3\%$ compliance rate for chemical residues. The level of Thiouracil is not considered a food safety concern.

The overall compliance result is based on the combined compliance of Microbiological Organisms and Chemical Residue. Total number of imported samples tested: 296 (Chemical residues) + 245 (Microbiological organisms) = 541. Total number of imported unsatisfactory samples tested: 50 (Chemical residues) + 12 (Microbiological organisms) = 62. Percentage (%) of Tested Imported Dairy Products that are compliant is: $((541-62)/541) \times 100 = 88.54$

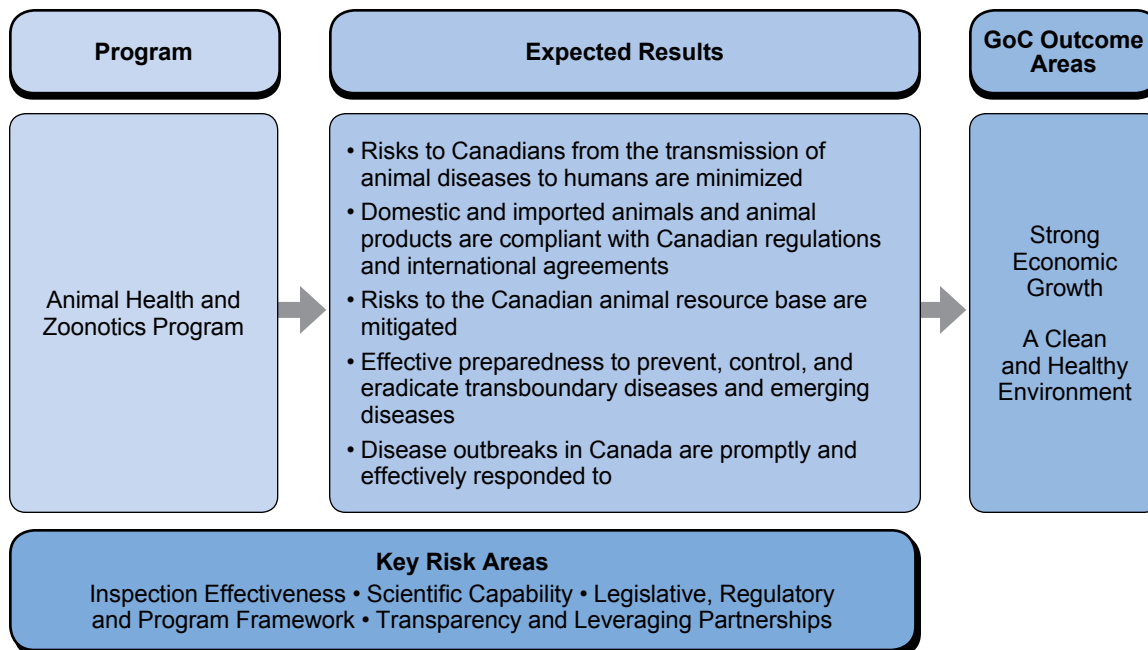
The CFIA takes appropriate actions when dairy products do not meet Canadian standards. Actions may include, but are not limited to, additional inspections, further directed sampling, or product seizure and/or recall.

¹² The overall compliance rate of 88% is consistent with the 2014–15 compliance rate of 89%.

The main contributors to non-compliance in 2014–15 were sensory evaluation rejections (43% of the rejections resulting from random inspections). Sensory evaluation assesses that fish meets standards for minimum acceptable quality, verifying its level of freshness, and that the fish is not tainted, decomposed or unwholesome. In 2015–16, the sensory evaluation rejections again contributed to 43% of the random inspection rejections and implicated 50% of the packers whose fish were found to be non-compliance. Also, similar to the previous year, the products, their origin and packers were varied. As such, there is no trend identified for which measures can be taken to address the level of non-compliance.

In 2014–15, container integrity rejections accounted for 14% of the random inspection rejections and implicated only 4 lots from 3 packers. In 2015–16, container integrity rejections increased to 22% of the random inspection rejections but implicated only 5 lots, 4 of which were from the same packer in Spain.

Program 1.2: Animal Health and Zoonotics Program



The Animal Health and Zoonotics Program aims to mitigate risks to Canada’s animal resource base, animal feeds and animal products, which are integral to a safe and accessible food supply system as well as to public health. The program achieves its objectives by mitigating risks to Canada’s animals (including livestock and aquatic animals) from regulated diseases, managing animal disease emergencies and incidents, limiting risks to livestock and derived food products associated with feed, promoting animal welfare and guarding against deliberate threats to the animal resource base. The program helps to mitigate risks associated with animal diseases that can be transmitted to humans by controlling diseases within animal populations. This program supports the health of Canada’s animal resources and instils confidence in the safety of Canada’s animals, animal products and by-products, and production systems.

Performance Analysis and Lessons Learned

In 2015–16, the CFIA worked towards amending Part XII of the *Health of Animals Regulations* (humane transportation) to enhance animal welfare and the humane treatment of animals during transport, and to align with international standards, industry best practices and current scientific knowledge regarding animal welfare during transportation. The *Humane Transportation of Animals Regulations* is expected to be published in *Canada Gazette, Part I*, in the fall of 2016.

In 2015–16, the Traceability National Information Portal, also called TNIP, a data integration tool designed to share information and enhance disease control and surveillance activities, was linked with the CFIA’s Laboratory Sample Tracking System (LSTS) database, a system used for tracking, sampling and analysis activities. This linkage offers

authorized users access to animal health, animal movement, and location information through a single window. A Pig Trace data system, which allows for tracking of porcine imports, exports, and tag transactions, was added to the Traceability National Information Portal. Saskatchewan and Ontario joined the portal data sharing arrangements, thus increasing traceability information.

Canada experienced two limited outbreaks of the Highly Pathogenic Avian Influenza (HPAI) in December 2014 and April 2015 while the USA faced large outbreaks in several States from December 2014 to June 2015. In 2015–16, the CFIA and the United States Department of Agriculture jointly implemented the Guidance Framework on the zoning arrangement signed under the Regulatory Cooperation Council, which outlined how Canada and the USA will recognize and accept each other's decisions regarding animal disease eradication zones in the event of an animal disease outbreak. The Framework was tested, with positive results, during the Highly Pathogenic Avian Influenza outbreaks. The recognition of each other's zoning decisions enabled trade to continue from disease free zones during the management of the outbreak in the affected area. Work continued on a model to assist with zoning recognition decisions through the North American Virtual Animal Disease Modelling Center.

The Canadian Notifiable Avian Influenza Surveillance System (CanNAISS) continued to play a key role in designing and implementing animal diseases surveillance plans for trade limiting foreign animal diseases. During the two outbreaks of Avian Influenza (AI) in 2015–16, the CanNAISS provided timely support to detect, contain and control the outbreaks as well as designed and implemented enhanced AI surveillance plans in order to regain AI disease-free status, which supports access to international markets.

The CFIA contributed to the development of the Canadian Animal Health Surveillance System (CAHSS), which is a federated network of networks, groups and individuals involved in animal health surveillance in Canada, with a shared vision to enable effective, responsive and integrated animal health surveillance in Canada. Several network groups were developed (e.g. champions, directors, communications, surveillance data, poultry and swine) and a website was initiated to enable information

EMERGING ISSUES RESPONSE

- In August 2015, there was a Bluetongue disease (an infectious insect-borne viral disease impacting ruminants) outbreak in Canada, which resulted in Canada losing its status of being free from this disease. Following extensive trade negotiations, internationally and nationally, the CFIA reinstated trade with major trading partners
- In December 2014 and April 2015, Canada experienced outbreaks of avian influenza (bird flu) in British Columbia and Ontario respectively, resulting in the closure of export markets for Canadian poultry and poultry products. The CFIA's zoning agreement with the United States Department of Agriculture, under the Regulatory Cooperation Council (RCC) initiative, enabled trade to continue in areas outside the affected zones while management of the outbreak continued

sharing. CAHSS will strengthen animal health surveillance, enable strategic use of technology, and enhance Canada's ability to respond to animal health emergencies.

Through collaborative partnerships with the Public Health Agency of Canada and thirteen other multi-jurisdictional partners, the Centre for Emerging and Zoonotic Disease – Integrated Intelligence and Response (CEZD-IIR) was successfully completed. This innovative project will test if Canada's early warning intelligence for emerging and zoonotic diseases can be enhanced through a real time virtual network using today's technology.

Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
113,659,211	114,552,020	144,620,153	141,043,127	26,491,107

Human Resources (Full-Time Equivalents — FTEs)

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
974	959	(15)

The increase from Planned to Actual Spending of \$26.5 million largely relates to incremental funding received to: deliver the first year of the Federal Infrastructure Initiative, approved to accelerate the renewal and upgrade of CFIA assets; cover Statutory Compensation Payments made as a result of the Avian Influenza outbreak in Ontario. Additional resources were also received from Treasury Board central votes to offset salary related disbursements made on behalf of the Treasury Board Secretariat (maternity and paternity allowances, entitlements on cessation, etc.).

This increase was partially offset by the program re-alignment of resources (dollars and FTEs) to Internal Services in order to comply with new requirements of the amended Treasury Board *Guide on Internal Services Expenditures: Recording, Reporting and Attributing*, which came into effect on April 1, 2015.

FTEs were also impacted by the requirement for CFIA to absorb the ongoing cost increases associated with collective bargaining settlement negotiations from 2010–11 through to 2012–13. The ongoing cost of the most recent round of negotiations totalled \$30 million annually. Given that nearly 80% of the Agency's annual operating expenditures support personnel costs, there was limited flexibility to realign non-personnel authorities to cover these increases. As a result, the Agency FTE complement declined through attrition in all Programs, including Animal Health and Zoonotics Program. However, the decline was partially offset by the temporary realignment of human resources to the Program in order to address incremental response activities required to address the Avian Influenza outbreak in Ontario.

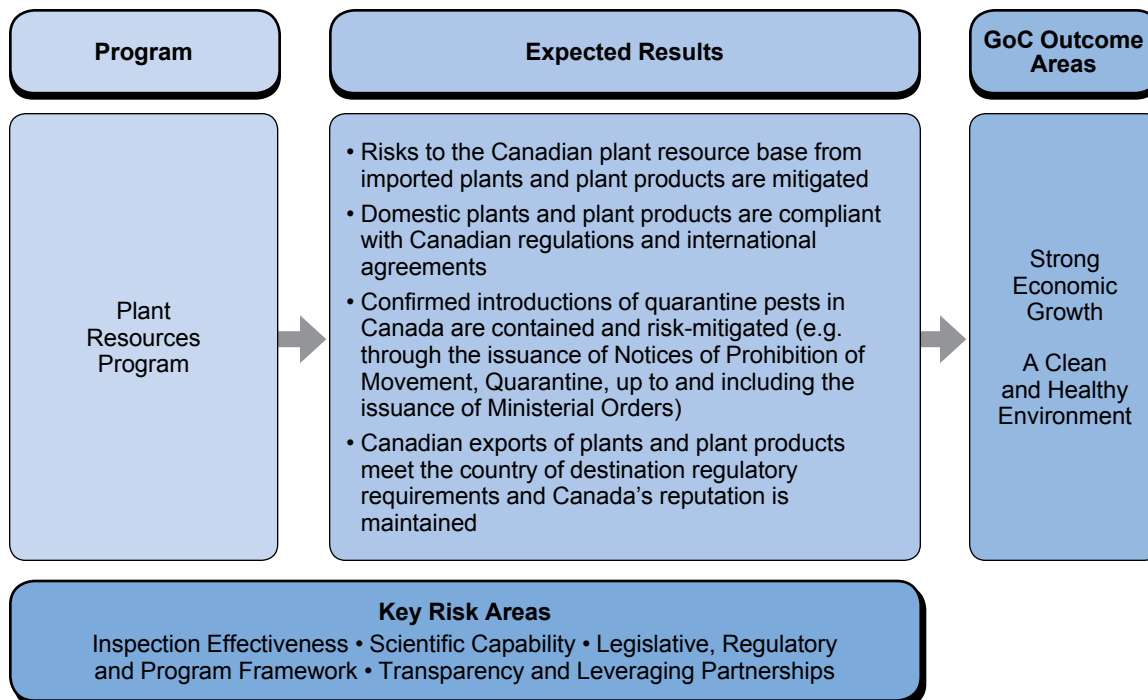
Performance Results

Expected Result	Performance Indicators	Targets	Actual Results	
Risks to Canadians from the transmission of animal diseases to humans are minimized	Number of reportable animal diseases that have entered into Canada via specified regulated pathways	0 Entries	0 Entries	Met
	Percentage of cases where investigations were completed following the positive identification of a reportable zoonotic disease	100%	100%	Met
Domestic and imported animals and animal products are compliant with Canadian regulations and international agreements	Percentage of legally exported animal and animal product shipments destined for foreign markets that meet certification requirements	99%	100%	Met
	Canada's status on the OIE ¹³ disease risk status lists remains either "free, controlled risk, or negligible risk"	Status maintained	Status maintained	Met
Risks to the Canadian animal resource base are mitigated	Percentage of cases where investigations were completed following the positive identification of a reportable animal disease	100%	100%	Met
Effective preparedness to prevent, control, and eradicate trans-boundary diseases and emerging diseases	Manuals for CFIA officials are updated as needed	All necessary manual updates are completed	75%	Not Met ¹⁴
	Number of emergency preparedness simulation exercises in which CFIA participates	9	11	Met
Disease outbreaks in Canada are promptly and effectively responded to	Percentage of detections of reportable transboundary diseases and significant emerging diseases in which an investigation was commenced in a timely fashion	100%	100%	Met
	Percentage of cases where CFIA communicated with key stakeholders in a timely fashion following the confirmation of a transboundary or significant emerging disease	100%	100%	Met

¹³ World Organization for Animal Health

¹⁴ Due to several high visibility or emerging issues, resources were not available to update the existing program guidance material.

Program 1.3: Plant Resources Program



The Plant Resources Program aims to mitigate risks to Canada's plant resource base, which is integral to a safe and accessible food supply, as well as to public health and environmental sustainability. The program achieves its objectives by regulating agricultural and forestry products; mitigating risks to the plant resource base (including crops and forests) from regulated pests and diseases; regulating the safety and integrity of seeds, fertilizers and plant products; and managing plant health emergencies and incidents. The program also guards against deliberate threats to the plant resource base, facilitates the introduction of emerging plant technologies and protects the rights of plant breeders. Achieving the objectives of the program instils confidence in Canada's plants, plant production systems and plant products, and contributes to the health of Canada's plant resources.

Performance Analysis and Lessons Learned

Regulatory Modernization

The Canadian government ratified the 1991 Act of the International Convention for the Protection of New Varieties of Plants (UPOV'91) on June 19, 2015, and became bound by this treaty on July 19, 2015. The Plant Breeders' Rights Office now accepts applications and grants rights under the revised, UPOV'91 based, intellectual property framework.

Some examples of day to day activity that support the Plant Resources Program include:

- Conduct annual surveillance to ensure that regulated invasive plant species are not established in Canada; the 2015–16 survey did not detect any new species
- Advance control measures of Asian gypsy moth by collaborating with the U.S. and meeting with plant protection officials from China, Korea and Japan in 2015 to further assess and enhance the Asian gypsy moth pre-departure certification program in each country
- A national survey of canola was developed and delivered in 2015 to determine the presence and distribution of *Verticillium longisporum* in Canada. The results were used to develop, in consultation with stakeholders, a risk management document that will be finalized in fall 2016
- Pursue eradication of Asian long horn beetles through continuing post treatment evaluation surveys to meet international standards to support official eradication status
- Slow the spread of emerald ash borer from infested areas by regulating the movement of things like ash trees, ash logs or firewood from regulated areas

Emergency Management

In an effort to collaboratively manage emergencies facing the agriculture sector, Federal, Provincial and Territorial Ministers committed to developing an integrated, cohesive approach to manage emergencies in the sector which impacts both plant health and animal health programs. In 2015–16, the CFIA developed an Emergency Management Framework in collaboration with Agriculture and Agri-Food Canada and provincial partners. The Framework sets the strategic direction for partners (federal, provincial and territorial and municipal governments, non-governmental organizations, industry, producers, and individuals) to collaboratively prevent, mitigate, prepare for, respond to and recover from emergencies facing the agriculture sector.

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
76,204,256	76,730,103	82,153,712	79,807,062	3,076,959

Human Resources (Full-Time Equivalents — FTEs)

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
770	703	(67)

The increase from Planned to Actual Spending of \$3.1 million largely relates to incremental funding received to deliver the first year of the Federal Infrastructure Initiative. Additional resources were also received from Treasury Board central votes to offset salary related disbursements made on behalf of the Treasury Board Secretariat (maternity and paternity allowances, entitlements on cessation, etc.).

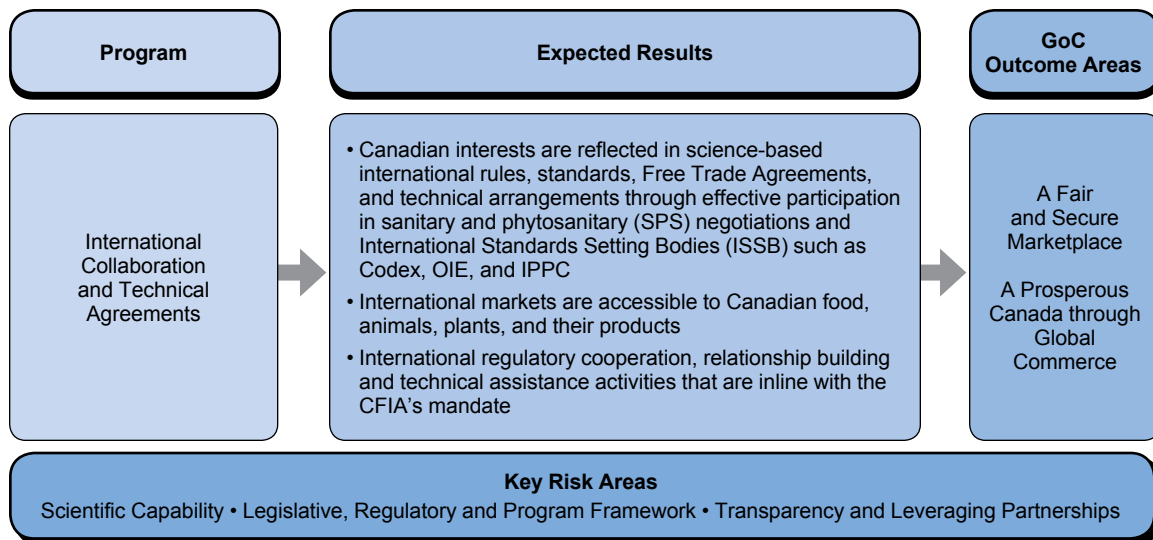
This increase was partially offset by the program re-alignment of resources (dollars and FTEs) to Internal Services in order to comply with new requirements of the amended Treasury Board *Guide on Internal Services Expenditures: Recording, Reporting and Attributing*, which came into effect on April 1, 2015.

FTEs were also impacted by the requirement for CFIA to absorb the ongoing cost increases associated with collective bargaining settlement negotiations from 2010–11 through to 2012–13. The ongoing cost of the most recent round of negotiations totalled approximately \$30 million annually. Given that nearly 80% of the Agency's annual operating expenditures support personnel costs, there was limited flexibility to realign non-personnel authorities to cover these increases. As a result, the Agency FTE complement declined through attrition in all Programs, including the Plant Resources Program.

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results	
Risks to the Canadian plant resource base from imported plants and plant products are mitigated	Number of regulated foreign plant pests that enter into Canada through regulated pathways and establish themselves	0	0	Met
Domestic plants and plant products are compliant with Canadian regulations and international agreements	Percentage of domestic seed, crop inputs and plants with novel traits in compliance with Canadian regulations and international agreements	90%	96.16%	Met
Confirmed introductions of quarantine pests in Canada are contained and risk- mitigated (e.g. through the issuance of Notices of Prohibition of Movement, Quarantine, up to and including the issuance of Ministerial Orders)	Percentage of confirmed introductions of quarantine pests for which notices are issued	100%	100%	Met
	Percentage of notices issued in a timely manner	90%	100%	Met
Canadian exports of plants and plant products meet the country of destination regulatory requirements and Canada's reputation is maintained	Percentage of certified plants and plant products shipment (lots) that meet the country of destination phytosanitary import requirements	99%	99.75%	Met

Program 1.4: International Collaboration and Technical Agreements



The Canadian Food Inspection Agency's International Collaboration and Technical Agreements program contributes to a coherent, predictable, and science-based international regulatory framework that facilitates meeting regulatory requirements of importing countries' food, animals and plants, and their products, resulting in the facilitation of multi-billion dollar trade for the Canadian economy. The program achieves its objectives through actively participating in international fora for the development of international science-based rules, standards, guidelines and policies and the management of sanitary and phytosanitary committees established under international agreements. The CFIA's active promotion of the Canadian science-based regulatory system with foreign trading partners and negotiations to resolve scientific and technical issues contribute to market access.

Performance Analysis and Lessons Learned

International Engagements:

In its international engagements for 2015–16, the CFIA:

- Participated in and coordinated Canada's Sanitary and Phytosanitary (SPS) input into various World Trade Organization (WTO) fora, including the three meetings of the WTO SPS Committee where the CFIA serves as the Head of Delegation for the Government of Canada
- Led Canada's participation at the International Plant Protection Convention (IPPC), the World Organization for Animal Health (OIE); and, with Health Canada, co-led Canada's participation at the Codex Alimentarius Commission, to promote the development of science-based international standards consistent with Canada's regulatory framework and Government of Canada (GoC) objectives

- Participated in the North American Plant Protection Organization (NAPPO), an IPPC regional body that develops regional phytosanitary standards to enable the trade of plants and plant products between Canada, the USA, and Mexico. The review of NAPPO's Strategic Plan, including strategic elements to better position the organization on the international scene and further enhance industry participation, was initiated in 2015

Greater Alignment of Regulatory Approaches with the USA through the Regulatory Cooperation Council (RCC) and the Beyond the Border (BtB) Initiative

- To enhance regulatory cooperation with the United States, the CFIA and its USA counterparts, the United States Department of Agriculture (USDA) and the United States Food and Drug Administration (FDA) developed four joint work plans in the areas of plant health, animal health, meat inspection and certification, and food safety which focussed on delivering key priorities between Canada and the USA in these areas
- The CFIA, USDA, and FDA established a governance structure to support enhanced regulatory cooperation. These Partnership Committees act as oversight bodies to review progress made on Regulatory Cooperation Council work plan initiatives and to discuss medium and longer-term regulatory alignment opportunities
- Key initiatives contributed to greater alignment:
 - For animal health, a zoning recognition arrangement developed through the Regulatory Cooperation Council was used in the recent highly pathogenic avian influenza outbreak resulting in faster recognition of zones and quicker re-establishment of commerce/trade
 - With respect to meat inspection, audits of the Canadian and USA meat and poultry inspection systems were completed and deemed to remain equivalent
 - In plant health, a memorandum of understanding (MoU) 'Perimeter Approach to Plant Protection' was signed that formalizes ongoing bilateral engagement between regulators to protect both countries from the introduction and spread of plant pests and invasive species, while facilitating trade
 - For food safety, the text of the Canada – USA Food Safety Systems Recognition Arrangement, which establishes that the systems in both countries achieve the same public health outcomes, was finalized
- Under the Beyond the Border (BtB), the CFIA has successfully implemented a number of recommendations under the Integrated Cargo Security Strategy. This work supports and facilitates a perimeter inspection approach for wood packaging material at the first point of arrival to clear foreign shipments entering both countries. The CFIA and its USA counterparts have been very effective in using the Asian Gypsy Moth program under Beyond the Border to mitigate the risk of Asian Gypsy Moth at origin

Supporting Market Access

Some of the major activities the CFIA conducted in 2015–16 in support of market access include:

- Restored access to multiple markets globally following the imposition of trade restrictions as a result of Canadian cases of bovine spongiform encephalopathy, avian influenza and bluetongue diseases in 2015
- Hosted several foreign delegations that came to audit Canada's food systems, plant protection and animal health control systems, which allow trade to occur or to continue uninterrupted
- Gained access for blueberries from British Colombia to China and Korea
- Negotiated expansion of the scope of the EU-Canada Organics Equivalency Arrangement
- Gained access for pork and pork products to India
- Expanded access for live aquatic animal species to Vietnam
- Gained access for beef and ready-to-eat meat to Ukraine
- Maintained access for exports of live aquatics, seafood and fishery products to China
- Maintained and expanded access to China for pet food
- Developed free sale certificates to facilitate the export of processed food to some Latin American countries
- Continued engagement by technical specialists abroad with CFIA counterparts in Mexico, China, India, Japan, and the EU and senior level CFIA engagements with the United States, the European Union, New Zealand, Australia, and China
- Continued engagement with various countries through existing bilateral fora (e.g. Joint Management Committee meeting with the EU, Sanitary and Phytosanitary Committee meetings with Colombia and Korea, and Consultative Committee on Agriculture meetings with Mexico and Brazil), and through ad hoc bilateral meetings such as incoming foreign visits to resolve scientific and technical issues and to support greater market access for the Canadian agriculture industry
- Provided technical assistance to regulatory counterparts in developing countries to actively promote the Canadian science-based regulatory system
- In collaboration with Global Affairs Canada, participated in Sanitary and Phytosanitary components of the Trans-Pacific Partnership (TPP) negotiations

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
30,000,919	34,682,935	32,938,250	32,552,166	(2,130,769)

Human Resources (FTEs)

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
344	307	(37)

The decrease from Planned to Actual Spending of \$2.1 million largely relates the program re-alignment of resources (dollars and FTEs). Specifically, a portion of Growing Forward II and Market Access resources were realigned to the Animal Health and Zoonotics Program and the Food Safety Program, to improve the alignment of program resources and expenditures. In addition, the re-alignment of resources to Internal Services was required in order to comply with new requirements of the amended Treasury Board *Guide on Internal Services Expenditures: Recording, Reporting and Attributing*, which came into effect on April 1, 2015.

FTEs were also impacted by the requirement for CFIA to absorb the ongoing cost increases associated with collective bargaining settlement negotiations from 2010–11 through to 2012–13. The ongoing cost of the most recent round of negotiations totalled approximately \$30 million annually. Given that nearly 80% of the Agency's annual operating expenditures support personnel costs, there was limited flexibility to realign non-personnel authorities to cover these increases. As a result, the Agency FTE complement declined through attrition in all Programs, including the International Collaboration and Technical Agreements Program.

Performance Results

Expected Result	Performance Indicators	Targets	Performance Status	
Canadian interests are reflected in science-based international rules, standards, Free Trade Agreements, and technical arrangements through effective participation in Sanitary and Phytosanitary (SPS) negotiations and International Standards Setting Bodies (ISSB) such as Codex, OIE, and IPPC	Number of key sanitary and phytosanitary negotiations and international standards setting bodies meetings where the CFIA promoted Canada's interests	36	38	Met
International markets are accessible to Canadian food, animals, plants, and their products	Number of unjustified non- tariff barriers resolved	45	57	Met
International regulatory cooperation, relationship building and technical assistance activities that are in line with the CFIA's mandate	Number of senior level CFIA-led committees with foreign regulatory counterparts	4	6	Met
	Number of CFIA-led technical assistance activities provided to foreign national governments	8	11	Met

Internal Services

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; Acquisition Services; and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

Performance Analysis and Lessons Learned

Assets and Acquired Service

In 2015–16, the CFIA addressed three of the four recommendations stemming from the Audit of Investment Planning:

- The Agency developed the internal processes necessary to support the application of the Acquired Services concept introduced by the Treasury Board Policy on Investment Planning – Assets and Acquired Services
- The Agency clarified the type of investments that have to be managed through the Enterprise Project Management Framework and approved a tool to appropriately guide Agency investments
- Corporate Management Branch, in partnership with the Information Management and Information Technology Branch, undertook initiatives to integrate Investment Planning and Project Management ‘work intake’ processes. These initiatives all build upon the existing Enterprise Project Management Framework which describes the various project management stages and requirements to advance to the next stage for all initiatives undertaken in the Agency

The CFIA is currently addressing the fourth recommendation, which is the implementation of a performance measurement system. The system will provide the performance measures necessary to assess the efficiency and effectiveness of the investment planning process and the annual overall performance of the Agency’s Investment Plan in 2016–17. This framework will be aligned with the Treasury Board Secretariat Policy Suite Reset.

As part of the CFIA’s commitment to project management, a full review of the Enterprise Project Management Framework toolkit was completed and it was updated to further develop current practices and disciplines. To improve on project scope, cost and schedule management, the CFIA is enhancing its project management tools by incorporating work breakdown structure.

The CFIA released an updated version of the Enterprise Project Management Framework in March 2016. The release included updates to existing tools and templates and the addition of new tools to aid project teams in the delivery of projects.

The CFIA engaged the Canada School of the Public Service to design and develop a project management course specific for CFIA Executives and Executive equivalents. The objective of the course is to provide participants with knowledge of the key elements of project governance and their roles and responsibilities to ensure there is value for money and that the outcome and benefits for which a project is undertaken are realized. The training was successfully launched in January 2015. Further refinements to the course content were completed in fiscal 2015–2016.

The CFIA continued to contribute to the 2013–2016 Federal Sustainable Development Strategy's Theme IV (Shrinking the Environmental Footprint – Beginning with Government) targets through the Internal Services Program.

- The CFIA is on track to reduce greenhouse gas emissions from its fleet by 13% below 2005 levels by 2020. The CFIA has reduced its fleet inventory in the last three years and procured more fuel efficient vehicles
- The CFIA fulfilled the requirements of the Policy on Green Procurement by ensuring that green procurement was incorporated into procurement management processes and tools and procurement specialists' training and procurement heads' and managers' performance evaluations

People Management

The CFIA developed a new scientific regulation classification standard, complete with role descriptors to replace traditional work descriptions. The scientific regulation classification standard amalgamates all science-based positions in the Biological Sciences, Agriculture and Chemistry groups, and will be fully implemented in 2016–17.

The training delivery strategy supporting the *Safe Food for Canadians Regulations* was altered to better align with the effective start date of the *Safe Food for Canadians Regulations*. Both the learning objectives and content were reviewed and validated and a revised project plan is ready for implementation in 2016–17.

The CFIA's Office of the Staffing Ombudsman is the first of its kind in the federal public service. The Staffing Ombudsman Policy includes a provision allowing the Office to conduct systemic staffing reviews where opportunities for improvement are identified. As a result of a number of complaints concerning collective staffing, the Office of the Staffing Ombudsman carried out a review in 2015–16 of collective staffing. The results and recommendations were presented to Senior Management. These recommendations were accepted and will be addressed through a Management Review Action Plan.

Information Management / Information Technology

In support of the transformation agenda, CFIA modernized applications and implemented an Application Portfolio Management Program. These efforts, along with lessons learned during implementation, moved the Agency toward a balanced and sustainable technology platform, based on Government of Canada standards.

Investment planning was further matured, resulting in better demand management for agency information management and information technology requirements. Greater engagement in branch and agency governance was also achieved, which results in better project management of information management and information technology application and platform modernization efforts.

Emergency Management

In 2015–16, the CFIA and AAFC developed the Agriculture and Agri-Food Canada (AAFC) and Canadian Food Inspection Agency (CFIA) Agreement on Emergency Response Coordination. The agreement sets out roles and responsibilities and establishes a working relationship between AAFC and CFIA regarding emergency response activities affecting the agriculture and agri-food sector in the context of each organization's legislated responsibilities.

In 2015–16, the Agency finalized After Action Reports for the responses to Avian Influenza (AI) in British Columbia (December 2015), Bovine Spongiform Encephalopathy (BSE) in Alberta (February 2015), and AI in Ontario (April 2015). These reviews identified areas for improvement, recommendations and corrective actions which are being implemented to improve future response capabilities.

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
115,329,152	115,750,051	121,934,439	119,846,641	4,096,590

Human Resources (Full-Time Equivalents — FTEs) – Internal Service

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
749	777	28

The increase from Planned to Actual Spending of \$4.1 million and 28 FTEs largely relates to the program re-alignment of resources to Internal Services. This realignment was necessary to comply with new requirements of the amended Treasury Board *Guide on Internal Services Expenditures: Recording, Reporting and Attributing*, which came into effect on April 1, 2015.

The FTE increase was partially offset by the requirement for CFIA to absorb the in-year and ongoing cost increases associated with collective bargaining settlement negotiations from 2010–11 through to 2012–13. The ongoing cost of the most recent round of negotiations totalled approximately \$30 million annually. Given that nearly 80% of the Agency's annual operating expenditures support personnel costs, there was limited flexibility to realign non-personnel authorities to cover these increases. As a result, the Agency FTE complement declined through attrition in all Programs, including Internal Services.

Section IV: Supplementary Information

Supporting Information on Lower-Level Programs

Supporting information on lower-level programs is available on the Canadian Food Inspection Agency's [website](#)^{xxi}.

Supplementary Information Tables

The supplementary information tables listed in the *2015–16 Departmental Performance Report* can be found on Canadian Food Inspection Agency's [website](#)^{xxii}.

- Departmental Sustainable Development Strategy
- Details on Transfer Payment Programs of \$5 Million or More
- Horizontal Initiatives
- Internal Audits and Evaluations
- Response to Parliamentary Committees and External Audits
- Status Report on Projects Operating With Specific Treasury Board Approval
- User Fees Reporting

Federal Tax Expenditures

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures annually in the [Report of Federal Tax Expenditures](#).^{xxiii} This report also provides detailed background information on tax expenditures, including descriptions, objectives, historical information and references to related federal spending programs. The tax measures presented in this report are the responsibility of the Minister of Finance.

Organizational Contact Information

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Appendix: Definitions

appropriation (*crédit*): Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

budgetary expenditures (*dépenses budgétaires*): Operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Departmental Performance Report (*rapport ministériel sur le rendement*): Reports on an appropriated organization's actual accomplishments against the plans, priorities and expected results set out in the corresponding Reports on Plans and Priorities. These reports are tabled in Parliament in the fall.

full-time equivalent (*équivalent temps plein*): A measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

Government of Canada outcomes (*résultats du gouvernement du Canada*): A set of 16 high-level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.

Management, Resources and Results Structure (*Structure de la gestion, des ressources et des résultats*): A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

non-budgetary expenditures (*dépenses non budgétaires*): Net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance (*rendement*): What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve, and how well lessons learned have been identified.

performance indicator (*indicateur de rendement*): A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

performance reporting (*production de rapports sur le rendement*): The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

planned spending (*dépenses prévues*): For Reports on Plans and Priorities (RPPs) and Departmental Performance Reports (DPRs), planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their RPPs and DPRs.

plans (*plan*): The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

priorities (*priorité*): Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

program (*programme*): A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

Program Alignment Architecture (*architecture d'alignement des programmes*): A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

Report on Plans and Priorities (*rapport sur les plans et les priorités*): Provides information on the plans and expected performance of appropriated organizations over a three-year period. These reports are tabled in Parliament each spring.

results (*résultat*): An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

statutory expenditures (*dépenses législatives*): Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

Strategic Outcome (*résultat stratégique*): A longterm and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

sunset program (*programme temporisé*): A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

target (*cible*): A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

voted expenditures (*dépenses votées*): Expenditures that Parliament approves annually through an Appropriation Act. The Vote wording becomes the governing conditions under which these expenditures may be made.

Whole-of-government framework (*cadre pangouvernemental*): Maps the financial contributions of federal organizations receiving appropriations by aligning their Programs to a set of 16 government-wide, high-level outcome areas, grouped under four spending areas.

Endnotes

- i Daily Activities: <http://www.inspection.gc.ca/about-the-cfia/organizational-information/safeguarding-with-science/eng/1449758854551/1449758893548>
- ii *Canadian Food Inspection Agency Act*: <http://laws.justice.gc.ca/eng/acts/C-16.5/>
- iii *Agriculture and Agri-Food Administrative Monetary Penalties Act*: <http://laws-lois.justice.gc.ca/eng/acts/A-8.8/>
- iv *Food and Drug Act*: <http://laws.justice.gc.ca/eng/acts/F-27/>
- v *Safe Food for Canadians Act*: <http://laws.justice.gc.ca/eng/acts/S-1.1/>
- vi *Canada Agricultural Products Act*: <http://laws.justice.gc.ca/eng/acts/C-0.4/>
- vii *Consumer Packaging and Labelling Act*: <http://laws.justice.gc.ca/eng/acts/C-38/>
- viii *Fish Inspection Act*: <http://laws.justice.gc.ca/eng/acts/F-12/>
- ix *Meat Inspection Act*: <http://laws.justice.gc.ca/eng/acts/M-3.2/>
- x *Agricultural Growth Act*: http://laws-lois.justice.gc.ca/eng/annualstatutes/2015_2/
- xi *Fertilizers Act*: <http://laws.justice.gc.ca/eng/acts/F-10/>
- xii *Plant Breeders' Rights Act*: <http://laws.justice.gc.ca/eng/acts/P-14.6/>
- xiii *Plant Protection Act*: <http://laws.justice.gc.ca/eng/acts/P-14.8/>
- xiv *Seed Act*: <http://laws.justice.gc.ca/eng/acts/S-8/>
- xv *Health of Animals Act*: <http://laws.justice.gc.ca/eng/acts/H-3.3/>
- xvi *Feeds Act*: <http://laws-lois.justice.gc.ca/eng/acts/F-9/>
- xvii *Public Accounts of Canada 2016*: <http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html>
- xviii Whole of Government Framework Spending Area: <http://www.tbs-sct.gc.ca/hgw-cgf/finances/rgs-erdg/wgf-ipp-eng.asp>
- xix *The Agriculture Growth Act*: <http://www.inspection.gc.ca/about-the-cfia/newsroom/news-releases/2013-12-09/backgrounder/eng/1386459916162/1386460014131>
- xx Methodologies: <http://www.inspection.gc.ca/about-the-cfia/accountability/reports-to-parliament/2015-16-rpp/eng/1453472983491/1453472984734#s6>
- xxi Supporting Information on Lower-Level Programs: <http://inspection.gc.ca/about-the-cfia/accountability/reports-to-parliament/2015-2016-dpr/eng/1472053055708/1472053099163?chap=8#s15c8>
- xxii CFIA's Section 3: <http://inspection.gc.ca/about-the-cfia/accountability/reports-to-parliament/2015-2016-dpr/eng/1472053055708/1472053099163?chap=8#s19c8>
- xxiii Report of Federal Tax Expenditures: <http://www.fin.gc.ca/purl/taxexp-eng.asp>