

Office of the  
**Taxpayers’  
Ombudsman**

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*2014-2015*

An abstract graphic featuring a blue and white checkered pattern. A large, light blue diagonal stripe runs from the top-left towards the bottom-right. Another, slightly darker blue diagonal stripe runs from the bottom-left towards the top-right, intersecting the first one. The background is a solid light blue.



Government  
of Canada

Gouvernement  
du Canada

Canada

***OFFICE OF THE TAXPAYERS' OMBUDSMAN***

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# Taxpayer Bill of Rights

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1. You have the right to receive entitlements and to pay no more and no less than what is required by law.
  2. You have the right to service in both official languages.
  3. You have the right to privacy and confidentiality.
  4. You have the right to a formal review and a subsequent appeal.
  5. You have the right to be treated professionally, courteously, and fairly.\*
  6. You have the right to complete, accurate, clear, and timely information.\*
  7. You have the right, unless otherwise provided by law, not to pay income tax amounts in dispute before you have had an impartial review.
  8. You have the right to have the law applied consistently.
  9. You have the right to lodge a service complaint and to be provided with an explanation of our findings.\*
  10. You have the right to have the costs of compliance taken into account when administering tax legislation.\*
  11. You have the right to expect us to be accountable.\*
  12. You have the right to relief from penalties and interest under tax legislation because of extraordinary circumstances.
  13. You have the right to expect us to publish our service standards and report annually.\*
  14. You have the right to expect us to warn you about questionable tax schemes in a timely manner.\*
  15. You have the right to be represented by a person of your choice.\*
  16. You have the right to lodge a service complaint and request a formal review without fear of reprisal.

## **COMMITMENT TO SMALL BUSINESS**

1. The Canada Revenue Agency (CRA) is committed to administering the tax system in a way that minimizes the costs of compliance for small businesses.
2. The CRA is committed to working with all governments to streamline service, minimize cost, and reduce the compliance burden.
3. The CRA is committed to providing service offerings that meet the needs of small businesses.
4. The CRA is committed to conducting outreach activities that help small businesses comply with the legislation we administer.
5. The CRA is committed to explaining how we conduct our business with small businesses.

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\* Service rights upheld by the Taxpayers' Ombudsman.



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The Honourable Diane LeBouthillier, P.C., M.P.  
Minister of National Revenue  
555 MacKenzie Avenue, 7<sup>th</sup> Floor  
Ottawa, ON K1A 0L5

Dear Minister:

I am pleased to submit for tabling in each House of Parliament, the Annual Report of the Taxpayers' Ombudsman; the seventh edition since the implementation of a Taxpayers' Ombudsman in Canada.

This report provides an overview of the activities and operations of the Office of the Taxpayers' Ombudsman from April 1, 2014 to March 31, 2015. It highlights our accomplishments as we strive to ensure the Canada Revenue Agency continues to deliver the professional service and fair treatment to which taxpayers are entitled.

Yours truly,

Sherra Profit, BA, LL.B  
Taxpayers' Ombudsman



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du Canada

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Mr. Richard Thorpe, CPA, CMA, FCMA  
Chair, Canada Revenue Agency Board of Management  
555 Mackenzie Avenue, 7<sup>th</sup> Floor  
Ottawa, ON K1A 0L5

Dear Mister Chair:

I am pleased to submit the Annual Report of the Taxpayers' Ombudsman; the seventh edition since the implementation of a Taxpayers' Ombudsman in Canada.

This report provides an overview of our activities and operations from April 1, 2014 to March 31, 2015. I trust that the information contained in this document will assist you in the oversight of the administration and organization of the Canada Revenue Agency.

Yours truly,

Sherra Profit, BA, LL.B  
Taxpayers' Ombudsman

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## MESSAGE FROM THE OFFICE OF THE TAXPAYERS' OMBUDSMAN

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This year can best be described as a year of transition for the Office of the Taxpayers' Ombudsman (OTO). We experienced many staffing changes, including the vacancy of the Taxpayers' Ombudsman position. We moved office locations, introduced a new form to authorize the exchange of information with the Canada Revenue Agency (CRA), and witnessed a change in the way taxpayers preferred to submit complaints. Despite these changes, our commitment to serving Canadian taxpayers and upholding their service rights remained unwavering.

As an independent and impartial organization operating at arm's length from the CRA, we continued to encourage the CRA in its pursuit of excellence in the fair service and professional treatment of Canadian taxpayers. Yet, during the millions of interactions the CRA shared with taxpayers over the last fiscal year, the possibility that a lapse in service or fair treatment existed. As such, we are proud of the role we played in satisfactorily resolving taxpayers' service complaints. We listened to taxpayers' concerns, educated and informed them about the work we do, facilitated their access to the proper redress mechanisms within the CRA, and investigated their complaints.

This fiscal year brought new faces to our office and several employees accepted new career opportunities within the office. These internal assignments, whether temporary or permanent, offered a great deal of flexibility to our organization by allowing us to retain corporate knowledge. Existing employees expanded their knowledge base and shared their expertise with our new employees. To the employees who left this past year to pursue opportunities outside the OTO, we thank you and wish

to recognize the contributions you made to serving Canadian taxpayers.

We noticed a significant shift in the way that taxpayers chose to voice their service complaints this year. In previous years, taxpayers submitted their service complaints by mail, fax, or in-person. In March 2013, we introduced an online complaint form on our website. According to our statistics, a significant increase in the adoption of the online form was evident during the 2014-2015 fiscal year. During our second quarter, the complaints submitted using our online form outpaced all other submission vehicles for the first time – online 45.9%; fax 35.5%. For the year, online complaint forms made up 38.6% of all submissions into our office, followed by complaint forms submitted by fax at 37.9%. It is anticipated that this trend will continue, with the gap widening in favour of online submissions.

This adoption of electronic services is consistent with the increasing trend to “go mobile”, with taxpayers taking control of managing their personal information anytime, anywhere – right at their fingertips.

We are listening and responding to the demands of taxpayers and we will continue to investigate potential enhancements to the current inventory of electronic services available through our office. However, evolving our business to meet these needs will require a balanced approach to the services we offer. Despite the demand for responsive and efficient e-services, we remain committed to providing options to taxpayers who do not have access to online services or who may be more comfortable contacting us via traditional means.

Taxpayers who submit service complaints to our office must be confident that we will only share their complaint and request personal information from the CRA with their signed consent. With the increased popularity of the online complaint form, we collaborated with the CRA to develop and implement the *Permission to Disclose* form in November 2014. The introduction of this form complements the online complaint form and provides the OTO with the taxpayer's authorization to share information about his or her complaint with the CRA. During the fourth quarter of the 2014-2015 fiscal year, our office received 136 *Permission to Disclose* forms.

## LOOKING FORWARD

We are proud of our achievements and the resiliency, adaptability, and commitment to service demonstrated by our employees during this period of transition. We will focus on reviewing and improving our processes, where necessary, and expanding our e-services portfolio to build on the efficiencies we discovered this past year. Most of all, we will keep listening to the concerns of Canadian taxpayers, consult with the CRA to resolve complaints in a timely manner, and uphold the eight taxpayer service rights.



It is  
our privilege  
to serve  
Canadian  
taxpayers.







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## ABOUT US

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The Taxpayers' Ombudsman is an independent officer appointed by the federal government to review service complaints about the Canada Revenue Agency (CRA) and uphold the taxpayer service rights identified in the *Taxpayer Bill of Rights*. The position was created to support the government's priorities of maintaining stronger democratic institutions, increased transparency, and the fair treatment of all Canadians.

### OUR VISION

In every interaction, the CRA treats taxpayers fairly and serves them professionally.

### OUR MISSION

The Taxpayers' Ombudsman is committed to ensuring transparency, accountability, and the fair treatment of taxpayers by the CRA.

### OUR MANDATE

The Taxpayers' Ombudsman's mandate is to assist, inform, and advise the Minister of National Revenue about any matter relating to services provided to a taxpayer by the CRA.

In carrying out this mandate, the Taxpayers' Ombudsman ensures the eight taxpayer service rights, as found in the *Taxpayer Bill of Rights*, are upheld by the CRA. In doing so, the Office of the Taxpayers' Ombudsman (OTO) conducts independent and impartial reviews of service complaints from taxpayers concerning the level of service or treatment they received from the CRA. Where a service-related issue arises that may affect a large number of taxpayers, we conduct a systemic investigation to determine whether recommendations about corrective actions are required for the CRA. In addition to these

responsibilities, the Taxpayers' Ombudsman raises awareness of the taxpayer service rights and the role of the OTO.

### OUR PRINCIPLES

We firmly believe in the independence, impartiality, fairness, and confidentiality of our interactions with taxpayers. We operate at arm's length from the CRA and provide taxpayers with an objective review of their service complaint. As a result of the review, we make recommendations to the CRA to address any gaps in service or validate that the CRA's actions are respectful of the *Taxpayer Bill of Rights*.

During our review of a service complaint, our position is not to advocate on behalf of taxpayers, nor defend the CRA. By adopting an impartial viewpoint, we ensure that fair treatment and the expected level of service are present in each interaction between taxpayers and the CRA. It is our responsibility to consider both perspectives, make recommendations that respect the eight taxpayer service rights, and outline proposed improvements to the established processes.

The Ombudsman must be fair in holding the CRA and taxpayers accountable for their respective contributions

to the factors that lead to the complaint, and act with equity and justice. Each complaint is reviewed on a case-by-case basis and recommendations for corrective action may be a shared responsibility between the taxpayer and the CRA.

It is critically important to our office that taxpayers feel confident that their service rights will be upheld and their personal information will not be shared with unauthorized parties. Our legal duty to protect the confidentiality of taxpayer information is paramount in our interactions with the CRA. It is equally important that the CRA trusts us to follow the proper procedures when sharing and handling taxpayer information, when authorized by the taxpayer.

### OUR COMMITMENT TO SERVICE

We are committed to acknowledging the receipt of a taxpayer’s complaint within two business days. For the service complaints we are working to resolve, we will follow-up with taxpayers every 15 business days to provide them with an update on their file. Our goal is to meet these service standards 100% of the time.

### Measuring our performance

As an independent and impartial office, our intervention in the service complaint process is measured against the expected performance of our office. As the organization responsible for upholding the taxpayer service rights, we must ensure that taxpayer complaints are resolved in a

timely manner, as often as possible. We measure our performance through the following indicators:



FIGURE 2.1 – PERFORMANCE INDICATORS FOR THE OTO.

1. 79 of the 1,330 complaints we received during 2014-2015 were not completed before the end of the fiscal year.  
 2. The OTO investigates all mandate-related service complaints received by our individual or systemic investigation sections.

...

## INSIDE OUR ORGANIZATION

The Office of the Taxpayers’ Ombudsman (OTO) is formed of many individual elements, which in unison, bond together to create an organization focused on ensuring that taxpayers receive the fair service and professional treatment they have come to expect from the Canada Revenue Agency (CRA). The sections of our office are Complaint Investigation, Systemic Investigation, Communications, and Corporate Services.

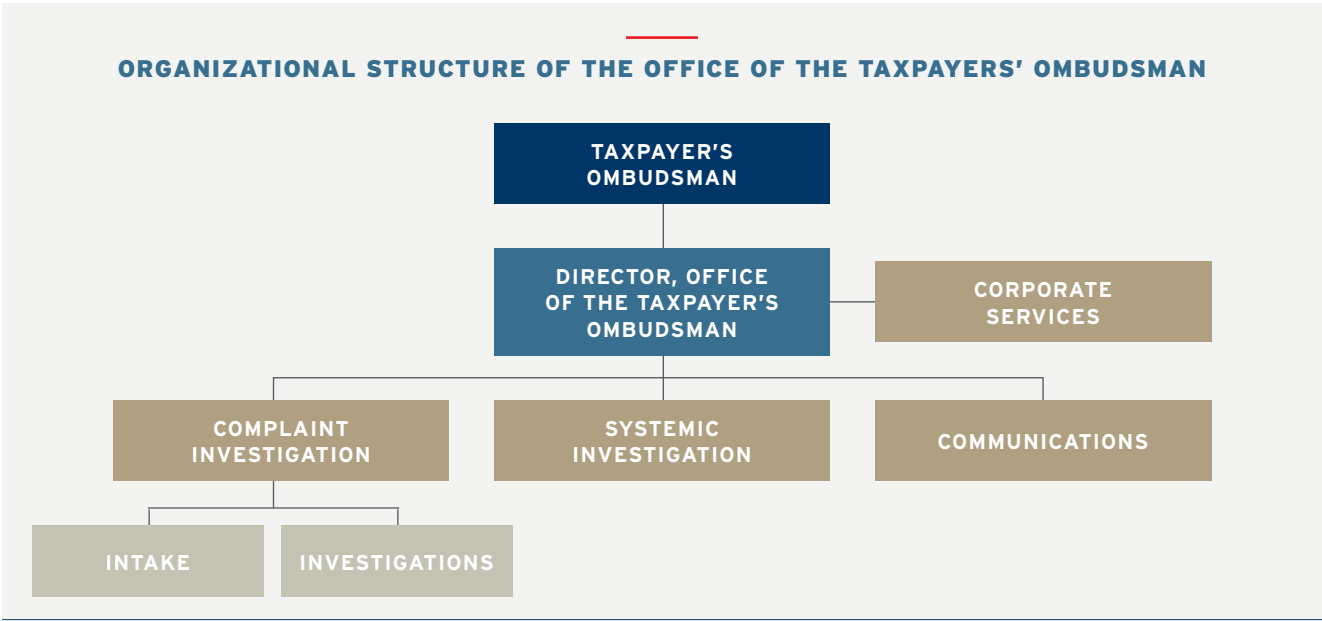


FIGURE 3.1 – ILLUSTRATION OF THE SECTIONS OF THE OTO DURING THE 2014-2015 FISCAL YEAR.

We employ highly dedicated, service-oriented individuals who proudly ensure that taxpayers are provided with the best possible service when we work to resolve their service complaints. To achieve this, we listen to taxpayers’ concerns, educate, and inform them about the work we do. We conduct impartial and independent reviews,

considering both taxpayers’ and the CRA’s perspectives. In some cases, we resolve complaints by facilitating taxpayers’ access to the CRA, or their communication with the CRA. When an investigation is required, we resolve the complaint and provide the CRA with our recommendations for corrective action.

## **OUR FOUR MAIN SERVICES**

### ***INFORMATION***

Our office handles thousands of calls each year from taxpayers who seek information and resolution to their service issues with the CRA. We help taxpayers better understand the taxpayer service rights and educate them about the process of resolving their complaint. If taxpayer complaints are not about a service issue with the CRA, we refer them to the appropriate government department or agency responsible for resolving their issue.

### ***FACILITATION***

When a taxpayer lodges his or her initial complaint with our office, we begin by verifying whether the complaint belongs with our office. If it is a service complaint about the CRA, we determine whether the taxpayer has exhausted the recourse mechanisms available through the CRA's Service Complaints Program. If the taxpayer has not provided the CRA an opportunity to resolve the service complaint, we ask the taxpayer for his or her permission to send the complaint to the Service Complaints Program. After 30 days have passed, we follow up with the taxpayer to ensure that his or her concerns are resolved.

However, there may be extenuating circumstances that prevent a taxpayer from completing the typical stages of recourse and require immediate assistance from our office. In these cases, we conduct a review of the taxpayer's complaint.

### ***COMPLAINT INVESTIGATION***

As an office of last resort for taxpayers, we understand our responsibility, listen to each of their complaints on a case-by-case basis, and provide impartial and independent reviews. We request that taxpayers send a signed copy of the complaint form to authorize the OTO to investigate their complaint and when necessary, exchange information with the CRA.

We investigate the service issue(s) outlined in the taxpayer's complaint and identify a path to resolution. There may be occasions when we are unable to identify that any service issue is present. In these situations, we conclude that the CRA provided taxpayers with services and treatment in accordance with its corporate values and procedures.

It is important that taxpayers understand that we cannot override the substantive decisions of the CRA, nor can we rule on tax policy or legislative issues. For each complaint, we review the service elements to identify a possible infringement of the taxpayer's service rights. In certain cases, we make recommendations to the Minister of National Revenue (the Minister) based on the results of our review.

### ***SYSTEMIC INVESTIGATIONS***

Whenever the facts of an issue impact a large number of Canadian taxpayers, the Ombudsman may request a review to determine whether a systemic issue exists. Systemic service issues are identified by conducting an analysis of emerging trends related to service. We may receive a number of complaints regarding the same topic or we may be notified of potential issues through consultation with industry stakeholders. The Minister may also request that we review an issue that was brought to his or her attention.

If our review confirms that a systemic service issue exists, we initiate an investigation and provide our findings and recommendations to the Minister. If no systemic issue exists or the CRA has taken sufficient action to resolve the issue, we close the investigation.

...  
YEAR  
IN REVIEW

COMPLAINT INVESTIGATION SECTION

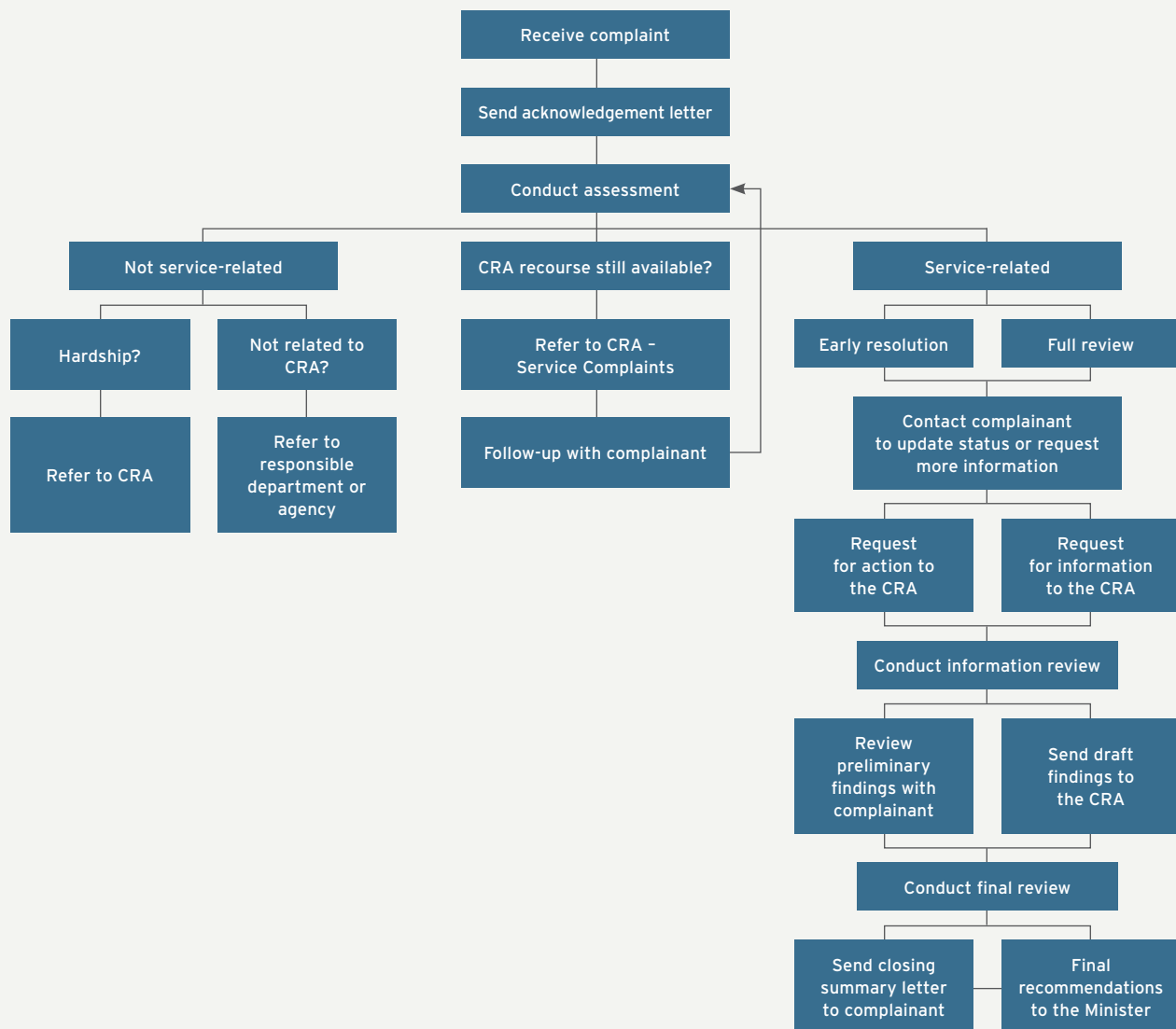


FIGURE 4.1 - FLOW CHART OF THE PROCESSES INVOLVED IN COMPLAINT INVESTIGATION.

The Complaint Investigation Section is the first point-of-contact for taxpayers who want to submit a complaint related to the service or treatment they received from the Canada Revenue Agency (CRA). This section is divided into two teams: Intake and Investigations. The intake officers acknowledge receipt of all complaints within two business days and respond to telephone enquiries from taxpayers who contact our office. They provide advice and information, and facilitate access to other areas of the CRA when taxpayers do not know who to contact.

We perform an initial assessment of each service complaint to determine whether it belongs within our office or to another government department or agency. If the complaint belongs elsewhere, we provide the appropriate contact information to direct the taxpayer. If the complaint falls within the scope of review of the Taxpayers' Ombudsman, we review the merits of the service complaint. If the service complaint requires a further review, we forward the complaint to the Investigations team.

Once received by the Investigations team, the investigators are responsible for examining the complaints in greater detail. They obtain information, evaluate the complaints, recommend solutions, and make referrals. If a particular complaint topic appears to recur, the topics are referred to the Systemic Investigation Section.

The Ombudsman's office and the CRA share a responsibility to protect the confidentiality of taxpayer information. Before we request information from the CRA to help with our investigation, we must first obtain written consent from the taxpayer, permitting us to exchange the necessary information with the CRA. Once we obtain the taxpayer's consent and the information we requested, our office conducts a thorough investigation and makes recommendations for corrective action, as required.

We recognize that some complaints received by our office are sensitive and require immediate attention. Where a taxpayer's situation does not permit the time required to follow the normal steps of the Service Complaints Program, the taxpayer may submit his or her complaint directly to our office. In these situations, we send an urgent request to the CRA for their immediate review and action. Urgent requests include cases of compelling circumstances, such as financial hardship, damage to the taxpayer's reputation with his or her employer due to the garnishment of his or her wages, and consideration for the taxpayer's emotional well-being if the process is prolonged further. Also, if a taxpayer's request raises systemic issues or is currently part of an ongoing systemic investigation, our office may act on the complaint outside of the normal process of the Service Complaints Program.

### ***EVOLVING WORKFORCE***

Throughout the course of this fiscal year, the Complaint Investigation Section adapted well to changes in personnel due to internal and external career advancement opportunities. While navigating these transitions, we continued to maintain our commitment to serving taxpayers with no disruption to our services.

It became evident that a significant strength of the Complaint Investigation Section was our ability to maintain an effective knowledge transfer system. New employees were equipped with the corporate knowledge necessary to fulfill the responsibilities required for the job. A number of the personnel changes resulted from internal promotions. This proved to be beneficial as we were able to offer new challenges to existing employees while continuing their skill development. Moving forward, we will continue to adhere to this model to identify opportunities for growth for our employees.

During this reporting period, we continued to support the co-operative education programs at the local universities by hiring a university student. The student benefits from the program by receiving a university credit while gaining valuable experience working as part of a team and serving Canadian taxpayers. The OTO benefits from engaging in open discussions with the student about the work we do and we gain valuable insight into new ideas and potential improvements to our processes and procedures.

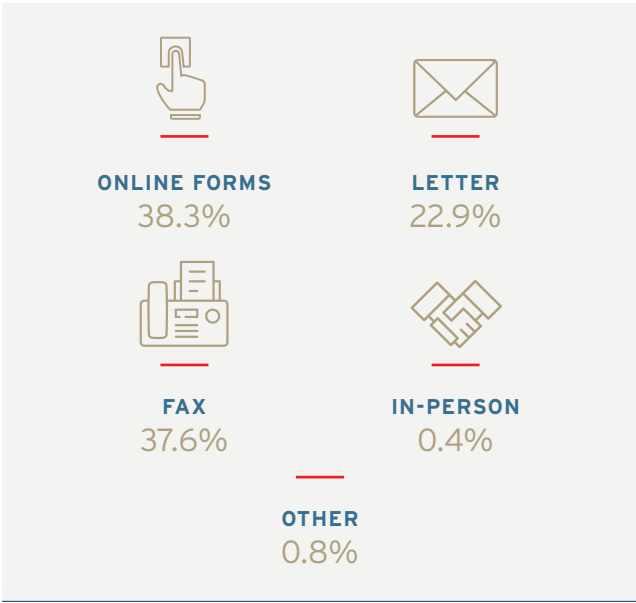
At the end of November 2014, we moved from 50 O’Connor Street to 150 Slater Street in Ottawa. The move reduced the amount of space (square footage) we occupied and the associated costs. During this move, we experienced no significant delays in our adherence to our service standards and continued to offer services to Canadian taxpayers. The office was closed mid-day Friday, November 28, 2014, and all lines of communication were available first-thing Monday, December 1, 2014. Our messaging service remained open and the voicemail was changed to include information about the move.

The requirement for a taxpayer to provide a signed consent to the OTO before sharing information about a service complaint with the CRA has always existed. However, in the third quarter of 2014-2015, we reviewed our processes for sharing taxpayer information with the CRA when a taxpayer submits a complaint online. In consultations with the CRA and with a focus on enhancing the protection of taxpayer information, questions arose with respect to the acceptability of digital signatures through our online complaint form. An agreement was reached that the best method to ensure the protection of taxpayer information was to request and obtain the taxpayer’s signed consent.

To adhere to this agreement, we developed and implemented a new *Permission to Disclose* form to complement our online complaint form. Since the implementation of this form, we have received the forms daily and our receipt of the required signatures has expedited the exchange of information with the CRA. Within the fourth quarter alone, we received 136 *Permission to Disclose* forms from taxpayers.

**BY THE NUMBERS**

During the 2014-2015 fiscal year, we received service complaints through a variety of means, including online, mail, fax, and in-person.



**FIGURE 4.2 - DISTRIBUTION OF PREFERRED METHODS WHEN SUBMITTING A COMPLAINT.**

Through the various methods that taxpayers chose to submit their complaints to our office, our Complaints Investigation Section opened a total of 1,330 new complaints during the 2014-2015 fiscal year. In addition to these new submissions, we carried over 84 files from the previous fiscal year as a review had not started prior to the end of that year. We also re-opened 20 files when new information was introduced to us that related to service complaints we previously closed.





FIGURE 4.3 - COMPARISON OF FILES RECEIVED.<sup>3</sup>

However, opening files is only a part of the responsibilities of our intake officers. When a complaint file is opened, an intake officer determines the nature of the issue. If the complaint does not relate to a service issue, the intake officers close the file as a non-mandate complaint. If the complaint relates to service, but the taxpayer has not exhausted all possible service complaint mechanisms available through the Service Complaints Program, the

file is referred to the CRA. We refer to this as “early resolution” and during the 2014-2015 fiscal year, our intake officers closed 1,019 such files. If a service complaint cannot be resolved through early resolution but is service-related, our intake officers forward the file to our investigations team. During this reporting period, our investigators completed 152 investigations into service complaints.

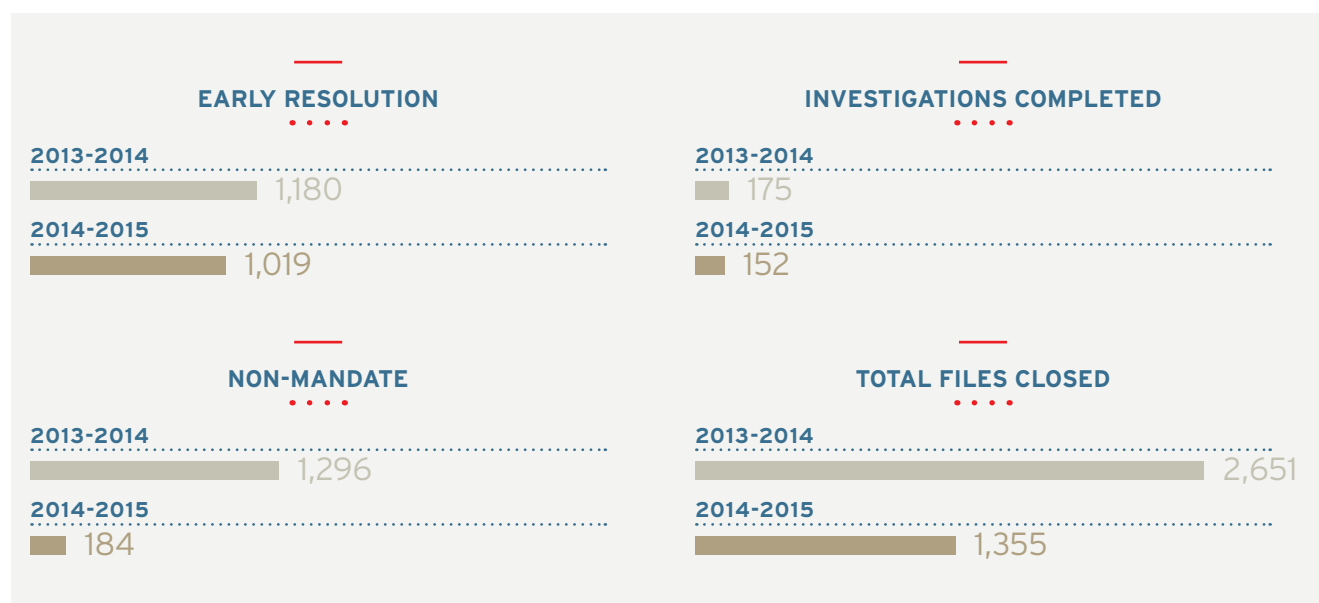


FIGURE 4.4 - COMPARISON OF FILES CLOSED.

3. Complaints about tax donation schemes and the closure of in-person counter services resulted in a significant number of additional complaints being submitted to our office in 2013-2014, as compared to 2014-2015. These complaints related to legislative changes and were determined to be non-mandate complaints.

The gap between the non-mandate complaints we received and closed during 2013-2014 as compared to those received in 2014-2015 can be explained by an influx of complaints from taxpayers or their representatives related to tax-shelter donation schemes and the closure of the CRA's in-person counter services. We received over 1,000 complaints from taxpayers voicing their frustration toward the disallowance of their donations in a given year as a result of the arrangement they entered into with the recipient organization. However, this issue was legislative, not service-related, and therefore, did not fall within the mandate of our office.

This fiscal year, we had 4,743 telephone interactions with taxpayers. These calls related to initial contacts with our office, requests for information about our office, follow-ups about existing service complaints, and facilitating access to the CRA or other government departments and agencies for assistance. Maintaining open lines of communication with taxpayers is essential to our ability to provide all taxpayers with an opportunity to seek resolution to their service complaints.

In March 2013, we introduced an online complaint form for taxpayers. Over the course of the reporting period, we saw a significant increase in the adoption of our online complaint form by taxpayers, from 7% on implementation to 38.6% this year. This is a very encouraging statistic as these forms use a common template to capture all of the pertinent information for investigators. By presenting the information in a consistent fashion, the form increases our efficiency when reviewing a taxpayer's complaint. Also, with the growth in popularity of electronic services being offered throughout the Government of Canada, the success of our online form better positions our office to implement new e-service options for taxpayers in the future.

When taxpayers submit a service complaint, we encourage them to identify the taxpayer service rights they believe were not upheld during their interactions with the CRA. This encouragement can lead to some

complex complaints and investigations as taxpayers may identify multiple rights they believe were infringed.

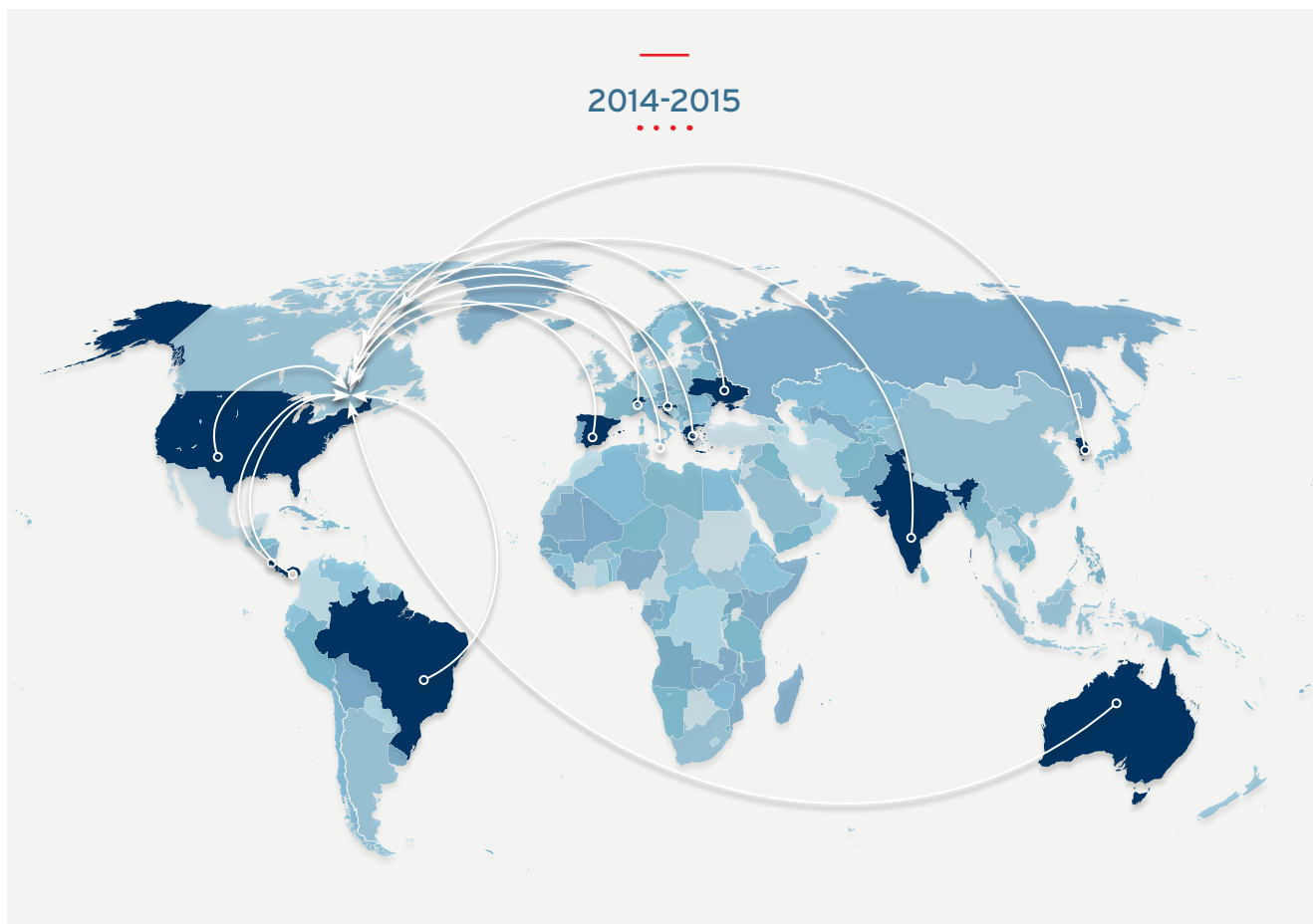
FILE COMPLEXITY	INVESTIGATIONS COMPLETED IN 2014-2015
NUMBER OF FILES WITH 1-3 ISSUES	143
NUMBER OF FILES WITH 4-5 ISSUES	3
NUMBER OF FILES WITH 6+ ISSUES	6
AVERAGE NUMBER OF ISSUES PER FILE	1.4

FIGURE 4.5 - TABLE DISPLAYING NUMBER OF ISSUES PER COMPLAINT IN 2014-2015.

*GLOBAL RESPONSIBILITIES – TAXPAYERS LIVING ABROAD*

An individual's tax obligations to the CRA are not limited to Canada's geographical borders. Many individuals living outside Canada may have income reporting requirements. As a result, the OTO must ensure that our services are available to Canadian taxpayers living anywhere in the world. During the 2014-2015 fiscal year, we received 17 online complaint forms from outside Canada. These complaints originated from Australia, Brazil, Costa Rica, Croatia, Greece, India, Malta, Panama, South Korea, Spain, Switzerland, Ukraine, and the United States.

We were encouraged to see that awareness of our services reached taxpayers who live beyond our borders. By enhancing our online services for taxpayers, we better align our e-service offerings with those being implemented by the CRA. The introduction of an online complaint form allows our office to provide easier access to service complaint resolution mechanisms for all taxpayers, whether they live here or abroad.



## CASE SUMMARIES

The following case summaries represent a sample of the service complaints handled by our office during the 2014-2015 fiscal year. For the purposes of confidentiality, we replaced the name of the taxpayers with an unrelated alphabetical designation.

## CREATING CONNECTIONS THROUGH COMMUNICATION

Mr. A submitted a complaint to our office in July 2014, stating he was unable to reach a taxpayer services officer through the CRA's general enquiries telephone line. He had questions regarding the status of his income tax return and the refund he was expecting to receive. He filed his income tax return by the end of April, but had not received a reply from the CRA in the nine weeks leading up to submitting his service complaint.

To facilitate an efficient resolution to Mr. A's complaint, we called Mr. A and requested his permission to forward his file to the CRA's Service Complaints Program. We followed up with the Service Complaints Program

30 days later and were pleased to hear that Mr. A's complaint was resolved. His return was processed and a notice of assessment was issued three weeks after his initial enquiry to our office.

### **SEPARATING CREDITS**

As stated in their separation agreement, Mr. B and his former spouse are responsible for the shared custody and costs associated with their two children. In preparing to file his tax return, Mr. B reviewed the information related to support payments on the CRA's website. He determined that his situation was the same as an example he read on the website. As a result, he and his former spouse agreed to each claim one child on their respective returns under the credit for *Amount for an eligible dependent* (line 305).

However, when the CRA denied both of their claims, Mr. B stated that he called the general enquiries line several times to ask why they were not eligible and he was offered a different answer each time. He stated that he was also unable to receive clear information on how to file an appeal, as he maintained that his situation was highlighted as an example on the CRA's website.

Mr. B enquired outside the CRA with several government officials about his situation and was told that he was not eligible to claim the amount for an eligible dependent. Unsatisfied with these responses, Mr. B submitted a service complaint to our office. With Mr. B's permission, we shared his complaint with the CRA and requested an officer contact him to provide an explanation concerning his ineligibility to claim the credit and how to file an objection. As a result of our intervention, Mr. B received an explanation from the CRA, which he understood.

### **PROVIDING A BENEFIT TO TAXPAYERS**

In order for the CRA to properly determine Ms. C's Canada child tax benefit (CCTB) entitlement following her separation from her husband, the CRA requested additional proof of the separation. When she experienced difficulty providing this proof to the CRA, Ms. C filed a complaint with our office. As a result of these difficulties,

her CCTB was withheld and she became in dire need of the benefit.

We sent an urgent request to the CRA to contact Ms. C and discuss her situation. When the CRA contacted Ms. C, she was able to provide an alternate form of proof to satisfy the CRA's requirements regarding the separation from her husband. As a result of our intervention, the CRA reinstated and released the CCTB payment. A cheque was issued to Ms. C within two weeks. Thankful for our service, Ms. C sent an email to our office, appreciative that we were able to alleviate the anxiety and stress that she experienced.

### **GRATEFUL FOR OUR SERVICE**

We also receive calls from businesses that believe they have not received the service to which they are entitled during their interactions with the CRA. We are proud of our ability to assist businesses in re-establishing their connections to the CRA, help reduce red tape, and provide guidance throughout the complaint resolution process.

In May 2014, Mr. D, a small business owner, contacted our office reporting that he was experiencing significant financial hardship. The CRA froze all of his bank accounts as a result of a collection action, which he reported forced him to lay-off several employees. Unable to access his personal accounts, he reported not being able to pay for the medication he required for his health condition. Mr. D claimed that in previous interactions with a collections officer, the officer never discussed a payment arrangement, never requested a financial disclosure, and refused to entertain Mr. D's offer to pay the balance owing within 90 days.

We sent an urgent request to the CRA, asking that an officer contact Mr. D and discuss his situation. Due to our intervention, the CRA was able to arrange financial disclosure and an acceptable payment arrangement. Mr. D's bank accounts were released, and he was able to get back to his business and to maintain his health.

Mr. D called our office to thank us for resolving his service issue and stated he was grateful for the help we provided him in re-establishing communication with the CRA.

#### **ASSISTANCE IN FINANCIAL HARDSHIP**

Even if a taxpayer has no income to report in a given year, filing a tax return is very important. Benefits, like the CCTB or the goods and services tax/harmonized sales tax (GST/HST) credit, are calculated based on the income reported by the taxpayer and his or her spouse or common-law partner. However, if a taxpayer does not file on-time or his or her return is selected for review, this may lead to delays in the processing of the taxpayer's benefit entitlements.

Ms. E was expecting a significant refund from the 2011 and 2012 income tax returns that she filed in 2014. However, the CRA selected her returns for review and was withholding her income tax refund and CCTB payments until it was able to validate the documentation she provided to prove her separation from her husband. After its review, the CRA determined that the documentation Ms. E provided was insufficient to prove the change to her marital status and that the children were in her care. As a result, Ms. E did not receive the income tax refund or the CCTB payment she expected. This caused her severe financial hardship. She reported that she would be on the verge of homelessness if the CRA did not release the payments she was expecting.

After contacting our office, Ms. E filed a service complaint and we sent an urgent request to the CRA, asking that an officer contact her. The CRA contacted her immediately and she was able to provide alternate proof about her marital status and about her children being in her care. As a result of our intervention, Ms. E's income tax refund and benefits were released and a payment of almost \$10,000 was deposited into her bank account within three weeks of her initial contact with our office.

#### **MAKING ARRANGEMENTS FOR PROFESSIONAL SERVICE**

Filing a number of previous years' tax returns at the same time can mean that a balance owing, complete with interest and penalties, can accumulate quickly and potentially trigger collection actions by the CRA.

In Mr. F's case, he experienced a variety of life events that challenged his health and subsequently affected his ability to file on time. When he filed his returns and received the notices of assessment, a collections officer was assigned to Mr. F's file. He discussed his balance owing with the collections officer and they agreed to a payment arrangement of \$100 per month.

Over the subsequent year, Mr. F's file was transferred to a number of different collections officers. Each collections officer contacted Mr. F and demanded that the balance he owed be paid in full. They stated that his previous payment arrangement was "no longer acceptable". The collections officers asked him on a number of occasions to complete additional Income and Expense Statements, even though his financial situation never changed. Mr. F believed that the CRA's treatment of his file was unprofessional. As a result, he filed a service complaint with our office, outlining his concerns.

During our investigation of Mr. F's service complaint, we noted that he complied with almost every request made by the different collections officers who contacted him, even though he was suffering through his various illnesses. Our investigation determined that a review of his financial information needed to be conducted on a priority basis.

Due to our intervention, Mr. F's new collections officer contacted him, provided a clear explanation of his account, and discussed a mutually satisfactory payment arrangement, resolving Mr. F's concerns.

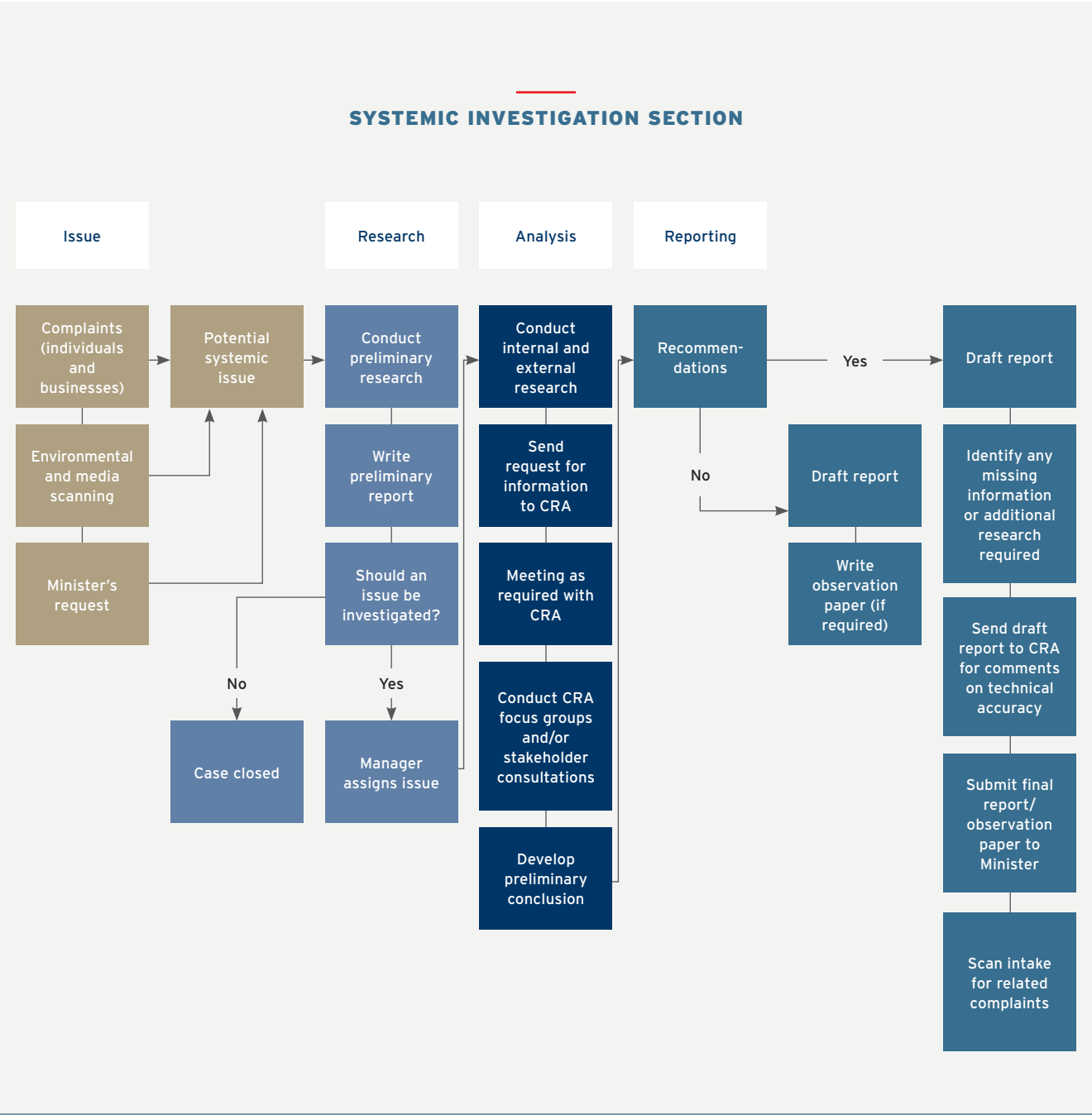


FIGURE 4.7 - SYSTEMIC INVESTIGATION PROCESS MAP.

The Systemic Investigation Section is responsible for the identification of emerging trends and review of systemic issues related to the rights of taxpayers seeking to receive fair and professional treatment from the CRA. Investigators are responsible for researching, reviewing, and identifying possible solutions to service gaps for systemic issues that have the potential to negatively affect a large segment of taxpayers and/or benefit recipients.

During the 2014-2015 fiscal year, the Systemic Investigation Section delivered no recommendations to the Minister of National Revenue and closed no investigations internally. All systemic investigations were completed to the point where the Taxpayers' Ombudsman's authority was required to continue. However, the Systemic Investigation Section continued to monitor incoming complaints to identify trends and potential systemic issues.

#### ***THE TOP COMPLAINTS HEARD BY THE OTO***

These trends are identified when complaints are received and do not take into account how the complaints are resolved. It is important to note that even though a trend is identified, it does not mean a systemic problem exists or a systemic investigation will necessarily be undertaken.

- Taxpayers felt they were treated unfairly or unprofessionally by the CRA during the tax collections process;
- Taxpayers felt confused or frustrated about which documents were needed to prove their marital status or eligibility for the Canada child tax benefits;
- Taxpayers were frustrated they could not get through on the CRA's general enquiry (1-800-959-8281) telephone line; and,
- Taxpayers were frustrated with the delays in the CRA's completion of audits, appeals, and taxpayer relief requests.

#### ***SYSTEMIC INVESTIGATION PROCESS REVIEW***

For 2014-2015, a priority for our senior management team was to conduct a Systemic Investigation Process Review to identify efficiencies in the operation of the section.

This included a review of our procedures, timelines, and training needs. The Systemic Investigation Section met to discuss various tasks that could either be streamlined or eliminated from the process because they were not essential elements to investigations and to research of trends. All internal manuals and process maps were updated to reflect the changes to our systemic investigations.

Further discussions included a review of the project management timelines for our systemic investigations. The review resulted in a shortened timeframe for senior management's review and approval. Instead of creating a hierarchy of approvals, the senior management team agreed to concurrently review investigation reports and to make any suggestions for improvement through a collective discussion.

Like the Complaint Investigation Section, the Systemic Investigation Section saw changes to their personnel during the past year, adding an additional member to the team in the fourth quarter of 2014-2015. Also, the Systemic Investigation Section determined that leveraging the Communications team to assist in the writing and editing of the special reports would enable the systemic investigators to begin their next investigation earlier.

The Systemic Investigations Section also continued to liaise with other federal ombudsman offices to share best practices.



## COMMUNICATIONS SECTION

The primary function of the Communications Section is to raise awareness of taxpayer rights, the role of the Taxpayers' Ombudsman, and the activities and achievements of the OTO. The Communications Section provides strategic advice to senior management on public and stakeholder engagement; plans and executes outreach activities; and manages media relations.

The current fiscal year proved to be a productive one for the Communications Section. We made strides in completing the review of several processes, including the development of a proposed two-year communication plan. The plan focused on the short-term activities of the office, and identified several long-term initiatives to develop and implement. We made effective use of the communications products at our disposal during this transition period and will continue to research additional opportunities to promote the services of the Taxpayers' Ombudsman and the OTO.

### INFORMING CANADIANS THROUGH THE WEB AND SOCIAL MEDIA

The Communications Section implemented a redesign of the Office of the Taxpayers' Ombudsman's website to better align our online presence with the Government of Canada's web modernization initiative. By enhancing our web template, the future migration of our information to the Canada.ca web domain will be more efficient for our webmasters. This update displays our content in a consistent format for easier migration to the new domain and leverages the familiarity of the existing Canada.ca navigation for taxpayers.

The new website boasts an enhanced, feature-rich, and responsive design that enables us to leverage several communication vehicles in one space. Some of the enhancements include:

- Billboards to highlight our upcoming or current initiatives;
- Displays the **@OTO\_Canada** and **@BOC\_Canada** Twitter-feeds; and
- Enables the introduction of video to be streamed on our site.

These improvements to our website will also enable taxpayers to have greater access to the content they want, whenever and wherever they need it.

During the 2014-2015 fiscal year, more than 245,000 visitors accessed our website. Measuring this traffic allowed us to identify the information most valued by taxpayers, based on the visits to a specific page. Outside of our opening and main web pages, this information shows us that instructions on how to submit a complaint (8,229 visits) and the types of enquiries we review (6,404 visits) were topics of interest on our website in 2014-2015.

Another communication tool we used to generate traffic to our website was our Twitter accounts in both official languages. We used our Twitter feeds to broadcast a variety of topics to our followers. Several recurring topics in our tweets focused on generating awareness of the work conducted by our office, highlighting the taxpayer service rights, explaining the service complaint process, and directing taxpayers to our systemic investigations and special reports. Where necessary, we included a link to the applicable page on our website to support the content of the tweet and further educate taxpayers about the particular topic.



Over the course of the 2014-2015 fiscal year, we composed and tweeted 138 English and 137 French messages on our **@OTO\_Canada** (approximately 640 followers) and **@BOC\_Canada** (approximately 140 followers) Twitter accounts.<sup>4</sup>

## CORPORATE SERVICES SECTION

The Corporate Services Section provides advice and integrated organizational services. This section touches every aspect of our office. The Corporate Services Section is responsible for corporate planning and reporting, financial management, human resources management, information management, information technology, and procurement; all in compliance with the related legislative requirements for the Government of Canada.

This section was very busy this fiscal year, from a human resources perspective, managing the personnel moves, as well as ensuring the financial foundation of the office remained on solid footing.

Each year, we perform reviews of our internal processes and procedures to identify potential changes to how we conduct our business. Building upon the success of the previous fiscal year, our Quality Assurance Program showed that we continue to meet the business needs of our office, yet we are open to evolving our business practices, should the need arise.

The office move in the third quarter of 2014-2015 brought a series of challenges that we successfully overcame. The Corporate Services Section worked diligently before and after the transition to ensure that services to taxpayers would be available on our first day at the new location. This included the coordination of the move of our telephony devices, information technology infrastructure and equipment, and the routing of all in-transit mail. To prepare for the move, the office closed mid-day on Friday, November 28, 2014, and re-opened, fully operational on Monday, December 1, 2014. Our voicemail messaging service remained operational

during this time and the voicemail message was changed to highlight the move to our new offices.

Within our new office, employees were introduced to the new workplace 2.0 office environment; a standard initiated by Public Works and Government Services Canada in support of modernizing and renewing the workplace.

Our new location is owned by Manulife Financial and the major tenant of the building is Export Development Canada. It was important to share our business continuity and emergency preparedness plans with these stakeholders, as well as the CRA and the Minister. If an emergency or incident occurred and we are unable to operate from our new location, we must have the necessary contingencies in place to continue our operations and provide services to Canadian taxpayers. By notifying our stakeholders, we can ensure that communication remains open and continuous in case a change in our location or to our temporary contact information is necessary.

4. These statistics represent the fiscal year end of March 31, 2015. The difference in tweets in French and English is due to an additional English response to a specific Twitter user's question. The follower numbers are approximated as they are fluid.

## OUR PEOPLE

The success of our office depends on the experience, skill, and knowledge of our employees. Therefore, we invested in employee training and development to ensure that our employees have the essential knowledge and competencies to support our office, and the necessary tools to perform their roles in assisting Canadian taxpayers.

Our employees took the initiative to express their interest in and openness to other opportunities within our office, when vacancies arose. As a result, these internal assignments, whether temporary or permanent, offered a great deal of flexibility to our organization allowing us to retain corporate knowledge, while building on our employees' skills and competencies.



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## OUR FINANCES

The following table compares the summary of our expenditures for the 2013-2014 and 2014-2015 fiscal years.

EXPENDITURES	2013-2014 (\$000)	2014-2015 (\$000)
SALARIES	1,664	1,803
PROFESSIONAL SERVICES	25	89
NON-PROFESSIONAL SERVICES	80	4
TRAINING AND EDUCATION	45	34
INFORMATION TECHNOLOGY SERVICES	14	0
TRAVEL	51	2
OFFICE EQUIPMENT	11	71
PRINTING AND PUBLISHING	14	10
OFFICE EXPENSES	13	11
TOTAL ANNUAL OPERATING EXPENSES	1,917	2,024

FIGURE 4.8 - TABLE DISPLAYING THE SUMMARY OF OUR FINANCIAL EXPENDITURES.

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## HOW TO CONTACT US

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### *YOU CAN CONTACT OUR OFFICE BY:*

- Calling us toll-free at **1-866-586-3839** within Canada and the United States.

If you are outside of Canada and the United States, please call collect at **613-946-2310**.

Our office hours are **8:15** to **16:30** Eastern Standard Time, Monday to Friday (except holidays).

- Visiting our website at **www.oto-boc.gc.ca** and completing our complaint form, describing your situation, submitting it online, or mailing or faxing it with any supporting documents to:

**Office of the Taxpayers' Ombudsman**  
**600-150 Slater Street**  
**Ottawa, ON K1A 1K3**  
**Canada**

Fax: **613-941-6319**

Toll-free fax: **1-866-586-3855**

- Making an appointment for an in-person meeting by calling us during our office hours.

To stay informed on our activities, follow us on Twitter **@OTO\_Canada**, subscribe to our electronic mailing list, or add our RSS feed to your feed reader.