



Canada Revenue
Agency

Agence du revenu
du Canada

DEPARTMENTAL RESULTS REPORT

2017-18

The Honourable Diane Lebouthillier, P.C., M.P.
Minister of National Revenue

Canada

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A message from the Minister

Since my appointment in 2015 as Minister of National Revenue, I have been proud to serve Canadians by fulfilling the mandate I received from the Prime Minister. I am committed to treating Canadians as valued clients, and to ensuring tax fairness, to support the activities of the Government of Canada.

I am especially proud of our initiatives this year to offer help to those who need it. The Canada Revenue Agency (CRA) supports people who struggle to complete their tax return. For instance, we help people in person through the Community Volunteer Income Tax Program (CVITP), and its offer of free tax clinics to vulnerable Canadians. We are also working hard to reach Canadians who might not be receiving the tax credits or benefits to which they are entitled. Budget 2018 includes the CRA's plans to expand Agency outreach and the CVITP.

We also help Canadians by continuing to modernize our digital services to serve individuals and businesses, with more automation of individual and business tax return filing, and more online interaction with taxpayers. Examples include the ReFILE service to adjust previous returns, enhancements to the Auto-fill my return service, the Express NOA (notice of assessment) and the CRA BizApp.

The CRA used recommendations from Serving You Better consultations and round tables with northern residents to inform the development of the Northern Service Improvement Strategy. In August 2018, as part of the strategy, I announced that the Agency would open three new Northern Service Centres in the territorial capitals of Whitehorse, Yellowknife and Iqaluit prior to the 2019 tax season. These centres will better support territorial residents, Indigenous communities, and businesses.

This year, we also launched a new automated telephone service, File my Return: Canadians with low income or a fixed income that is unchanged from year to year simply provide answers to a few questions the automated service asks. All the deductions, benefits, and credits for which they are eligible are taken into account, and they do not need to fill in paper forms or perform calculations.

The CRA also continued to simplify correspondence this year to make it easier to understand. We still have work to do on our telephone services, which the Auditor General of Canada examined this year and recommended we improve: we are focusing on real solutions to better serve the Canadians who call us.



We are committed to continuing to improve services to Canadians as valued clients; to this end, I supported appointing the CRA's first Chief Service Officer, as well as a Chief Data Officer to oversee a coordinated approach to CRA data.

My mandate includes measures to ensure fairness in the tax system by preventing tax evasion. After the government's allocation of additional funding in budgets 2016 and 2017, the CRA increased audit and investigation capacity by hiring more specialists and improving risk assessment processes. Increasing collaboration with national and international stakeholders and tax administrations has also made a difference. As an example, the CRA now reviews all international electronic funds transfers over \$10,000 and is focusing on high-net-worth taxpayers to ensure they pay their fair share.

Finally, regarding another mandated responsibility, I received the Panel Report on the public consultations on charities and political activities in March 2017. We continue to study its findings within the CRA, in collaboration with other government departments. The CRA's approach is to offer charities the tools they require, and to keep them informed. We are committed to ensuring they are not subjected to political harassment and to modernizing the rules that affect them. In October 2018, the CRA issued a further draft guidance document, Charities and public policy advocacy, for consultation. It provides general information on how the CRA would implement draft legislative proposals and administer rules governing the public policy advocacy activities of charities.

These and many other efforts by the employees of the CRA help make it a fair and responsive tax administration. I am happy to share their accomplishments and pleased to present the Departmental Results Report 2017-18.

The Honourable Diane Lebouthillier, P.C., M.P.
Minister of National Revenue

Foreword by the Chair

In 2017-2018, the Board of Management (Board) remained committed to fulfilling its legislated responsibilities under the Canada Revenue Agency Act by engaging and guiding Agency executives and employees to achieve the strategic priorities outlined in the 2017-2018 Corporate Business Plan.

I was appointed as the Chair of the Board in August 2017. The Board of Management, under the leadership of my predecessor, Mr. Rick Thorpe, ensured the CRA was on a journey towards service excellence and being a world-class tax and benefit administration. I would like to express my appreciation to Mr. Thorpe for his leadership in setting the Board's priorities for 2017-2018.

During this period, the Board remained focused on its five strategic priorities: service to Canadians, integrity and security, people management, innovation, and resource management. The Board kept itself abreast on key Agency risks and the strategies in place to mitigate those risks.

The Board played its oversight role by reviewing and monitoring various Agency initiatives identified in the 2017-2018 Corporate Business Plan and in the Government of Canada's result framework, through its quarterly dashboard. The Board ensured that Agency's performance targets were realistic, measurable, and were linked to the outcomes expected by Canadians. The Board also monitored Agency's financial performance to ensure optimal resource utilization.

Board members actively monitored targets of budgetary focus as well as fulfilment of the Minister's mandate, and fully supported the CRA's vision to ensure the CRA is a world-class tax and benefit administration, where taxpayers feel like valued clients.

The Board aggressively monitored the CRA's timely implementation of its action plan to address the recommendations from the Auditor General of Canada's report regarding the objections and appeals process at the CRA to ensure a timely response to taxpayer objections. The CRA achieved a reduction of 11,025, or 21%, in its inventory of outstanding objections.

In November 2017, the Auditor General tabled his report in Parliament on the Agency's call centres. To oversee the Agency's timely response to the Auditor General's recommendations and ensure call centre service excellence for Canadians, the Board established a Call Centre Advisory Subcommittee. This subcommittee provided oversight of the



strategy and implementation of the Agency's call centre action plan, as well as oversight of the Agency's implementation of recommendations from the Auditor General's report.

The Board continued to encourage innovation across the Agency with respect to offering taxpayers new and improved digital services, increasing the Agency's use of data analytics and artificial intelligence to better serve Canadians. This included encouraging the Agency to prepare for and leverage emerging and disruptive technologies, such as Blockchain and digital currency, all with a view of ensuring the integrity and security of the information entrusted to the CRA, by Canadians.

To ensure the Agency's readiness to respond to and adopt these emerging and disruptive technologies, the Board established a Blockchain Advisory Subcommittee to oversee and support the Agency in developing and implementing a strategy for the Agency's adoption of blockchain technology, in line with broader Government of Canada strategies.

The Board continued to build strong working relationships with the Commissioner and members of the senior management team, and pushed for continued efforts to work horizontally across the Agency in view of streamlining and improving service.

The Board continued to underscore the importance of the Agency's human resources, and received regular updates from the senior Agency management to ensure the Agency employees impacted by the Phoenix pay system, were well supported. The Board approved and monitored the Agency Workforce Plan 2017-2018 to ensure the CRA has a skilled, multi-talented, and diverse workforce and leaders for the future.

Board members participated in director orientation and development events. They engaged in discussions with senior Agency management and staff, and received excellent support and timely information, which helped the Board in realizing its oversight responsibilities.

On behalf of the CRA Board of Management, I am pleased to recommend this report to the Minister of National Revenue, the Honourable Diane Lebouthillier, for tabling in Parliament.

Suzanne Gouin

Chair, Board of Management

A message from the Commissioner

The Canada Revenue Agency's (CRA) 2017-18 Departmental Results Report underscores the CRA's efforts to strive for excellence in everything we do in administering the tax and benefit programs that sustain the social and economic well-being, and trust, of Canadians.

During 2017-18, the CRA continued on its journey to transform into a client-centric tax administration. The World-Class Tax and Benefit Administration (WCTBA) initiative helped us to look at the Agency as a whole to identify our strengths and point out how we can achieve better results for Canadians. Through this exercise, and through feedback provided by Canadians, we have learned that, while we are doing many things well, there are aspects of our administration that need fundamental change.

This past year the Agency faced a number of challenges. For example, there were issues with fairness in our administration of the disability tax credit. There were also transitional challenges under the Service Renewal initiative that led to temporary processing delays. Meanwhile, the Auditor General's Fall 2017 Report on our call centres identified issues with the quality of service Canadians received when using our telephone enquiries lines.

We are committed to providing Canadians with the best possible service, and are taking steps to improve our performance in these areas.

As part of our efforts to bring about change within the Agency, we continued to improve the culture of service throughout our organization. The goal of providing Canadians with world-class, client-centred service is to treat citizens with empathy and fairness and to make it easy for them to comply voluntarily with their tax obligations. To help with our service journey, we appointed the CRA's first Chief Service Officer (CSO). Creating this position will help to implement an overarching and integrated service agenda for the Agency in the years to come, one where taxpayers and benefit recipients are the focus of the programs we design and deliver.

In striving to meet the service expectations of Canadians, we continued during the year to expand our digital service options, especially our ability to transmit and receive communications electronically with taxpayers. Advancing our service culture, however, also means recognizing that not all Canadians have access to electronic services and digital devices. The Agency continues to provide and enhance service options that can



be accessed by Canada's most vulnerable citizens, including seniors, Indigenous peoples, and individuals and families with modest incomes. During the year, the Agency adopted an updated Strategy for Vulnerable Populations to guide our outreach activities and the Community Volunteer Income Tax Program (CVITP) over the next three years. The Agency's proposal to expand the CVITP, increase the number of participating organizations, and support year-round benefit clinics was included in Budget 2018.

One insight we gained from the WCTBA initiative in 2017-18 was that improving communication between program areas can lead to better performance and results. The appointment of the Agency's CSO and first Chief Data Officer (CDO) during the year marked a step in that direction. The establishment of the CDO role will especially help the Agency improve our data integration and our data quality standards and processes across branches.

The Agency's use of business intelligence and advanced data analytics has helped us respond to the realities of a globalized tax environment and address many international non-compliance issues. Ongoing and enhanced international cooperation has been key as well. During the year, I continued to serve as Vice-Chair of the Organisation for Economic Co-operation and Development's Forum on Tax Administration. The Forum has helped us gain numerous insights on how best to deal with multinational corporations that use aggressive tax planning and shift profits overseas to avoid paying taxes. It has also given us the opportunity to share our experiences and best practices with other tax administrations. Over the course of 2017-18, the CRA heightened its focus on tax scheme promoters and on individuals and corporations that try to avoid or evade taxes by hiding their income offshore.

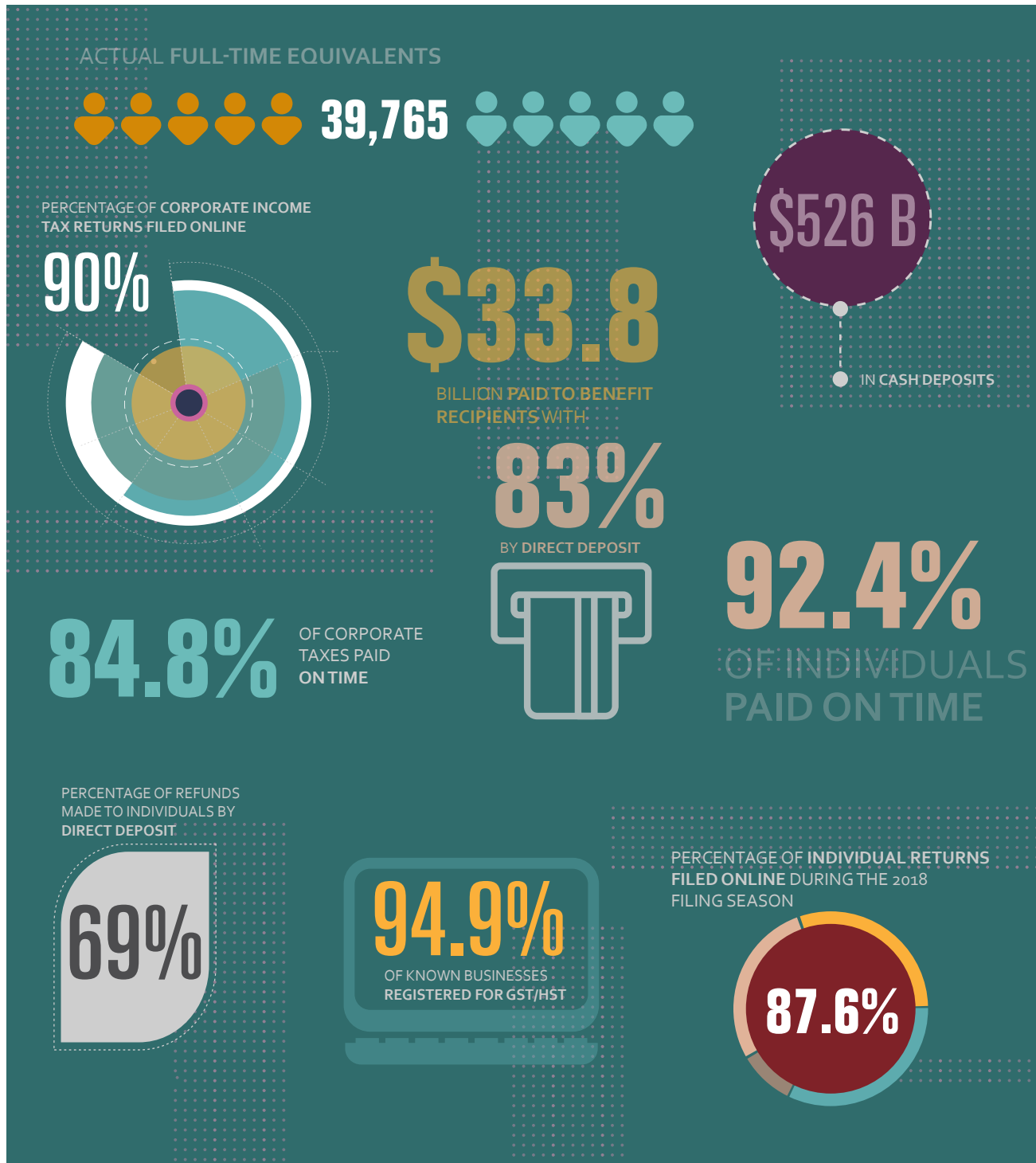
Our goal in striving for full compliance is to uphold the fairness and integrity of the tax system and ensure that everyone fulfills their obligations under Canada's tax laws. To this end, we will continue to audit, verify and match, but will also emphasize education and outreach as a means of achieving compliance over the long term.

In submitting this report, I want to thank all of the Agency's employees and acknowledge their efforts in fulfilling their responsibilities on behalf of Canadians throughout 2017-18. Their work contributed significantly to the quality of life that has earned Canada such an enviable reputation world-wide. It is the ongoing dedication, knowledge, and professionalism of our employees that will ensure we continue to achieve our priorities and objectives, advance our service culture, and continue to help us meet expectations of being a truly world-class tax and benefit administration.

Bob Hamilton

Commissioner of the Canada Revenue Agency

2017-18 Results at a glance



Raison d'être, mandate, and role

Raison d'être

The Minister of National Revenue is responsible for the Canada Revenue Agency (CRA). The CRA administers tax, benefits, and related programs, and ensures compliance on behalf of governments across Canada, thereby contributing to the ongoing economic and social well-being of Canadians. The CRA processes hundreds of billions of dollars in taxes and issues billions of dollars in benefit and credit payments annually.

Mandate and role

The CRA's mandate is to make sure Canadians:

- pay their required share of taxes
- receive their rightful share of benefits

In fulfilling its core responsibilities, the CRA administers the Income Tax Act, the Excise Tax Act, and the Excise Act; collects taxes on behalf of provinces and territories; collects certain non-tax debts for the federal government; and administers legislation relating to the Canada Pension Plan and the Employment Insurance program.

For more general information about the CRA, see the "Supplementary information" section of this report. For more information on the CRA's organizational mandate letter commitments, see the [Minister's mandate letter from the Prime Ministerⁱⁱ](#).



- Tax

To ensure that Canada's self-assessment tax system is sustained by providing taxpayers with the support and information they need to understand and fulfill their tax obligations, and by taking compliance and enforcement action when necessary to uphold the integrity of the system, offering avenues for redress whenever taxpayers may disagree with an assessment/decision

- Benefits

To ensure that Canadians obtain the support and information they need to know what benefits they may be eligible to receive, that they receive their benefit payments in a timely manner, and have avenues of redress when they disagree with a decision on their benefit eligibility



- Tax

Canadians comply with tax obligations, non-compliance is addressed, and Canadians have access to appropriate mechanisms for resolving disputes

- Benefits

Canadians receive their rightful benefits in a timely manner



- Government-wide priorities

- Government services and operations
- Strong middle class
- Fair and open government

- Ministerial priorities

- Improve service to Canadians to ensure the CRA is fair, helpful, and accessible
- Crack down on tax evaders and work with international partners to adopt strategies to combat tax evasion and aggressive tax avoidance
- Work with the Minister of Finance to clarify the rules regarding political activities for registered charities, in recognition of the valuable contribution they make to public policy and debate

Operating context and key risks

Operating context

The CRA delivers its core responsibilities by administering tax and benefit legislation enacted by Parliament and provincial and territorial legislatures, in collaboration with the Department of Finance Canada, and in alignment with Government of Canada priorities.

In 2017-18, the CRA continued to transform its services in response to the mandate given to the Minister of National Revenue, and worked with other departments, such as Employment and Social Development Canada. We gave renewed importance to seeing service from the point of view of Canadians, especially vulnerable people, making filing easier and telling them how to get the benefits to which they are entitled. We collaborated with Canadian and international organizations and consulted Canadians on issues ranging from more people receiving benefits to overall service improvement. During this planning period, the CRA undertook a major service culture initiative to integrate our new commitment to those we serve in our every action and interaction with Canadians.



This year, the Agency continued the journey to becoming a world-class tax and benefit administration. This involved engaging employees and conducting an objective and comprehensive assessment, which applied the International Monetary Fund's Tax Administration Diagnostic Assessment Tool. It showed us opportunities to improve and we are using its direction to do so.

Tax evasion and aggressive tax avoidance are complex global priorities for tax administrations around the world. The Government of Canada made significant investments in Budgets 2016 and 2017 to address these priorities and improve tax compliance. These investments are being used to fund new initiatives and extend existing programs that ensure our tax system is fair and equitable for all Canadians, and to increase our capacity for global collaboration.

The CRA continues to target tax avoidance schemes and the underground economy. We increased targeted research and improved our business intelligence. We used information from many external sources, including the Panama and Paradise papers to identify potential non-compliance issues.

In 2017-18, the Government continued to deliver on its commitment to study the tax gap and published a report on individual income tax non-compliance. The publication of tax gap estimates and methods provides information to the Government of Canada and the public on tax non-compliance and the Agency's compliance efforts, while helping to deliver on the Government's commitment to transparency. Understanding how and why taxpayers are non-compliant is critical to addressing that non-compliance to preserve the integrity of the tax system and protect Canada's revenue base.

We also analysed data to identify patterns and predict outcomes in order to ensure an appropriate response to technological change, protect the security of personal information, and respond to cyber threats, as well as improving digital service to assist Canadians.

Like all government departments, the Agency is also affected by the Phoenix pay system issues. While impacts on CRA employees are fewer than in other departments, they are nonetheless significant and difficult for those affected. Our compensation advisors have worked very hard to minimize the impacts of Phoenix. The CRA is also an active member of public service committees of senior officials created to monitor and correct problems related to Phoenix. We have maintained a commitment to constant communication with our employees on challenges and progress.

Focus on experimentation, Gender-based Analysis Plus, and the World-Class Tax and Benefits Administration initiative

Throughout this report, we highlight three areas of focus for the CRA, wherever you see the following logos.



This logo refers to efforts undertaken to address gaps identified through the [Tax Administration Diagnostic Assessment Tool](#)ⁱⁱⁱ (TADAT), released on May 14, 2018 on Canada.ca. The report provides results of the World-Class Tax and Benefits Administration (WCTBA) assessment and opportunities for the Agency to improve.



This logo identifies areas of innovation. The CRA often focuses on evidence-based experimentation and innovation to find new ways to address outstanding issues and provide taxpayers and benefit recipients with the best possible service.



Finally, this logo identifies areas of interest with regard to Gender-based Analysis Plus (GBA+). Gender equality, diversity, and inclusion are key priorities for the Government of Canada. The CRA is committed to GBA+ as part of good program analysis and informed decision-making, and applying GBA+ to all federal government proposals to ensure improved outcomes for all Canadians.

Key risks



The evaluation using TADAT scores the Agency highly on having a structured and comprehensive process in place to identify, assess, prioritize, and mitigate institutional risks.

The CRA's mature risk management process regularly scans, identifies, and assesses key enterprise risks to manage unexpected events and seek solutions.

The table on the next page highlights some of the key risks that could impact the CRA's ability to meet its objectives and priorities owing to the influence of a number of emerging global trends. These trends include the increasing prevalence and sophistication of cyber threats, which could lead to the unauthorized use of information, global economic uncertainty, changes in digital commerce such as the adoption of digital currencies and online payment systems, and taxpayer's expectations for seamless digital interactions and services. Further on the horizon, new technologies such as cloud computing, blockchain, artificial intelligence and robotics may change Canada's economy and the CRA's way of doing business.

There are also risks in the internal environment. Continuing to enhance business intelligence though the secure management of the CRA's data assets is critical, particularly in areas such as compliance and collections. The Agency's workforce is aging, making knowledge-transfer, leadership development and training even more important. However, this trend is also a unique opportunity to reshape the workforce to meet the evolving business practices and environment of the CRA. In many ways, the pace of change of the CRA's environment is accelerating. As such the CRA is focused on its agility, ensuring that the organization works in a coordinated and horizontal fashion, so that commitments are met, expected outcomes are achieved and the CRA acts swiftly and fairly in the face of uncertainty.

Effectiveness of risk implementation strategies

The Agency Management Committee assesses the Agency's enterprise risk on an annual basis, determining the effectiveness of controls and, where necessary, risk mitigation strategies. The CRA has built a risk tolerance methodology to appropriately target resources to areas in need of more attention. The Agency follows a mature risk action plan and follow-up process to implement these strategies, based on the anticipation that they will respond to each risk effectively and reduce the risk's impact and likelihood of occurring.

Risks	Mitigating strategy	Link to core responsibilities	Link to mandate letter commitments and government-wide or Agency priorities
Cybersecurity There is a risk that cyber threats will compromise CRA services and taxpayer information.	<ul style="list-style-type: none"> Implementing the Data Security Initiative to further reduce the risk of data being disseminated to unauthorized parties Using advanced malware protection to neutralize threats to our web services 	Tax, Benefits, and Internal Services	Agency priorities <ul style="list-style-type: none"> Integrity and Security Government-wide priority <ul style="list-style-type: none"> Government of Canada Strategic Plan for Information Management and Information Technology 2017 to 2021
Pace of delivery There is a risk that the speed and expected outcomes of implementing operational change will not respond to the expectations of Canadians and of the Government.	<ul style="list-style-type: none"> Implementing the Results and Delivery approach to monitor and report on the Agency's progress toward mandated priorities and core responsibilities 	Tax and Benefits	Agency priorities <ul style="list-style-type: none"> Service Mandate letter commitment <ul style="list-style-type: none"> All mandate letter commitments are affected
Compliance The CRA's compliance risk is subdivided into categories. These are the top risks given their potential impact on the CRA's ability to protect Canada's revenue base, and the public's confidence in the fairness and integrity of the tax system.	<ul style="list-style-type: none"> Offshore assets Hiring more auditors and specialists, increasing verification, enhancing investigative work, and developing business intelligence infrastructure Transfer pricing Implementing a country-by-country reporting regime for transfer pricing that will give the CRA more information on Canadian and foreign multinational enterprises through information exchanges with other countries Digital commerce Strengthening compliance strategies by focusing research on the types and extent of non-compliance for evolving digital currencies, digital payment systems, and online businesses Sharing economy Expanding research capacity to better understand the extent and varying types of non-compliance in the emerging sharing economy to help identify proper risk models to support potential strategies and new areas of focus 	Tax	Agency priorities <ul style="list-style-type: none"> Compliance Service Mandate letter commitments <ul style="list-style-type: none"> Crack down on tax evaders and work with international partners to adopt strategies to combat tax avoidance
Tax debt There is a risk that the growth of the tax debt will outpace the growth of revenues.	<ul style="list-style-type: none"> Implementing various initiatives and strategies, including a five-year plan supported by commitments in Budget 2016, to improve ability to collect outstanding tax debts; using data-mining initiatives to enhance collections strategies, which include developing and experimenting with behavioural techniques and predictive analytics through business intelligence projects 	Tax	Agency priorities <ul style="list-style-type: none"> Compliance Government-wide priority <ul style="list-style-type: none"> Inclusive and sustainable economic growth Enhancing tax collections was a major priority for the CRA under Budget 2016, with major collection targets made over a five-year period
Service channels There is a risk that the CRA's service channels will not evolve to meet the expectations of taxpayers, businesses, and benefit recipients.	<ul style="list-style-type: none"> The implementation of the Benefits System Renewal Project will renew and strengthen the benefits system by modernizing the IT foundation, and introducing processing improvements, which will incorporate new technologies to ensure the CRA meets its priority of issuing timely and accurate benefit payments to the millions of Canadians who depend on them 	Tax and Benefits	Agency priorities <ul style="list-style-type: none"> Service Mandate letter commitment <ul style="list-style-type: none"> Improve service to Canadians to ensure the CRA is fair, helpful and accessible

Tax

Core responsibility

To ensure that Canada's self-assessment tax system is sustained by providing taxpayers with the support and information they need to understand and fulfill their tax obligations, and by taking compliance and enforcement action when necessary to uphold the integrity of the system, offering avenues for redress whenever taxpayers may disagree with an assessment/decision.

Service

[Public opinion research^{iv}](#) shows that Canadians expect the Canada Revenue Agency (CRA) to care about their unique situations, to work hard to help them, and to be proactive and adaptive in meeting their evolving individual needs.

The Agency is committed to strengthening its service culture and ensuring that Canadians receive the information and support they need to meet their tax obligations. Currently, we often work in organizational silos where we do not always adequately consider the client's perspective. This can impede a people-centered approach to our program design. We need to focus on the journey of the taxpayers and benefit recipients who interact with us. To address this issue, we are developing a service agenda that will take a comprehensive view of service.

In the Agency's drive to provide Canadians with the best possible service, one key milestone during the year was the appointment of the CRA's first Chief Service Officer (CSO). The CSO is leading the development and implementation of an overarching and integrated service agenda for the Agency that will put the taxpayer and benefit recipient at the centre of program and service design.

Telephone services

During 2017-18, the CRA's call centres received in excess of 30 million tax (individual and business) calls. Our goal is to ensure that Canadians are able to access our call centres when they need them, and receive accurate and relevant answers to their questions.



Using the Tax Administration Diagnostic Assessment Tool, the Agency found that it did not meet the TADAT standard of responding to telephone enquiries in a timely fashion.

Action Plan: The Agency has implemented a number of measures, as noted below, to improve the accessibility of its call centres. These measures have already led to some tangible improvements for callers. In 2018-19, as part of a government-wide initiative, the CRA expects to replace its aging telephone infrastructure, resulting in an improved service experience for Canadians.

The 2017 Fall Report of the Office of the Auditor General included the results from an audit of Agency call centres that identified issues with timeliness, accuracy of information provided, and performance reporting. The Agency took immediate steps to improve its call centre service and developed a three-point action plan to address the issues raised by the Auditor General's report. Leveraging the action plan, and with previous investments from Budget 2016, the CRA took a number of measures during the year to improve telephone service and accessibility.

Some key improvements made through the year include:

- Enhanced the CRA's interactive voice response system in February 2018 by adding a new feature that allows callers to confirm their account balance and last payment details without needing to speak to an agent; over 24,000 calls were served by the new Account Balance automated service
- Designed a new approach to training and supporting 700 newly-hired agents in 2017
- Put in place a new national quality assurance team in February 2018 to conduct ongoing evaluations of the quality and accuracy of information that we provide to callers and identify opportunities for continuous improvement
- Launched immediate feedback surveys, as part of the CRA's Agency-Wide Feedback model, featuring a short touch-tone questionnaire for callers who have completed their interaction with the CRA call centres; feedback from these surveys will help the CRA track call centre service satisfaction
- Incremental increases in call wait times have allowed more callers to access the telephone system instead of receiving a busy signal. Our wait times were increased across all business lines, from 2 minutes in 2016-17 to 5 minutes by the end of 2017-18. This has allowed us to reduce the number of call attempts needed to reach an agent or automated service, from an average of 3.3 call attempts in 2015-16 to 2.1 attempts in 2017-18.
- Consistent with the Agency's stated goal of improving call accessibility, as well as a recommendation from the Auditor General, the CRA has taken several steps to improve Canadians' experience while interacting with our call centres. As was committed to in the CRA's response to the OAG, the CRA is consulting with Canadians through an independent market research firm to determine what Canadians expect in terms of call centre service levels. Performance indicators, including wait time targets and service standards, will be adjusted following receipt and analysis of the Public Opinion Research study, anticipated by Spring 2019

"Improving service to Canadians is my top priority. We know that Canadians lead busy lives and doing taxes can sometimes be a challenge. This is especially the case for people with reduced mobility, people who live far from service locations and people without Internet access. The CRA is working to make it easier and simpler to find, complete and file a return. The new services we are now providing are more user-friendly and convenient."

– The Honourable Diane LeBouthillier, Minister of National Revenue

The table below provides a breakdown of how calls to our individual and business enquiries call centres were treated in 2017-18:

	Number of calls answered by an agent	Number of calls for which the caller opted to self-serve using the automated service	Number of calls that were not served; these include calls for which the caller:	
			Did not opt to self-serve using the automated service	Received a busy signal
Individual	7,565,740	5,585,685	10,073,329	955,214
Business	3,028,617	590,766	333,277	4,194,645

During the year, the CRA also took steps to make it easier for Canadians to find and understand basic tax and benefit information online at Canada.ca in order to help reduce the demand for such information placed on the call centres. For example, working in partnership with the Digital Optimization Office at the Treasury Board Secretariat, as well as other areas, the CRA worked on projects to improve web content related to GST/HST and Payroll, and Business Registration and Account Maintenance.

Campaign pages are another way in which the CRA is making it easier for Canadians to obtain basic tax and benefit information. These pages are used to target specific audiences during relevant periods of the year. For example, the [Get Ready^v](#) campaign page and [Doing Your Taxes^{vi}](#) page provide all the information a taxpayer needs to file a return, make a payment, and make changes to a return. Campaign pages related to life events such as [moving^{vii}](#), [marital status changes^{viii}](#), and [having a child^{ix}](#), or being a [newcomer to Canada^x](#), were developed to provide Canadians with the information they need to take action based on these particular circumstance. For the tax-filing season, updates were made to these various campaign pages on Canada.ca.

Key results: Telephone services

- o The CRA improved the accessibility of its telephone services, with 48% of the calls it received during 2017-18 being answered, compared to 36% in 2016-17, as reported by the Auditor General in the Fall 2017 Report
- o We answered 16.8 million income tax and business related calls through agents and automated services
- o Through a dedicated telephone service pilot launched in 2018, tax professionals received effective responses to their complex and specialized calls (in excess of 4,200 calls between July 2017 and June 2018), helping them help their clients and freeing up the CRA's general phone lines for other enquiries
- o Over 24,000 calls were served by the new Account Balance automated service from February 2018 to the end of March 2018 as part of CRA efforts to provide Canadians with a higher standard of call centre service and more self-service options
- o More callers can now wait in queue, extending wait times - the average wait time now exceeds our service standard of 2 minutes - however the wait time has also reduced the number of call attempts needed to reach an agent or automated service from an average of 3.3 attempts in 2015-16 to an average of 2.1 for 2017-18, an important service enhancement for callers
- o In an effort to make ongoing improvements to our services, we monitor caller satisfaction closely and analyze feedback monthly; overall caller satisfaction was reported at 76% (Public opinion research on the CRA's telephone enquiries service is scheduled to take place in 2018-19 and may have an impact on the Agency's service standards)
- o With the launch of File my Return, a new automated telephone filing service, the CRA is making it easier and simpler for Canadians with a low or fixed income that is unchanged from year-to-year to file their returns. Beginning in February 2018, over 970,000 eligible individuals were invited to use the new service and file their income tax and benefit return simply by answering a series of short questions and giving some personal information over the phone. File my Return allows all the deductions, benefits, and credits that an eligible individual is entitled to, without having to do calculations or fill out paper forms

Written correspondence

Simplifying the CRA's written correspondence with taxpayers is a significant Agency commitment to service improvement. By the end of 2017-18, the CRA was able to meet its target of simplifying the readability and improving the design of 90% of its written correspondence. Positive client feedback on the changes was received through public opinion research and user testing. The feedback indicated that, through streamlining and simplifying the look of notices, statements, and letters, the CRA had made its correspondence much easier to read and understand.



Using the Tax Administration Diagnostic Assessment Tool, the Agency found that it does a good job in obtaining feedback through consultations with taxpayer representatives and tax practitioners, which is then taken into account in the design of administrative processes and products.



Certain populations more vulnerable to poverty—including Indigenous Peoples, seniors and newcomers to Canada—experience barriers to tax filing, such as insufficient access to tax clinics and services, cost of commercial tax help, problems assembling documents, low literacy, and complexity of the tax system. We are making it easier for people to file their taxes and access important credits and benefits that they may not already be receiving.

Key results: Written correspondence

- Nearly 13 million forms and publications were downloaded
- Since 2015, 90% of all external correspondence has been redesigned to be simpler and clearer

Digital services

The Agency has developed a Digital Services Strategy to create a service experience for Canadians that is user-centric, secure, and digital from end-to-end.

During 2017-18, the Agency introduced several enhancements to our current digital services to make them even easier for Canadians to use. For example, ReFILE was launched in 2017. It allowed tax preparers to submit their T1 adjustments electronically through their tax software. In February 2018, Phase 2 of the ReFILE service was launched which expanded the service to allow individuals to submit online adjustments to 2016 and 2017 returns with certified NETFILE software; this is much simpler and faster compared to previous practices, where adjustments had to be submitted in paper format.

The Agency also launched a new service in partnership with Employment and Social Development Canada, where Canada Pension Plan recipients can update their direct deposit information with one organization, and their profile will be automatically updated with the other organization.



In October 2017, the CRA launched a new application called CRA BizApp. This mobile web app offers small Canadian business owners the option to check their recent transactions and balances owing from any mobile device at any time. They can also make payment arrangements knowing that the payment is secure.

Auto-fill my return service was also expanded for the 2018 tax filing season. The service now provides individuals and their authorized representatives with the ability, using certified tax software, to automatically fill in parts of a 2017, 2016, or 2015 income tax and benefit return with the information that the CRA has available. This reduces the time needed to prepare the return, reduces time spent searching for slips and reduces the possibility of transcription errors, making tax filing simpler for clients. As of July 31, 2018, Auto-fill my return service has been used over 9.9 million times during the 2018 filing season.



In 2017, the Agency introduced the Express NOA service to allow individuals and their authorized representatives to view the notice of assessment in their software. This service was enhanced for the 2018 season to deliver the Express NOA right after the return was received and processed by the CRA. As of July 31, 2018, there have been over 415,000 successful uses of the Express NOA service through EFILE by tax preparers and NETFILE by individuals.



In 2017-2018, the CRA increased the number of Canadians receiving their tax and benefit correspondence online by integrating the registration for online mail into tax preparation software. The Agency also invested in an online nudge that prompted visitors to the CRA portals to register for online mail. As a result, CRA's online mail service has now delivered over 29 million pieces of correspondence to over 7.2 million individuals and businesses. This has resulted in Canadians getting access to their correspondence quickly and securely and it allows the CRA to offer the type of digital services that our clients expect. It has also allowed the CRA to reduce our paper usage and save on postage.

Recently, the CRA added new electronic options for taxpayers to easily pay their account balances, such as accepting Debit Mastercard when making a payment using CRA's electronic payment service, or using PayPal through a third party service provider.

Key results: Digital services

- We implemented a strategy to modernize the Agency's online presence and expand the use of social media
- 1.8 million individuals registered for online mail and over 13.8 million pieces of correspondence were issued online during 2017-18
- 150,732 businesses registered for online mail and over 934,000 correspondence items were issued online during 2017-18
- 87.6% of individual returns were filed online for the 2018 filing season; 90% of corporation income tax returns were filed online
- 89.2% of GST/HST returns were filed online and processed by the CRA
- 69% of refunds to individuals were made by direct deposit
- We processed nearly 39 million payments, totalling over \$520 billion, and received 82.1% of payments electronically (including payments remitted at financial institutions)
- We received over 168 million visits to our webpages
- Although not a digital service, we also reviewed individual returns resulting in 263,551 individuals receiving beneficial taxpayer adjustments in the amount of \$109 million

Targeted outreach, collaboration and engagement

As part of the drive to advance a culture of service at the Agency, outreach and communication activities are key to help taxpayers comply with their obligations and ensure Canadians who are entitled to benefits receive them (discussed in the "Benefits" section below). Examples of some of the CRA's targeted outreach and engagement with Canadians include the Serving You Better consultations and the Community Volunteer Income Tax Program (CVITP).

The CVITP has been a true Agency success story. Through community organizations and their volunteers, the Program offers free clinics to help prepare returns for eligible individuals who may not have the means or knowledge to prepare their own. Throughout the year, the CRA increased its targeted messaging to raise awareness of these free tax clinics to low-income Canadians. As the CVITP and outreach efforts have expanded, vulnerable Canadians increasingly have the support necessary to fulfill their tax obligations and access benefits designed to support them. This includes both Indigenous Peoples and newcomers to Canada.



In Canada, women, youth, and newcomers report lower levels of financial literacy, including levels of comfort with managing their financial affairs. The CVITP helps these individuals, as well as those in low income situations, to file their tax returns and receive their due benefits.

As part of our efforts to reach out to the most vulnerable in Canadian society, the CRA adopted an updated three-year Strategy for Vulnerable Populations in 2017-18. The Strategy encompassed a proposal to expand the CVITP, which involved increasing the number of organizations participating in the CVITP, and supporting year-round clinics. The proposal was included in Budget 2018.

During the year, communication and outreach on the CRA's part was significantly expanded amongst Indigenous Peoples across Canada. During the 2017-18 fiscal year, the Agency, often in partnership with Service Canada, made 402 visits to Indigenous communities to provide information on taxes and on potential benefits and credits available.

The Agency has also focused its targeted outreach on communities in the North. In October 2017, a [report^{xi}](#) on consultations with northern residents was published. The CRA is responding to the issues identified by northern residents and collaborated on a new in-person payment service that allows northern residents to use cash or a debit card at any Canada Post location to remit taxes owed. This helps address limited northern banking and Internet capabilities. The new service was launched by Canada Post in May 2017 for individuals and in July 2017 for businesses and is available in over 3,000 northern and rural locations.

Meanwhile, the CRA has also worked to improve service to the millions of small and medium business owners in Canada so they spend less time, money, and effort on paperwork. Since 2012, the Serving You Better consultations have been an important collaborative forum for small and medium businesses and professional accountants to share valuable insights with the Agency, which has helped to make the Agency's programs and services more attuned to their needs.

In June 2017, the results of the 2016 Serving You Better consultations were published in a [Report^{xii}](#) with an action plan to improve Agency programs and services for businesses. Action plan commitments completed during 2017 included the launch of the Attach-a-doc service for corporations and the launch of the T2 Auto-fill service.

The Agency also supported the small business community by allowing small business owners to send T4 slips electronically to their employees. This improves efficiency for employers and employees get their slips faster. For this initiative, the Minister received an honourable mention from the Canadian Federation of Independent Business as part of their annual Golden Scissors Award.



Using the Tax Administration Diagnostic Assessment Tool, the Agency found that it has taken positive steps in pursuing initiatives to reduce taxpayer compliance costs.

Important engagement with the small and medium business community continues through the Agency's Liaison Officer Program. The Program helps small business owners find the information they need and correct potential errors in their records before they file their tax returns. In November 2017, the program was expanded to allow small unincorporated businesses across Canada to request in-person visits and group seminars. The program then added GST/HST and payroll components to its basic income tax offer of services. The Liaison Officer program conducted over 8,600 taxpayer visits and delivered 33 seminars to more than 260 taxpayers during 2017-18.



This program helped me very much and enabled me to avoid major mistakes. The Liaison Officer was very clear, helpful and knowledgeable. I enjoyed having her visit my home, and know for a fact she helped me in preventing serious mistakes on my tax forms in the future.

- This quote was one of many submitted anonymously online through a survey of taxpayers who had received the liaison officer service.

Key results: Targeted outreach, collaboration and engagement

- We enhanced our regional outreach activities
- In collaboration with Service Canada, we made 402 visits to Indigenous communities
- We increased to 246 the number of CVITP community organizations holding clinics on reserves
- The CVITP assisted 703,463 individuals and helped complete 786,606 tax returns
- The T2 Auto-fill service was launched and by the end of March 2018, was accessed over 35,000 times by business owners or their authorized representatives
- The Attach-a-doc service for corporations was launched and, by the end of March 2018, 3,751 documents were submitted through the service.

Service renewal

During the year, the Agency worked to improve its service to Canadians through the Agency's Service Renewal Initiative. This major service model transformation was designed to better align the CRA's operations with its actual business activities. The majority of Canadians now turn to the Internet to file their taxes and the Agency has responded accordingly in order to meet the needs

and expectations of taxpayers regarding the use of digital services. In 2017-18, 87.6% of individuals and 90% of corporations filed their tax returns online. We launched the Service Renewal Initiative in late 2016 to respond to this reality and make the transition from an organization that used to handle mostly paper-based transactions to one that now processes transactions that are primarily digital.

As part of the Service Renewal transition, the Agency consolidated its processing activities at fewer sites. Of the nine former processing centres, four—in Winnipeg, Sudbury, Jonquière, and Summerside—were chosen to specialize exclusively in tax return processing. By the end of 2017-18, workload transfers to these sites was virtually complete. There were transitional challenges, particularly the need to ensure proper training, which led to some service delays. Nevertheless, the Agency is already starting to see the benefits of this service model transformation. Some of the benefits are being realized as a result of the three new National Verification and Collections Centres (NVCCs) created in what had previously been tax return processing centres in Surrey, Shawinigan, and St. John's. The NVCCs, where employees focus on collections and verification activities, are now helping the Agency improve its processing times and the handling of calls regarding taxpayer debt to call centres. Overall, Service Renewal is enhancing the ways in which Canadians are able to engage with the Agency.

Key results: Service renewal

- The Agency consolidated processing activities to fewer sites and created three new National Verification and Collections Centres (NVCCs) in what had previously been processing centres
- Through NVCCs, where employees specialize in collections and verification activities, the Agency is now helping improve its collections and verification operations

Charities

The Consultation Panel, formed to study the feedback from the public and the charitable sector regarding the rules governing political activities for registered Canadian charities, delivered its Report to the Minister on March 30, 2017. As announced in Budget 2018, the Government will respond to the Report in the coming months.

Meanwhile, on November 6, 2017, the CRA launched an outreach program called the Charities Education Program (CEP), following a successful pilot earlier in the year. The CEP is designed to conduct in-person visits with registered charities, providing them with information and assistance in understanding their tax obligations. Early support and guidance make it easier for charities to meet their obligations and maintain their registered status.

Key results: Charities

- We processed 84,757 registered charity information returns

Cannabis taxation framework

Budget 2017 announced that a taxation framework would be implemented for recreational cannabis pending its legalization in 2018. Throughout 2017-18, the Agency worked closely with both the Department of Finance and Health Canada to ensure that a framework to assess and collect taxes on the sale of cannabis products will be ready once legislation for legalization takes effect. Proposed legislative amendments in that regard were announced in Budget 2018, and included as part of the Budget Implementation Act. To prepare for legalization and implementation of the taxation framework, the CRA:

- o hired and trained staff
- o initiated system updates
- o prepared a comprehensive communication strategy, including taxpayer outreach materials and a social media campaign
- o drafted new forms and publications
- o developed a rigorous compliance strategy that will include use of an excise stamp

Fuel charge

In Budget 2017, the Government signalled its intention to put in place a federal fuel charge system. The CRA was given the mandate to implement and administer the proposed federal fuel charge program. During the year, the Agency collaborated with the Department of Finance and Environment and Climate Change Canada to develop a program in support of the legislative and regulatory proposals related to the Government's Greenhouse Gas Pollution Pricing Act.



Research shows that Canadians who are the most vulnerable to poverty, including Indigenous peoples in isolated or rural communities, women, children, and seniors, are less able to cope with the related effects of climate change, such as unexpected increases in the cost of heat, shelter, or food. The CRA will play an important role in administering the proposed federal fuel charge on fossil fuels, which will generate revenue for important federal and provincial government programs to improve social and economic outcomes for all Canadians.

Providing fair and impartial review

When taxpayers are not satisfied with a service or a decision they have received from the CRA, they have the option of a fair and impartial redress process. The ability to obtain an impartial review of decisions made by the CRA helps promote voluntary compliance by fostering trust in the integrity of the CRA.



Using the Tax Administration Diagnostic Assessment Tool, the Agency found that it has independent, workable, and graduated dispute resolution processes and regularly monitors and analyzes dispute outcomes in the formulation or adjustment of policy, legislation, and administrative procedures. While the Agency acknowledges that the TADAT standard for administrative review (90% of cases completed within 30 days) is ambitious, we have improved our service standards for case resolution and will continue to challenge ourselves through internal review and external consultations.

Action Plan: The Agency will continue to monitor the timeliness of dispute resolution to confirm it continues to meet or surpass the service standard for the resolution of low-complexity objections.

During the reporting period, the Agency successfully implemented important changes to its dispute-resolution processes, as it continued to implement its Action Plan in response to the recommendations of the 2016 Fall Report of the Auditor General. The CRA published new service standards (see link on page 75) for the resolution of low- and medium-complexity objection files, and taxpayer relief requests. The Agency improved communications to taxpayers by clarifying the appropriate channels available when seeking resolution of their complaints, and made significant advancements on its commitment to implement an electronic delivery of responses to service complaints through secure portals.

Important service enhancements have resulted from feedback received from taxpayers. For example, the CRA's webpage, "[Contact the CRA about your debt^{xiii}](#)", was updated with a toll-free telephone number accessible to taxpayers living outside of North America, and a system enhancement was implemented that prompts taxpayers using NETFILE to update their addresses through My Account.

Key results: Providing fair and impartial review

- We resolved 93,577 income and commodity tax objections, and reduced the inventory of outstanding regular objections by 11,025, or 21%, since March 31, 2016
- We exceeded the service standard for the resolution of low-complexity objections within 180 days, 80% of the time
- We cancelled or waived almost \$588 million in penalties and interest for 329,486 requests (taxpayer-requested and CRA initiated)
- We closed 2,303 CPP/EI Appeals to the Minister and 226 appeals were filed before the Tax Court of Canada
- We resolved 7,620 service complaints, compared to 4,480 resolved in the previous year; for 2017-18, 56% of service complaints were resolved within the 30 business day service standard¹

¹ In 2016-17, the CRA resolved 83.6% of service complaints within the 30 business day service standard. For 2017-18, the Agency experienced a sharp decline, relative to 2016-17, in meeting the 30 business day standard (56%) due to a significant increase in the number of complaints received.

Compliance

The Agency strives to treat taxpayers as valued clients and works to provide them with the best possible service. Our objective is to make it easier for taxpayers to comply with Canada's tax laws and make it more difficult for those who choose not to be compliant. Our aim is to administer Canada's tax system effectively and fairly by aligning our compliance approach with the gravity of non-compliance encountered.



Using the Tax Administration Diagnostic Assessment Tool, the Agency found that it does not systematically consider the impact of its compliance activities on the realization of overall outcomes, such as impact on taxpayer behaviour and sustained voluntary compliance.

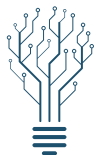
Action Plan: Leverage emerging data and technology to better understand where horizontal strategies are needed to mitigate compliance risk. An integrated strategy would see common files addressed collectively by all compliance functions working together.

We support the integrity of Canada's voluntary compliance system and ensure Canadians pay their appropriate share of taxes by identifying non-compliance and pursuing individuals, corporations or trusts that do not file complete tax returns despite a legal obligation to do so. Our compliance interventions follow an escalating approach, from facilitating compliance to enforcing it. We first seek to positively influence compliance attitudes by increasing taxpayers' understanding of their tax obligations through education, targeted outreach activities, client service, social marketing, and communications. If and when these strategies prove ineffective, the Agency will pursue enforcement measures to protect Canada's revenue base, including examinations, audits, and investigations to ensure compliance with Canada's tax laws.

We focus on using tools to assess risks and then focus our activities on the areas of greatest risk. We have also expanded our specialist audit teams who focus on high net worth taxpayers. These teams are comprised of approximately 250 auditors responsible for scrutinizing high income earners and more than 800 high net worth individuals and their associated corporate structures. These experienced auditors are responsible for pursuing a comprehensive audit approach, for both domestic and offshore activities.

Using funding provided in federal budgets, the Agency's compliance and collections activities have overall, as of March 31, 2018, met/exceeded all revenue generation commitments.

Business intelligence and data analytics



Business intelligence arises from using advanced analytical tools to transform data and information into something more meaningful, such as a better understanding of taxpayer behaviour that can help the CRA make improved strategic and operational decisions. The CRA's use of advanced data analysis techniques to mine the business intelligence it has at its disposal has allowed the Agency to more precisely target non-compliance in a timely manner. By applying business intelligence and data mining techniques, the Agency has developed predictive models that lead to better identification of potential non-compliant taxpayers. This allows the Agency to direct resources toward resolving the highest risk accounts. The ultimate goal, of course, is to foster voluntary compliance and to focus Agency resources on auditing non-compliant taxpayers while allowing compliant taxpayers to carry on their business activity with the least amount of intervention from the CRA.



Using the Tax Administration Diagnostic Assessment Tool, the Agency found that it undertakes comprehensive intelligence gathering and research to identify compliance risks in respect of its main tax obligations.

To maintain and improve voluntary compliance, the CRA also applies behavioural science techniques through outreach strategies and reinforcement messaging. The Agency's Office Audit Letter Campaign and Industry Campaign Approach (ICA) are good examples of the practical application of behavioural science. The Office Audit Letter Campaign provides business owners with information about tax requirements in areas of increased risk of non-compliance. The ICA is engaging industry associations and using tailored information to help design customized tax compliance messaging for specific sectors of the economy to prevent future errors. So far, the ICA has sent customized letters to taxpayers in five different industry sectors (support services of the mining and oil and gas extraction industries, cattle ranching and dairy farming, child daycare services, graphic design services, and hardware stores) to inform and educate these groups on their tax responsibilities.



"We are pleased the Industry Campaign Approach has decided to produce a visual element to accompany the letters, as we had discussed previously. We see this infographic having several benefits – presenting a friendly service-oriented persona for the initiative, simplifying the message into something that is easy to understand and digest (acting almost as a how-to), and is memorable for business owners to refer to over time."

- Mandy D'Autremont (Director, Market Intelligence and Agri-business, Canadian Federation of Independent Business).

Key results: Business intelligence and data analytics

- We issued 32,500 letters through the Office Audit Letter Campaign and 21,000 letters through the Industry Campaign Approach to help taxpayers comply

International co-operation

In our global economy, effective tax compliance is best achieved when all countries are contributing and collaborating with each other on a level playing field. The CRA has led efforts to strengthen tax administration capacity in developing countries through our membership in the Organisation for Economic Co-operation and Development (OECD) Forum on Tax Administration (FTA). Since September 2017, the CRA's Commissioner has been serving as the Vice-Chair of the FTA, where he sponsors both the Capacity Building Network and the Large Business and International Programme.

Working with its international counterparts within the Capacity Building Network, the CRA has developed a digital platform prototype to help developing countries increase their knowledge and expertise when it comes to tax administration. When completed, the Knowledge Sharing Platform will provide governments around the world with access to virtual classrooms, networks of experienced tax administrators, and a growing library of global best practices, which will be particularly useful to developing countries. The platform will complement other international tax co-operation efforts, improving the fairness of the global tax system and promoting growth that works for everyone, including Canadians.

The CRA also plays a lead role in the Large Business and International Program, with an emphasis on co-ordinating work to support the OECD and the Group of 20 Base Erosion and Profit Shifting (BEPS) Project. Through our participation in the FTA and other international fora, our leadership in using data to risk assess large multinationals has been recognized. Also, the CRA has been able to share worthwhile insights and best practices on how to address issues related to base erosion and profit shifting and aggressive tax planning by multinational corporations.

In 2017-2018 the CRA made preparations to host the 52nd Inter-American Center of Tax Administrations (CIAT) General Assembly. Close to 200 delegates from almost 50 countries and numerous international tax organizations met in Ottawa to discuss the conference theme of World Class Tax Administration – “Fostering successful relationships with key stakeholders both domestically and internationally”.

The CRA is also a member of the Joint International Taskforce on Shared Intelligence and Collaboration (JITSIC), a network of 38 of the world’s national tax administrations. JITSIC provides a platform for advanced tax administrations to share intelligence and work together to tackle common risks and help facilitate effective responses to key emerging issues for tax administrations. Through JITSIC, the CRA is working extensively with international partners to promote and coordinate strategies and actions, including joint compliance action, to ensure that individuals and multinationals are paying their fair share of tax.

Common reporting standard

The automatic exchange of information with respect to financial accounts held by non-residents—under the framework of the Common Reporting Standard (CRS) developed by the OECD—is an important tool to promote compliance, combat international tax evasion and aggressive tax avoidance, and ensure that taxpayers are reporting their income from all sources. Canada’s legislation to implement the CRS entered into force as of July 1, 2017. Since that date, financial institutions have had to identify reportable accounts held by or for non-residents, and to report these accounts to the CRA on an annual basis.

Canada’s first exchanges of CRS information with other countries began in September 2018. Information filed relates to foreign account holders and includes details such as taxpayer names, addresses, birth information, tax identification numbers, and account balances. The confidentiality of exchanged information is protected by the inclusion of safeguards to ensure the information is used only by tax authorities and only for tax compliance purposes.

Canada’s exchanges of CRS information allow the CRA to gain easier access to information on Canadians’ overseas bank accounts. With the implementation of CRS, Canada and over 100 other countries will be exchanging financial account information. This information will help us connect the dots and identify instances where Canadians hide money in offshore accounts to avoid paying taxes.

Base erosion and profit-shifting Project

The OECD defines Base erosion and profit-shifting (BEPS) as tax planning by multinational enterprises that exploits gaps in tax rules. Work is currently underway with international partners and the government is collaborating on the action plan for the OECD/G20 BEPS project. One of the key initiatives that Canada helped to implement in 2017-18 is country-by-country reporting.

The objective of country-by-country (CbC) reporting is to increase transparency of the global operations of large multinational enterprises. CbC reports are generally filed in the jurisdiction of the tax residence of the ultimate parent entity of the multinational enterprise group, then shared between jurisdictions through the automatic exchange of information, in accordance with government-to-government agreements.

By the end of January 2018, 68 countries had signed an agreement on the exchange of CbC reports—the Multilateral Competent Authority Agreement (MCAA). Canada has activated the CbC reports/MCAA with 46 jurisdictions to date and received its first CbC reports in November and December of 2017. Canada began its first exchange of CbC reports with other jurisdictions in 2018. By sharing information with our partners, we are making it more difficult for corporations to shift their profits offshore to avoid paying their fair share.

International, large business, and offshore compliance activities, including aggressive tax avoidance

To help combat tax evasion and aggressive tax avoidance, the Government made a combined investment of over \$1 billion in the 2016, 2017, and 2018 federal budgets. This unprecedented investment has allowed the CRA to continue to expand the tools it has to target those who try to aggressively avoid paying their fair share of tax, thus taking resources away from the services that improve the quality of life of all Canadians.

With our new systems, we are increasingly able to automatically access and review all international electronic funds transfers (EFT) over \$10,000 entering or leaving the country. This represents over 1 million transactions each month. Reviewing these transfers helps us identify transactions on which taxes should potentially have been paid, and better risk-assess individuals and businesses.

Since January 1, 2015, financial institutions have been required to report to the CRA all international EFTs of \$10,000 or more. As of March 31, 2018, the CRA had analysed over 187,000 EFTs, worth over \$177 billion, related to eight jurisdictions or financial institutions of concern.



Strengthening the Agency's approach to tax avoidance can indirectly impact levels of public social spending to improve outcomes for the most vulnerable low-income segments of the Canadian population, particularly for women in Canada generally, and female single-parents in particular, whose earnings are more likely than their male counterparts to include non-employment income, such as government benefits and transfers.

The Agency's review of the Panama Papers has already identified over 3,330 offshore entities with 2,670 possible beneficial owners that have some link to Canada. The Agency has reviewed and risk-assessed over 80% of these possible beneficial owners. The Agency is currently auditing over 1,100 taxpayers with offshore links, and 10% of these relate to the Panama Papers.

As of March 31, 2018, the Agency had 50 cases of offshore tax evasion under investigation. These include several related to the Panama Papers, whereby multiple search warrants have been executed.

Building on the foundation established in addressing the Panama Papers, the Agency has begun to review the more recent Paradise Papers. For both sets of Papers, the CRA will share information with treaty partners and take appropriate actions to ensure compliance with tax laws. These actions include conducting criminal investigations into tax evasion, tax fraud, and other serious violations of tax laws, and, where warranted, referring files to the Public Prosecution Service of Canada (PPSC) for criminal prosecution. Upon conviction, tax evaders face court imposed fines, jail time, and publicity of their conviction, in addition to having to pay the taxes they tried to evade, plus interest and penalties.

Key results: International, large business and offshore compliance activities, including aggressive tax avoidance

- We completed almost 5,600 international and large business audits, which includes over 2,700 aggressive tax planning audits and 235 offshore audits
- Our international and large business audit activities identified almost \$8 billion in fiscal impact¹, including \$2.9 billion from our efforts to combat aggressive tax planning
- As part of our budget investments, we have significantly exceeded our target results of \$319.5 million and identified \$500 million in additional taxes
- We levied more than \$189 million in transfer-pricing penalties
- We levied approximately \$21 million in income tax third party penalties
- We received 196 calls and 93 written submissions through our Offshore Tax Informant Program
- We received approximately 14.9 million reports of electronic funds transfers over \$10,000

¹ Fiscal impact consists of tax assessed, tax refunds reduced, interest and penalties, and present value of future federal tax assessable arising from compliance actions. It does not account for the impact of appeals reversals and uncollected amounts. \$719 million of fiscal impact was refunded during 2017-2018 through the resolution of double taxation issues with Canada's treaty partner countries. This amount has been included in our program results for prior years.

GST/HST Program

There are over 3.5 million GST/HST registrants in Canada and each year the CRA receives approximately 2 million GST/HST refund and rebate claims totalling about \$47 billion, some of which are false.

Funding from Budget 2016 has allowed the CRA to hire more auditors and acquire enhanced technology and business intelligence tools to identify and profile questionable or abusive GST/HST schemes. From April 1, 2016, to March 31, 2017, additional audit resources were assigned to identify unwarranted GST/HST refunds, as well as to counter the organized abusive schemes used by GST/HST registrants. Over \$223.9 million in refunds were denied and an additional \$302.4 million in GST/HST was assessed for a total fiscal impact of \$526.4 million as a result of Budget 2016 funding.

Key results: GST/HST Program

- We completed over 70,000 GST/HST audits and examinations
- The fiscal impact of our GST/HST audits was \$3.5 billion
- We prevented over \$1.27 billion in unwarranted GST/HST refunds being paid, which is included in the \$3.5 billion in fiscal impact
- We completed 79 GST/HST accounts involving carousel / missing trader schemes and assessed \$168.1 million, an amount that also includes gross negligence penalties
- We assessed over \$64 million in gross negligence penalties, and one third party civil penalty of \$27.5 million

Underground economy

The underground economy (UE) consists of economic activity or transactions in goods and services that are partially or entirely hidden from the government in order to avoid paying taxes and other government reporting obligations (such as employment insurance and Canada Pension Plan contributions).

In 2013, the last year for which the UE was estimated, UE activity totalled \$45.6 billion in Canada, or about 2.4% of gross domestic product ([Statistics Canada Study on the Underground Economy in Canada, 1992-2013^{xiv}](#)). One of the ways the CRA gains insight on the UE is by consulting with industry groups through the Minister's Underground Economy Advisory Committee. Input from the Advisory Committee has helped to inform the development of a strategy on the UE. In 2017-18, the Agency completed the third year of its three-year UE strategy, Reducing Participation in the UE. The next three-year UE strategy will focus on three broad themes, which will direct the Agency's approach to tackling UE activities from 2018-19 to 2020-21. These themes are:

1. Social acceptability and engaged citizenship
2. Leveraging third party data and information
3. New business models and transacting in the digital age

Meanwhile, the CRA is currently exploring new initiatives/policy changes that may result in a quicker response from participants compared to traditional methods to deter participation in the underground economy (UE). These initiatives are currently at the proposal stage.

Key results: Underground economy

- We conducted over 4,100 income tax and GST/HST audits related to the UE and identified \$1.8 billion in unreported income
- Our income tax and GST/HST audits resulted in additional taxes assessed of \$683 million, including over \$96 million in penalties
- In addition to audits, initiatives focusing on non-filers resulted in almost 40,000 assessed returns totalling close to \$454 million
- We held two meetings (November 2017 and May 2018) with the Minister's Underground Economy Advisory Committee

Real estate transactions

For several years the CRA has conducted compliance activities across the country regarding real estate transactions, where a risk of tax non-compliance has been identified. While the CRA has no influence over the market-based or economic forces that influence the cost of housing and associated rising real estate prices, there is an increased risk of non-compliance in real estate transactions, which the Agency continues to pursue.

Over a three year period, from April 2015 to March 2018, the CRA completed close to 31,000 real estate files in British Columbia and Ontario, which resulted in almost \$600 million in audit assessments.

In an effort to better identify tax non-compliance in real estate transactions, the CRA issued unnamed persons requirements to property developers and builders that have information about buyers involved in an assignment sale. This information is being used to identify taxpayers who may not be reporting correctly for both income tax purposes and GST/HST purposes. Since 2015, the CRA issued 48 unnamed persons requirements to various developers in high-risk areas of Ontario and British Columbia, and successfully identified unreported income associated with assignment sales.

The CRA provides quarterly updates on the results that it is achieving in combatting real estate tax non-compliance on its [website^{xv}](#).

Voluntary Disclosures Program

The Voluntary Disclosures Program (VDP) helps taxpayers by giving them the opportunity to voluntarily come forward and correct a tax return previously filed, or file a return that should have been submitted.

In 2017, the CRA undertook a comprehensive review of the VDP in response to the Sixth Report of the Standing Committee on Finance—The CRA, Tax Avoidance and Tax Evasion: Recommended Action. This review also benefitted from advice and recommendations from the Minister's Offshore Compliance Advisory Committee (OCAC). On March 1, 2018, changes to the VDP came into effect, making it more difficult for those who intentionally avoid their tax obligations to use the VDP.

Details about the new requirements under the VDP can be found on the following Canada.ca webpage: [Voluntary Disclosures Program](#)^{xvi}.

Key results: Voluntary Disclosures Program

- We received more than 19,000 voluntary disclosures and generated more than \$1.3 billion in previously unreported income through voluntary disclosures; more than \$573 million of that amount resulted from offshore disclosures

Criminal investigations

The CRA's criminal investigators work closely with other federal law enforcement agencies to make sure the most serious cases of tax evasion and fraud are thoroughly investigated and referred to the Public Prosecution Service of Canada (PPSC) for criminal prosecution.

Over the years, tax crimes have evolved in their level of sophistication and complexity; this means the CRA has had to adapt and undertake new techniques and methods to detect and deter criminal non-compliance and protect Canada's revenue base.

To demonstrate the Agency's commitment to transparency with its criminal investigations, a number of steps were taken to enhance communications:

- publishing news releases for all convictions on [canada.ca](#)^{xvii}
- increasing public reporting of efforts to crack down on tax evasion
- publishing short videos to raise awareness on the seriousness and consequences of tax evasion
- using social media to increase the visibility of convictions

As of March 31, 2018, there were 50 ongoing criminal investigations related to offshore financial structures. These numbers demonstrate the extent to which focused resources, improved selection of cases, and better techniques and tools, are addressing the concerns of Canadians relating to money and assets hidden offshore and promoters of tax schemes that negatively impact taxpayers.

Key results: Criminal investigations

- From April 1, 2017 to March 31, 2018, working with the CRA's Criminal Investigations Program, federal prosecutors achieved a 95% conviction rate, compared to 89% in 2016-17
- During this same period, the work of CRA criminal investigators led to the conviction of 27 taxpayers for tax evasion, involving over \$45 million in federal tax evaded, and more than \$3.1 million in criminal fines imposed. The courts sentenced 14 taxpayers to prison terms totalling 40.7 years
- In addition, there were:
 - 269 cases referred for criminal investigation
 - 172 search warrants executed
 - 52 files where criminal charges were laid under the Income Tax Act, Excise Tax Act, Excise Act and/or Criminal Code
 - 12 investigations resulted from joint-forces operations with law enforcement agencies

Collections

Managing tax debt is critical to protecting Canada's revenue base and providing governments across Canada with the revenue needed to support programs and priorities.

For 2017-18, the CRA resolved¹ just under \$58 billion in tax debt, which represents an increase of 11% of tax debt resolved compared to 2016-17. Of this total, \$55.2 billion was tax collected and \$2.7 billion was written-off. The Agency continued to maximize its use of Budget 2016 funding by resolving an additional \$1.1 billion in outstanding tax debts. It is expected that funding from that Budget will lead to the resolution of an additional \$7.4 billion in tax debt by 2020-21. The rate of growth in the tax debt remained relatively stable year-over-year at 5.63%, despite intake increasing from an historic 7% to over 13% in 2017-18. The Agency will continue to address the challenge of managing the tax debt given the significance that tax revenues have in sustaining Canada's many programs and services.

1 Not all debts are resolved through cash collections, some are resolved by write-off. Resolved includes write-offs and cash collected.



Using the Tax Administration Diagnostic Assessment Tool, the Agency found that the debt is projected to continue to grow and age for the foreseeable future. The tax debt represents about 11% of total tax revenues and almost 60% of the calculated tax debt is over 12 months in age.

Action Plan: The Agency's plans are outlined below.

To improve the accessibility of the Agency to taxpayers who wish to discuss resolving a debt, taxpayers can now arrange for a call from an agent at a time that is convenient for them. This new service contributes to achieving our goal to improve service and encourages taxpayers to resolve their tax debts in a timely manner.

Key results: Collections

- o We collected an additional \$1.1 billion in debt in 2017-18 as a result of 2016 Federal Budget investments

Tax performance indicators

Departmental result: Canadians comply with tax obligations, non-compliance is addressed, and Canadians have access to appropriate mechanisms for resolving disputes

Departmental Result indicator	Target	2017-18 result	2016-17 result	2015-16 result
Percentage of filers who have filed an individual tax return by the due date ¹	90%	91%	91%	92.8%
Percentage of known businesses registered for GST/HST	90%	94.9%	94.9%	94%
Percentage of reported taxes (including instalments) and source deductions that are paid on time	90%	92.4% ² 84.8% ³	93.1% ² 84.4% ³	94% ² 85.8% ³
Percentage of external service standards targets that are met or mostly met ⁴	90%	80%	85%	91.5%
Public Perception Index ⁵ : score compared to baseline	Maintain or increase	6.28 (Decrease)	6.73 (Increase)	N/A
Percentage of total volume of improved correspondence (i.e. changes to structure, design, language, and format)	90%	90%	75%	N/A
Percentage of services available online	77%	77%	N/A	N/A
Number of Community Volunteer Income Tax Program returns completed ⁶	800,000	786,606	768,349	749,963
Complete an online consultation open to charities and the public	March 2018	N/A	Completed in March 2017	N/A
Incremental revenue resulting from federal budget ⁷ investments	\$1.1B ⁸	\$1.6B	N/A	N/A
Incremental debt collected (resolved) resulting from Budget 2016 investments	\$7.4B over 5 years	\$1.1B ⁹	\$0.47B	N/A

1 This indicator represents individual (T1) filers.

2 Percentage of individuals who paid their taxes on time.

3 Percentage of corporate taxes that are paid on time.

4 "Mostly met" means within 5% of target.

5 The Public Perception Index (PPI), which is based on Annual Corporate Research (ACR), was established in 2013 with a baseline score of 6.58 on a scale of 0-10. No annual corporate research was conducted in 2014-15 nor 2015-16, which is why no result is available for those years.

6 The CVITP program runs from May to May. In 2015-2016, the CVITP made the transition from manually gathering data from participating organizations (through CVITP coordinators), to a more accurate and responsive electronic method. Subsequently, the methodology used to calculate key CVITP metrics was further reviewed and improved for accuracy. For the 2017 filing season, the CVITP and its partners collaborated to increase the number of individuals helped by 4.4 percent (703,463) and the number of returns filed by 4.1 percent (786,606) over the previous year. For the same year, the number of CVITP-participating organizations and volunteers increased by 9 and 6.5 percent respectively. For the 2017 filing season, had CVITP used the old reporting method, they would have reported 793,176 returns completed, or 99% of the target. With the announcement of Budget 2018, the CVITP will increase its target to 1,050,000 people helped by 2023 (approximately 1.16M returns completed). To reach this target, the CVITP will significantly increase staffing in the regions, enhance business intelligence to create efficiencies, increase outreach activities, and create a dedicated Partnership team.

7 Reflects 2017-18 investments from Federal Budgets 2015, 2016, and 2017. [Budgets 2016 and 2017 include some initiatives that extend Budget 2015 funding and expand some existing workloads. Therefore, revenue results include initiatives from all three years' budgets. The CRA exceeded its Federal Budget 2015, 2016, and 2017 revenue commitments in each of the 2016-17 and 2017-18 fiscal years. As a result, the CRA is on track to meeting its 5-year Budget 2016 revenue target of \$2.6 billion.]

8 2017-18 target.

9 The result is for 2017-18 only.

Tax spending and human resources

Budgetary financial resources (dollars)

2017-18 Main Estimates	2017-18 Planned spending	2017-18 Total authorities available for use ¹	2017-18 Actual spending ² (authorities used)	2017-18 Difference (Actual spending minus Planned spending)
2,737,078,407	2,737,078,407	3,169,626,064	3,145,344,608	408,266,201

1 Total authorities available for use includes severance payments, parental benefits, vacation credits and the carry-forward of unused funds from 2016-17 where, pursuant to section 60(1) of the Canada Revenue Agency Act, the CRA has up to two fiscal years to utilize parliamentary appropriations once approved. This funding is received during the fiscal year and is therefore not reflected in planned spending.

2 Modified cash basis, based on Parliamentary appropriations used. For an explanation of how actual spending relates to results in the CRA Financial Statements – Agency Activities, see [Note 3^{xviii}](#) on parliamentary appropriations.

Human resources (full-time equivalents)¹

2017-18 Planned full-time equivalents	2017-18 Actual full-time equivalents	2017-18 Difference (Actual full-time equivalents minus Planned full-time equivalents)
30,104	30,399	295

1 Includes FTEs associated with fulfilling the CRA's administrative responsibilities in support of Canada Pension Plan and Employment Insurance legislation.

Supporting information on planned expenditures, human resources, and results related to the CRA's Program Inventory is available in the [GC InfoBase^{xix}](#).

Benefits

Core responsibility

To ensure that Canadians obtain the support and information they need to know what benefits they may be eligible to receive, that they receive their benefit payments in a timely manner, and have avenues of redress when they disagree with a decision on their benefit eligibility.



The Agency's self-examination as world-class applies to benefits administration as well as to tax administration. Because the Tax Administration Diagnostic Assessment Tool is tax-specific, we are developing and applying a Benefits Administration Complementary Assessment Tool. The assessment results will be available in 2018-2019.

Outreach

The Government of Canada is committed to reaching out to Canadians who could be getting benefits if they filed a tax return. The CRA supports this commitment, for example, through the Non-Filer Benefit Letter initiative. In 2017-18, the CRA sent letters to 300,000 lower-income Canadians who had not filed a return, informing them they might be eligible for benefits and credits which they are not receiving and encouraging them to file their returns. A total of 37,934 returns were filed, which led to \$6.98 million and \$32.4 million in credits and benefits being paid out.

In 2017-18 the CRA ran digital ads to raise awareness of the Canada caregiver credit, the Canada child benefit, and the Community Volunteer Income Tax Program. The campaigns had over 122 million views and generated almost 400,000 clicks to the webpages. We also created information products tailored to vulnerable population segments to raise awareness of the benefits and credits available through tax filing. Recognizing that language may be a barrier for some Canadians, we also translated many of these products into different languages, including Indigenous languages.



The CRA continued to help people through increased support to the Community Volunteer Income Tax Program (for more information on

The CRA expanded collaboration with other government organizations to increase awareness and help vulnerable people. We worked with Immigration, Refugees and Citizenship Canada, the Canadian Council for Refugees, and various resettlement organizations to address issues newcomers face when they apply for benefits. We worked closely with Service Canada to improve our services to Canadians. For example, we began sending reminders to senior citizens about the importance of filing early for the Guaranteed Income Supplement to avoid potential disruptions in payments. We also collaborated with Service Canada to reach out to people on reserves and in the North to share information about credits and benefits.



Factsheets about the benefit and credit programs available to residents of Canada were included in the package prepared by Service Canada and Immigration, Refugees and Citizenship Canada and given to people arriving at Toronto Pearson International Airport.

We also worked with Statistics Canada and Employment and Social Development Canada to improve our understanding of tax-filing by Indigenous peoples to better target our outreach activities. We funded two public opinion research studies, one

with Indigenous peoples living on reserve and in the North, and one with vulnerable populations, including urban Indigenous peoples, to improve our understanding of barriers to tax-filing and accessing benefits and credits. In partnership with Service Canada, we contacted Indigenous communities and conducted outreach visits in communities that accepted. We also collaborated with the Department of Indigenous Services Canada to increase awareness and uptake of the Canada child benefit.

In *Reaching and Supporting Vulnerable Canadians: Strategy for the Outreach and Community Volunteer Income Tax Programs, 2018-19 to 2020-21*, drafted this fiscal year, the CRA included an action plan to guide and expand Agency outreach and the Community Volunteer Income Tax Program over the next three years. The proposal, which will double the size of the program, was approved by Finance Canada and included in Budget 2018.



Visits to Indigenous communities include one to the Keeseekoowenin Ojibway First Nation, in Manitoba. In July 2017, employment and training staff in the community welcomed a visit. A number of people there had not received their July GST/HST credit payments. Many community members file with a tax service in a nearby town and it appeared that the returns were being filed late, which meant they missed the July GST/HST credit calculation and benefit payments were delayed. This also affected July Canada child benefit payments for some parents.

As a result of our visit and assistance, these issues were addressed, and the community members' tax returns were filed with help from the Community Volunteer Income Tax Program.

In 2017-18, the CRA completed a project to simplify all benefit notices, making them easier to understand, as part of the Agency's overall simplification of correspondence and other communications for Canadians.



**THE MINISTER OF
NATIONAL REVENUE,
DIANE LEBOUTHILLIER, WITH
VOLUNTEERS IN YELLOWKNIFE**

In September 2017, the CRA also visited the Inuit communities of Rigolet and Nain, governed by the Nunatsiavut Government, on the northern coast of Labrador.

The CRA outreach officers were again given a warm welcome; they were met at the airport by the mayor and community members and invited to explore the community. The officers presented two sessions to discuss benefits and credits that can be accessed by filing a tax return, as well as the Community Volunteer Income Tax Program. At both sessions, some people were not aware of the program or of the disability tax credit, and the working income tax benefit. Officers heard of someone who had not received the Canada child benefit since June because he had not filed his tax return. The officers were able to provide information about the volunteer program to help.

The CRA is committed to improving its administrative practices and enhancing its delivery of credits and benefits for persons with disabilities following concerns raised by Canadians in 2017-18 about the fairness, eligibility requirements, and accessibility of the disability tax credit. The Minister of National Revenue re-instated the Disability Advisory Committee to collaborate with stakeholders, who advise the CRA on how tax measures can better support the needs and expectations of persons living with disabilities, and provide feedback on how the CRA can enhance the quality of its services for persons with disabilities.

Digital services

The CRA is committed to providing the best possible service to benefit recipients, including designing and advancing digital services. For instance, the MyBenefits CRA mobile app provides benefit and credit information on clients' mobile devices. It shows when benefits or credits will be paid, the amount of the payments, and the status of their Canada child benefit application. In May 2017, we added features to this app so that users can update personal details, see how provincial or territorial benefits break down, and register for online mail and account alerts.

This fiscal year, we also expanded the Automated Benefits Application service so that more Canadians can apply for child benefits or register for the GST/HST credit online. All provinces already use the service, and, as of March 2018, residents of the Northwest Territories can use the Automated Benefits Application service to register a newborn and apply for the Canada child benefit and other child benefits. We plan to offer the service in the Yukon and Nunavut in the near future.



Low-income households are more likely to own cellphones than home computers. It is important for the CRA to make digital services available on any device for benefit recipients, to help them manage their accounts safely online or through web-based mobile apps.

The CRA continues developing and testing the final release of the nine-year Benefit System Renewal Project to improve the administration of benefit and credit payments. The result will be a strengthened system with the capacity to manage future growth in benefit programs and services for taxpayers.

Telephone services

After extensive research and consultation, the CRA sent letters to Canadians offering them a new simple service called File my Return. As with the Community Volunteer Income Tax Program mentioned above, filing a return is the way to make sure people who are entitled to credits and benefits receive them. The CRA's call centres received in excess of nine million benefit enquiries calls. For more information on telephone services at the CRA, see page 18.

The table below shows how calls about benefits were treated in 2017-18.

	Number of calls answered by an agent	Number of calls for which the caller opted to self-serve using the automated service	Number of calls that were not served; these include calls for which the caller:	
			Did not opt to self-serve using the automated service	Received a busy signal
Benefits	2,215,789	1,820,703	4,134,219	1,027,197

Benefits key results

In 2017-2018:

- The CRA sent letters to 300,000 Canadians through the Non-Filer Benefit Letter initiative, introduced File my Return, and expanded the Automated Benefits Application service
- We increased the number of returns completed through the Community Volunteer Income Tax Program by 18,257 to 786,606
- We issued 100% of Canada child benefit payments on time
- We issued 110 million benefit payments to almost 15.3 million benefit recipients, a value of \$33.8 billion, representing an increase of \$2 billion over 2016-17
- The CRA administered 171 federal, provincial, and territorial benefit and credit programs and services
- The MyBenefits CRA app was logged into 108,229 times
- We made 82.9% of benefit and credit payments by direct deposit
- We answered over 4 million calls on our benefit enquiries line through agent and automated services

Benefits performance indicators

Departmental result: Canadians receive their rightful benefits in a timely manner

Result indicator	Target	2017-18 result	2016-17 result	2015-16 result
Percentage of Canada child benefit recipients who provide complete and accurate information in order to receive the proper entitlement	95%	92.6% ¹	N/A	N/A
Percentage of benefit payments issued to benefit recipients on time ²	99%	100%	99.99%	99.99%
Percentage of respondents satisfied with the benefit application processing time	75%	N/A ³	N/A ⁴	N/A ⁵
Percentage of taxpayers (benefit recipients) who filed as a result of targeted CRA intervention	25%	8.1% ⁶	New indicator in 2017-18	New indicator in 2017-18

1 The study that produced this result was performed on data from 2015-16. The result became available in the summer of 2018.

2 Includes only Canada child benefit payments.

3 There will be no results for 2017-18 as the client satisfaction survey is being reviewed and refreshed in an effort to improve response rates.

4 The number of respondents was not sufficient to produce valid results.

5 No survey was conducted in 2015-16.

6 The Non-Filer Benefit Letter initiative resulted in 8.1% of the identified population filing returns. While this take up rate may seem low, this is a new initiative aimed at those who typically do not file a return. This first year target was ambitiously set and has been adjusted to 10% as published in the 2018-2019 Departmental Plan. The CRA will pursue the program using business intelligence to explore the effectiveness of different methodologies to encourage the target group to file tax returns.

Benefits spending and human resources

Budgetary financial resources (dollars)

2017-18 Main Estimates	2017-18 Planned spending	2017-18 Total authorities available for use ¹	2017-18 Actual spending ² (authorities used)	2017-18 Difference (Actual spending minus Planned spending)
487,819,400	487,819,400	488,482,549	479,298,608	(8,520,792)

1 Total authorities available for use includes severance payments, parental benefits, vacation credits and the carry-forward of unused funds from 2016-17 where, pursuant to section 60(1) of the Canada Revenue Agency Act, the CRA has up to two fiscal years to utilize parliamentary appropriations once approved. This funding is received during the fiscal year and is therefore not reflected in planned spending.

2 Modified cash basis, based on Parliamentary appropriations used. For an explanation of how actual spending relates to results in the CRA Financial Statements – Agency Activities, see [Note 3^{xviii}](#) on parliamentary appropriations.

Human resources (full-time equivalents)¹

2017-18 Planned full-time equivalents	2017-18 Actual full-time equivalents	2017-18 Difference (Actual full-time equivalents minus Planned full-time equivalents)
1,592	1,253	(339)

1 Includes FTEs associated with fulfilling the CRA's administrative responsibilities in support of Canada Pension Plan and Employment Insurance legislation.

Supporting information on planned expenditures, human resources, and results related to the CRA's Program Inventory is available in the [GC InfoBase^{xix}](#).

Internal services

Core responsibility

Internal Services are those groups of related activities and resources that the Federal Government considers to be services in support of programs and/or required to meet corporate obligations of an organization. Internal Services refer to the activities and resources of ten distinct services that support program delivery in the organization, regardless of the Internal Services delivery model in a department. These services are: Acquisition Management Services, Communications Services, Financial Management Services, Human Resources Management Services, Information Management Services, Information Technology Services, Legal Services, Materiel Management Services, Management and Oversight Services, Real Property Management Services.

Finance

The CRA continues to ensure robust management in areas of strength such as financial management. This fiscal year, the Agency continued to closely monitor major projects and initiatives, including those funded under Budgets 2016 and 2017, and reported progress to senior management and the CRA Board of Management. We also instituted an improved resource alignment process to ensure funding allocations remained in line with Agency and Government of Canada priorities.

Integrity and security

The CRA takes its responsibility to maintain the trust of Canadians very seriously and continues to underline this commitment by focusing on integrity and security as an Agency priority. Our Agency Security Plan (ASP) 2016-2019, clarifies how the Agency integrates its security activities into daily operations to manage security risks and protect employees, information, and assets to the highest standard. This fiscal year, we completed all activities identified in the ASP for 2017-18, notably the final phase of the multi-year Identity and Access Management project.

The CRA is also increasing controls to prevent and detect internal fraud and misuse of information. Given continual advances in the methods and sophistication of fraudulent activities, the Agency must continue to update its internal fraud detection tools and identify weaknesses that could be exploited. This fiscal year, we established detailed business requirements for two new fraud detection capabilities.



Using the Tax Administration Diagnostic Assessment Tool, the Agency found that it has robust internal audit and internal affairs units, and external oversight.

The Agency's Data Security Initiative (DSI) will further enhance the protection of data and implement safeguards for the Agency's databases and computing environments. In 2017-18, we fully implemented 2 DSI deliverables, and are on schedule to complete the remaining 13 committed DSI phase 1 deliverables by June 2020.

The Agency also improved physical security controls by updating card access and intrusion detection systems at 15 sites this year. We developed a new Employee Threat and Violence Mitigation strategy, which will be implemented next fiscal year, and delivered 332 awareness sessions to employees to promote security at the CRA.

The CRA respects the government's requirement for open and transparent government as part of its commitment to integrity. To this end, we reduced the backlog of access to information and privacy requests by 29%, and participated in consultations on legislative changes included in Bill C-58, An Act to amend the Access to Information Act and the Privacy Act and to make consequential amendments to other Acts.

Information technology to serve Canadians and government priorities

Over the past fiscal year, the CRA continued to use a Government of Canada enterprise approach to Information Technology (IT) infrastructure and service delivery to support the Agency's business programs and IT investments. The CRA also assessed and strengthened its underlying IT infrastructure services in order to deliver reliable, secure, and accessible digital services to Canadians. The CRA continued to renew and redesign core software system programs to ensure they remain current and to protect the integrity of the tax base and benefits services.

In 2017-18, the CRA finalized a three-year (2018-21) IT Plan, in compliance with the Treasury Board Secretariat annual requirement, that identified IT strategic priorities and provided a context for \$175 million in project development (for 63 projects and activities), and the ongoing support and maintenance of over 480 enterprise applications. The IT Plan will guide the Agency in making sure its IT investments are aligned with CRA and government business priorities.

In 2017, the CRA's National Information Technology Service Desk was re-certified by the Help Desk Institute, which recognizes commitment to excellence, efficiency, and service quality. We were one of only two organizations in Canada and the only Government of Canada department to receive this certification.

Innovation



Gathering business intelligence (BI) gives the CRA better insight into taxpayer behaviour and non-compliance. The Agency continues to combine business intelligence with advanced data analysis techniques in order to take a targeted and risk-based approach to promoting, supporting, and enforcing compliance activities.

Recognizing its data holdings as a strategic asset, the CRA developed a Business Intelligence Vision, which determined the need for an integrated, horizontal approach to the way the Agency collects, uses, manages, publishes, and shares data. We appointed a Chief Data Officer to implement this approach over the next two years, establishing BI priorities to support the CRA's objectives and drive innovation, and guiding a new CRA centre of expertise for BI.



The Agency recognized that innovation plays a key role in being world-class, and developed an innovation assessment tool, which was vetted by academics, external subject matter experts, and other government departments. The CRA will report on the extent to which it fosters innovation in 2018-19.

The CRA is renewing its BI computing platform, tools, and processes to allow an integrated view of taxpayer activities, support continuing research into business efficiency, and ensure informed decision-making and issues management. In 2017-18, the CRA successfully implemented most of the foundational IT infrastructure and began migrating data to the new BI environment. The BI Renewal project will lay the groundwork for statistical and trend analysis to prepare for future needs, challenges, and opportunities, and is on track for completion in December 2018. Throughout 2017-18, the CRA continued to advance its data analytics capability by developing and testing predictive models to allow us to identify individual and business taxpayers with an increased risk of non-compliance, and determine what specific compliance actions to apply.

Our Accelerated Business Solutions Lab also continued to promote BI use at the Agency, using tools such as behavioural insights, ethnography, and advanced analytics to improve services and increase compliance. For example, a "nudge" experiment was conducted to determine if increasing taxpayers' awareness of the working income tax benefit would encourage more paper filers to claim. ("Nudge" projects influence decisions and behaviours without restricting people's choices. These projects test different interventions to measure their impact.) The experiment was extremely successful at increasing claims among low-income paper filers in New Brunswick in tax year 2016, and was rolled-out nationwide for tax year 2017.



Encouraging innovation and new ideas is crucial to the ongoing growth and improvements of CRA's compliance, collections, and verification approaches. One particularly successful collaborative agreement involved recruiting and supporting students from the Business Intelligence Systems Infrastructure co-op program from Algonquin College in Ottawa. This program has positive results for both students and the Agency. The program is specialized and selective, with only 25-30 students admitted

annually. Since the start of the agreement 3 years ago, 12 students have been recruited to the Agency and 26 have been assigned to a number of CRA-developed BI and analytics exploratory case studies, as part of their academic learning. This year, along with three other recipients, the CRA was awarded the first ever Algonquin College Co-op Award of Excellence.



To improve access to federal and provincial benefits for vulnerable Canadians, the CRA completed an ethnographic research project in 2017 on the needs and experiences of people who are homeless and housing-insecure. The research focused whether they file tax returns and their life experience, and identified the barriers they face in accessing benefits to which they are entitled. The findings suggested ways for the CRA to improve its interactions with homeless and housing-insecure Canadians and be more responsive to their needs. In alignment with the commitment to open government, the [research report](#)^{xx} is available on Canada.ca.

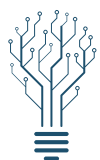
This year, the CRA collaborated with other government departments and consulted different tax administrations and companies on innovation. We also studied potential strategies for solutions, including distributed ledger (blockchain) technology and cloud computing, and practical applications of artificial intelligence.

In addition, the CRA piloted the first Government of Canada activity-based workplace, where desks are unassigned and employees may choose a type of workspace aligned with the type of work they are performing that day. The pilot demonstrated that a work environment can be designed to increase communication, collaboration, and overall productivity through concepts such as desk-sharing, thereby reducing the organization's "footprint." User surveys consistently resulted in a 30% increase in workplace satisfaction (from 56% to 86%). The pilot helped form the foundation of new Government of Canada Workplace Standards slated for implementation across the government.

People

The Agency's Workforce Plan for the fiscal year underlined the challenges of staff renewal. It focussed on identifying and developing qualified leaders, expanding the recruitment strategy, and maintaining a healthy, respectful, and empowering work environment.

Identifying and developing leaders remains a priority at the CRA, as demographics continue to shift. In 2017-18, the CRA continued to enhance its leadership development to help ensure we have the capacity to achieve current and future business objectives. This included participating in various leadership development programs from the Canada School of Public Service and external providers, an enhanced internal Agency Leadership Development Program, and a new onboarding approach for executives.



We piloted an executive staffing process using “character-based leadership,” a new approach to identify and recruit future leaders who exhibit traits of good leaders and have potential to grow. We included character-based leadership as a complementary element in executives’ evaluation processes for the 2017-18 performance management cycle.

To simplify staffing processes and ensure they remain effective—hiring the right person for the right job at the right time—the CRA launched the staffing redesign project. The CRA also incorporated messages about its Top 100 Employer status for 2018 on the CRA's career webpages and on selection process posters. We also modernized our online presence by expanding our use of social media, and enriching our recruitment toolkit. The CRA's online recruitment video, called [“We’re more than just taxes^{xxi}”](#) was widely viewed on social media, with about 12,000 views across platforms. In addition, the CRA expanded its recruitment strategy and launched a senior management ambassador pilot project on selected post-secondary campuses: we recruited more than 1,900 students, an increase of 10% from 2016-17. We also implemented the Strategic Recruitment Champions’ Action Plan, which included fulfilling a commitment to increase external recruitment for above-entry-level positions. It increased from a three-year historical average of 18% to 20% as of March 31, 2018.

The CRA continued to work closely with Public Services and Procurement Canada as payroll administrator, and with other government departments, to address outstanding system defects and compensation issues in the Phoenix pay system. Our dedicated employees put in extra effort to ensure their colleagues were paid accurately and on time, specifically through the Pay Modernization Project links to Phoenix. The CRA has continued to make progress reducing outstanding pay requests and responding to general enquiries. As of March 21, 2018, 17.6% of employees had an open case over 30 days old—a reduction of 7.5% from 25.1% in January 2018.

Gender-based Analysis Plus



Since 1995, the Government of Canada has been committed to using Gender-based Analysis Plus (GBA+) to advance gender equality in Canada. The CRA uses this analytical tool to assess how initiatives may affect different population segments, and looks at gender and many other identity factors (examples include age, ethnicity, religion, and culture).

Budget 2018 highlighted some areas in which the CRA should improve its existing GBA+ efforts. In 2017-18, the CRA continued to promote awareness of GBA+ through training opportunities to expand knowledge and capacity, and developed and implemented a GBA+ Communications Plan and Action Plan.

We made sure GBA+ was applied to all CRA-led Government initiatives in 2017-18. In total, 55 GBA+ analyses were conducted in support of inclusive program and service delivery.

We fostered diversity and inclusion in the workplace by carrying out a variety of Agency-wide activities. In support of the Indigenous Recruitment, Retention and Promotion Strategy, which encourages Indigenous youth to consider a CRA career, we developed Indigenous-specific promotional materials as well as a campaign page. In addition, we launched the Indigenous mentoring and Indigenous buddy initiatives, and initiated the development of an Indigenous employee network. We also created a new national lesbian, gay, bisexual, transgender, queer, two-spirit (LGBTQ2) network in April 2017, and launched national training sessions on the Positive space initiative in October 2017. By the end of 2017-18, 99 trainers were certified and delivered awareness sessions to 1,464 employees, as well as Ambassador training to 543 employees nationally.



The LGBTQ2 network provides a forum for LGBTQ2 employees and supporters to connect and promote a healthy and inclusive work environment at the CRA. It also serves as a resource for the CRA on internal initiatives and service to the LGBTQ2 public, and acts as a referral point for community resources related to LGBTQ2 issues.

To support well-being and respect in the workplace, and ensure an inclusive work environment that fosters engagement and productivity, we continued to implement the CRA's three-year Respectful Workplace and Well-Being Strategy. We used social media and internal communication tools to promote well-being support services such as the Employee Assistance Program, Early Intervention and Return to Work, Diversity and Inclusion, Recognition, Informal Conflict Resolution, and Discrimination and Harassment. We also engaged with various CRA networks, such as the Young Professionals Network, Management Group Network, and EX Group Network, and various committees and communities to further highlight how these services can help our employees.



SUSTAINABLE DEVELOPMENT STRATEGY

In 2017-18, the Agency developed a new Sustainable Development Strategy 2017-2020 that contains specific targets and implementation actions to reduce greenhouse gas emissions and the use of paper, minimize the environmental impact of its real property and procurement, improve waste management, and promote sustainable development.

Sustainable development in action:

The CRA continued to reduce the energy used by its office equipment by introducing multifunction printers in multiple sites across the Agency. These devices can photocopy, print and scan; they replaced older, single function photocopiers, printers, and scanners. At the same time, an exercise was carried out to ensure that these devices were used to their full capacity, increasing the number of users per device while ensuring no impact on productivity. These actions resulted in an average 45% reduction in individual devices.

Internal services spending and human resources*

Budgetary financial resources (dollars)

2017 Main Estimates	2017-18 Planned spending	2017-18 Total authorities available for use ¹	2017-18 Actual spending ² (authorities used)	2017-18 Difference (Actual spending minus Planned spending)
934,818,007	934,818,007	1,184,377,971	1,079,913,725	145,095,718

1 Total authorities available for use includes severance payments, parental benefits, vacation credits and the carry-forward of unused funds from 2016-17 where, pursuant to section 60(1) of the Canada Revenue Agency Act, the CRA has up to two fiscal years to utilize parliamentary appropriations once approved. This funding is received during the fiscal year and is therefore not reflected in planned spending.

2 Modified cash basis, based on Parliamentary appropriations used. For an explanation of how actual spending relates to results in the CRA Financial Statements – Agency Activities, see [Note 3^{xviii}](#) on parliamentary appropriations.

* A significant portion of the expenditures and FTEs reported under Internal Services are associated with Information Technology work and includes activities carried out on behalf of the programs to ensure the continued sustainability of CRA systems.

Human resources (full-time equivalents [FTE])¹

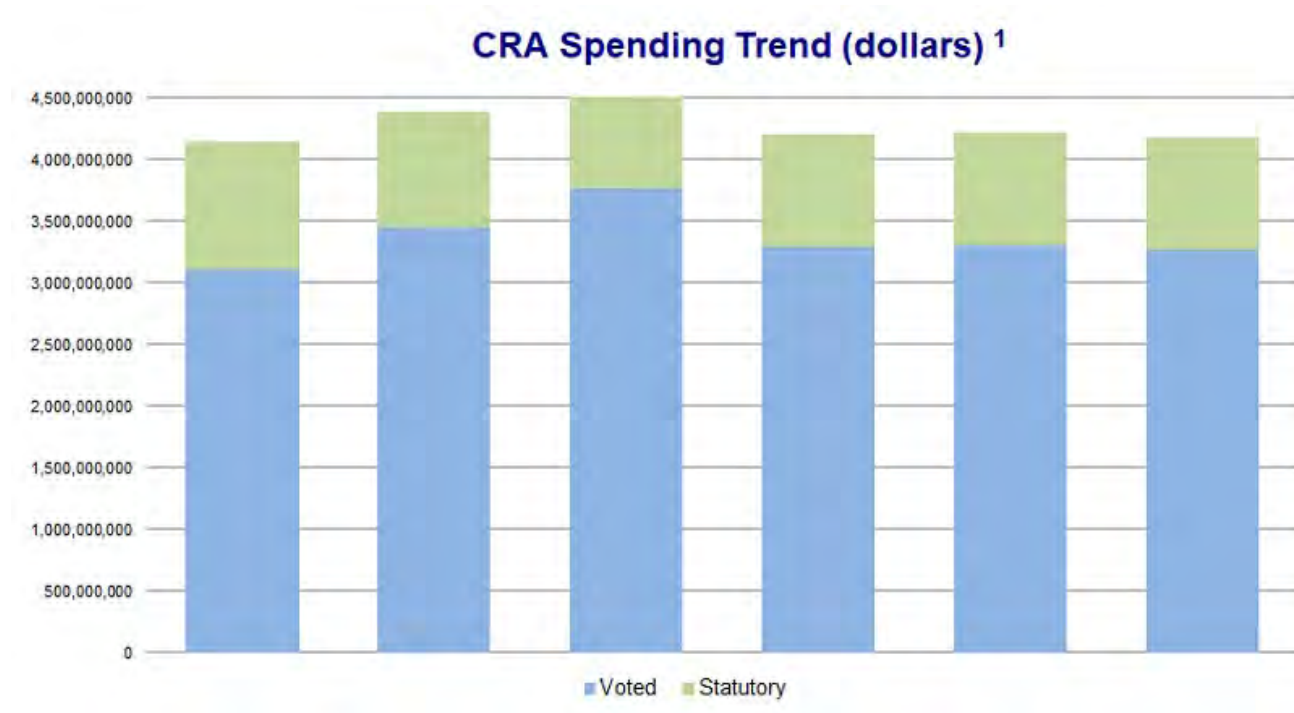
2017-18 Planned full-time equivalents	2017-18 Actual full-time equivalents	2017-18 Difference (Actual full-time equivalents minus Planned full-time equivalents)
7,665	8,088	423

1 Includes FTEs associated with fulfilling the CRA's administrative responsibilities in support of Canada Pension Plan and Employment Insurance legislation.

Supporting information on planned expenditures, human resources, and results related to the CRA's Program Inventory is available in the [GC InfoBase^{xix}](#).

Analysis of trends in spending and human resources

Actual expenditures



	Actual spending ²			Planned spending		
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Statutory	1,034,149,642	936,635,156	941,296,937	916,610,222	913,826,933	911,597,459
Voted	3,112,837,652	3,453,312,607	3,766,470,408	3,288,115,538	3,304,601,598	3,265,420,851
Total	4,146,987,294	4,389,947,763	4,707,767,345	4,204,725,760	4,218,428,531	4,177,018,310

1 The spending trend figure shows all parliamentary appropriations (Main Estimates and Supplementary Estimates) and revenue sources provided to the CRA for policy and operational initiatives arising from various federal budgets and economic statements, transfers from Public Services and Procurement Canada for accommodations and real property services, disbursements under the Softwood Lumber Agreement, children's special allowance payments, as well as the implementation of initiatives to improve efficiency.

2 Actual spending for fiscal years 2015-16 to 2017-18 also includes technical adjustments such as the CRA's carry-forward from the previous year and funding for severance payments, parental benefits, and vacation credits.

Over the period 2015-16 to 2020-21, the CRA's voted expenditures/appropriations show an increase primarily as a result of funding received to implement and administer various measures announced in the federal budgets, transfers from Public Services and Procurement Canada for accommodation and real property services, as well as wage settlements. Actual spending in the 2017-18 fiscal year includes a significant increase associated with the cash out of severance benefits for employees represented by the Public Service Alliance of Canada (PSAC) bargaining unit. The 2016-17 and 2017-18 fiscal years also reflect higher spending as a result of retroactive payments associated with collective bargaining increases for employees represented by the PSAC and Professional Institute of the Public Service of Canada (PIPSC) bargaining units, including amounts set aside in anticipation of wage settlements for the period under the operating budget freeze.

The above increases have been partially offset by planned decreases in funding for the upgrade of the individual income tax processing system and the administration of the Softwood Lumber Agreement, as well as other miscellaneous items such as decreases in Government advertising programs and the transfer of CRA training programs to the Canada School of Public Service.

Over the period 2015-16 to 2020-21, the CRA's statutory authorities show a decrease, primarily due to a reduction in disbursements to the provinces following the expiration of the Softwood Lumber Agreement and changes in employee benefit plan rates. These decreases have been partially offset by increases for children's special allowance payments.

Budgetary performance summary for Core Responsibilities and Internal Services (dollars)¹

Core Responsibilities and Internal Services (Departmental Results Framework)	2017-18 Main Estimates	2017-18 Planned spending	2018-19 Planned spending	2019-20 Planned spending	2017-18 Total authorities available for use ²	2017-18 Actual spending ³ (authorities used)	2016-17 Actual spending ⁴ (authorities used)	2015-16 Actual spending ⁴ (authorities used)
Tax ⁵	2,737,078,407	2,737,078,407	2,793,270,920	2,819,226,312	3,169,626,064	3,145,344,608	2,919,596,085	2,778,029,782
Benefits ⁶	487,819,400	487,819,400	482,609,132	474,246,261	488,482,549	479,298,608	475,216,775	449,400,252
Taxpayers' Ombudsman	3,183,760	3,183,760	3,132,365	3,141,688	3,325,836	3,210,404	2,894,786	2,047,159
Subtotal	3,228,081,567	3,228,081,567	3,279,012,417	3,296,614,261	3,661,434,449	3,627,853,620	3,397,707,646	3,229,477,193
Internal Services	934,818,007	934,818,007	925,713,343	921,814,270	1,184,377,971	1,079,913,725	992,240,117	917,510,101
Total	4,162,899,574	4,162,899,574	4,204,725,760	4,218,428,531	4,845,812,420	4,707,767,345	4,389,947,763	4,146,987,294
Less: Respendable Non-Tax Revenue under Section 60 of the Canada Revenue Agency Act	(165,720,262)	(165,720,262)	(159,856,226)	(153,747,478)	(166,387,494)	(166,387,494)	(163,733,679)	(169,032,577)
Plus: Cost of services received without charge	N/A	466,944,402	449,900,714	451,711,382	N/A	598,489,629	512,443,686	463,246,580
Net cost	N/A	4,464,123,714	4,494,770,248	4,516,392,435	N/A	5,139,869,480	4,738,657,770	4,441,201,297

- 1 Budgetary financial information displayed in this document represents authorities approved by Parliament, and excludes amounts recovered by the CRA for the provision of services to Employment and Social Development Canada for the administration of the Canada Pension Plan and the Employment Insurance Act.
- 2 The CRA's total authorities increased by \$682.9 million, or 16.4% over the planned spending identified in the 2017-18 Departmental Plan. This is mainly due to increases associated with the carry-forward of funds from 2016-17, funding for severance payments, parental benefits, and vacation credits, funding to implement and administer various measures announced in the 2017 federal budget, and funding for collective bargaining increases. For more information, see table "Authorities approved after Main Estimates" in the Financial performance information – Parliamentary appropriations section of the [supplementary information tables^{xxii}](#).
- 3 Modified cash basis, based on Parliamentary appropriations used. For an explanation of how actual spending relates to results in the CRA Financial Statements – Agency Activities, see [Note 3^{xviii}](#) on parliamentary appropriations.
- 4 Actual spending for the 2015-16 and 2016-17 fiscal years has been crosswalked from the Program Alignment Architecture to the Departmental Results Framework. A breakdown of this information as per the Program Alignment Architecture is available in the 2016-17 Departmental Results Report.
- 5 Includes the disbursements to the provinces under the Softwood Lumber Products Export Charge Act, 2006 (planned spending: \$0 in 2017-18, 2018-19 and 2019-20); (actual spending: \$0 in 2017-18, -\$0.1 million in 2016-17 and \$121.5 million in 2015-16). Also includes payments to Revenu Québec for administering the goods and services tax in the province (planned spending: \$143 million in 2017-18, 2018-19 and 2019-20); (actual spending: \$141.8 million in 2017-18; \$141.8 million in 2016-17 and \$142.3 million in 2015-16).
- 6 Includes statutory children's special allowance payments (planned spending: \$340 million in 2017-18; \$335 million in 2018-19; and \$335 million in 2019-20); (actual spending: \$333.6 million in 2017-18; \$319.7 million in 2016-17 and \$309.2 million in 2015-16).

Over the planning period (from \$4.205 billion in 2018-19 to \$4.218 billion in 2019-20), the CRA's appropriations increased, primarily as a result of funding received to implement and administer various measures announced in the federal budgets as well as for adjustments to accommodation and real property services. These increases have been partially offset by planned decreases in funding for the upgrade of the individual income tax processing system.

Actual human resources

Human resources summary for Core Responsibilities and Internal Services (full-time equivalents)

Core Responsibilities and Internal Services (Departmental Results Framework)	2015-16 Actual FTEs ¹	2016-17 Actual FTEs ¹	2017-18		2018-19 Planned FTEs	2019-20 Planned FTEs
			Planned FTEs	Actual FTEs		
Tax	28,981	29,529	30,104	30,399	30,691	30,882
Benefits	1,287	1,299	1,592	1,253	1,506	1,474
Taxpayers' Ombudsman	21	25	31	25	31	31
Subtotal	30,289	30,853	31,727	31,677	32,228	32,387
Internal Services	7,688	7,875	7,665	8,088	7,707	7,606
Total	37,977	38,728	39,392	39,765	39,935	39,993

1 Actual FTEs for the 2015-16 and 2016-17 fiscal years have been crosswalked from the Program Alignment Architecture to the Departmental Results Framework. A breakdown of this information as per the Program Alignment Architecture is available in the 2016-17 Departmental Results Report.

The increase in actual FTEs in 2017-18 is largely attributable to new funding received to implement and administer measures announced in the 2017 Federal Budget, as well as growth in funding for measures announced in the 2016 Federal Budget.

Over the planning period (from 39,935 in 2018-19 to 39,993 in 2019-20) the increase in FTEs is primarily the result of funding received for various measures announced in the federal budgets partially offset by reductions in planned investment projects.

Expenditures by vote

For information on the CRA's organizational voted and statutory expenditures, consult the [Public Accounts of Canada 2017-2018](#)^{xxiii}.

Government of Canada spending and activities

Information on the alignment of the CRA's spending with the Government of Canada's spending and activities is available in the [GC InfoBase](#)^{xxiv}.

Financial statements

The CRA's financial statements for the year ended March 31, 2018, as well as the Auditor General of Canada's opinion on them, are available on [canada.ca](#)^{xxiv}.

Financial statements highlights – Agency Activities

Condensed Statement of Operations (unaudited) for the year ended March 31, 2018 (dollars)

Financial information	2017-18 Planned results	2017-18 Actual results	2016-17 Actual results	Difference (2017-18 Actual results minus 2017-18 Planned results)	Difference (2017-18 Actual results minus 2016-17 Actual results)
Total expenses	4,810,433,000	4,915,827,517	4,918,113,681	105,394,517	(2,286,164)
Total revenues	508,203,000	519,251,687	533,965,158	11,048,687	(14,713,471)
Net cost of operations before government funding and transfers	4,302,230,000	4,396,575,830	4,384,148,523	94,345,830	12,427,307

The CRA's 2017-18 net cost of operations before government funding and transfers amounted to \$4,396.5 million, an increase of \$12.4 million from the \$4,384.1 million net cost of operations before government funding and transfers in 2016-17.

Personnel expenses (salaries, other allowances and benefits) represent 74% of total expenses and are the CRA's primary costs. The remaining 26% of expenses are comprised of other costs such as information technology (IT) and accommodation expenses.

Personnel costs have decreased by \$21.4 million in 2017-18. Although salary expenses have slightly increased (\$26.1 million), other allowances and benefits have decreased (\$47.5 million). This decrease is mainly explained by the termination of the accumulation of accrued severance benefits for the employees under the Public Service Alliance of Canada (PSAC) collective agreement.

Non-personnel expenses have increased by \$19.1 million in 2017-18. This net variance mainly results from an increase in IT services provided by Shared Services Canada (SSC) (\$78.5 million) mostly due to the implementation of a costing methodology by SSC to refine its assessment of the cost of services provided without charge to other government departments (OGD). This increase was offset in part by a decrease in accommodation costs as a result of a reduction in the number of fit-up projects (\$34.3 million) and a decrease in the cost of legal services provided without charge by Justice Canada (\$10.8 million) due to a change in the scope of the costing methodology to calculate the amount of services provided without charge to OGD.

Non-tax revenues decreased by \$14.7 million in 2017-18, which is mostly attributable to greater revenues in 2016-2017 resulting from the invoicing of the retroactive salary payments applicable to the administration of the Canada Pension Plan and the Employment Insurance Act.

Condensed Statement of Financial Position (unaudited) as of March 31, 2018 (dollars)

Financial information	2017-18	2016-17	Difference (2017-18 minus 2016-17)
Total net liabilities	1,283,659,460	1,479,204,021	(195,544,561)
Total net financial assets	523,417,713	329,741,215	193,676,498
Departmental net debt	760,240,746	1,149,462,806	(389,222,060)
Total non-financial assets	425,846,275	411,843,222	14,003,053
CRA net financial position	334,395,472	737,619,584	(403,224,112)

Liabilities have decreased by \$195.5 million in 2017-18. This was mainly attributable to a significant decrease in employee severance benefit liability since settlement payments were issued in 2017-18 to the employees under the PSAC collective agreement who opted to cash out the full or partial value of their accumulated benefits following the plan curtailment in 2016-2017. This decrease was offset in part by an increase in the provision for salary increases payable in relation to newly signed and/or expired collective agreements.

The increase in financial assets is correlated to specific increases in liabilities, as an account receivable is created for liabilities that are not settled at year-end, but for which appropriations were used. This account receivable, the due from the Consolidated Revenue Fund (CRF), represents the net amount of cash that the CRA is entitled to draw from the CRF that is administered by the Receiver General for Canada without using further appropriations to discharge its liabilities. The vast majority of the \$193.7 million increase in financial assets in 2017-18 is due to the increase in accrued salaries.

Financial statement highlights – Administered Activities

Condensed statement of administered revenues and pension contributions and statement of administered expenses and recoveries (unaudited) for the year ended March 31, 2018 (in millions of dollars)

Financial information	2017-18	2016-17	Difference
Total administered revenues and pension contributions	430,331	402,368	27,963
Total net administered expenses and recoveries	(35,096)	(32,506)	(2,590)
Revenues paid or payable directly to a province	(390)	(300)	(90)
Change in administered assets and liabilities	(5,596)	(1,463)	(4,133)
Net cash deposited in the Consolidated Revenue Fund of the Government of Canada	389,249	368,099	21,150

The CRA administers revenues for the Government of Canada, provincial and territorial governments and First Nations as well as pension contributions and other revenues for the Canada Pension Plan. The total administered revenues amounted to \$430,331 million in 2017-18, an increase of \$27,963 million or 6.9% from 2016-17. The increase is mainly due to sustained economic growth.

The CRA administers expenses for the Government of Canada, provincial and territorial governments as well as the doubtful accounts expense for the Canada Pension Plan. The CRA also administers recoveries for the Government of Canada relating to the Old age security and Employment insurance benefits. The total net administered expenses and recoveries amounted to \$35,096 million in 2017-18, an increase of \$2,590 million or 8% from 2016-17. The increase reflects higher Canada child benefit program payments, which replaced the child tax benefit and the universal child care benefit programs in July 2016. It also reflects a higher doubtful accounts expense, which rose by \$530 million.

Condensed statement of administered assets and liabilities (unaudited) as at March 31, 2018 (in millions of dollars)

Financial information	2017-18	2016-17	Difference
Total administered assets	128,475	116,135	12,340
Administered liabilities	62,604	55,860	6,744
Net amount due to the Consolidated Revenue Fund	65,871	60,275	5,596
Total liabilities	128,475	116,135	12,340

Total administered assets amounted to \$128,475 million as at March 31, 2018, an increase of \$12,340 million or 10.6% in 2016-17. The increase is generally in line with the growth in revenues as a result of a strong economy.

Administered liabilities amounted to \$62,604 million as at March 31, 2018, an increase of \$6,744 million or 12.1% in 2016-17. The increase reflects higher amounts payable to corporations as well as higher GST/HST refund claims.

Supplementary information

Corporate information

Organizational profile

Appropriate Minister: The Honourable Diane Lebouthillier, P.C., M.P.

Institutional head: Bob Hamilton

Chair of Board of Management: Suzanne Gouin

Ministerial portfolio: National Revenue

Enabling instrument: Canada Revenue Agency Act www.laws-lois.justice.gc.ca/eng/acts/C-10.11/^{xxv}

Year of commencement: 1999

Supporting information on the Program Inventory

Financial, human resources and performance information for the CRA's Program Inventory is available in the [GC InfoBase](#)^{xix}.

Supplementary information tables

The following supplementary information tables are available on [canada.ca](#)^{xxii}.

- o Sustainable Development Strategy
- o Details on transfer payment programs of \$5 million or more
- o Evaluations
- o Fees
- o Internal audits
- o Response to parliamentary committees and external audits
- o Project spending
- o Financial performance information – Parliamentary appropriations

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 each year in the [Report on Federal Tax Expenditures](#)^{xxvi}. 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.

Public service commission and assessment of recourse reports

The Canada Revenue Agency Act requires the CRA to include in its annual reporting a copy of any report produced under section 59 or a summary statement of any assessment produced under subsection 56(1). The report and assessment are produced on an as needed basis. During 2017-18, the Public Service Commission did not prepare, or have prepared on its behalf, a report to the CRA pursuant to section 59 of the Canada Revenue Agency Act on the consistency of the Agency's staffing program with the principles set out in the summary of its corporate business plan. For the same period, the CRA did not prepare pursuant to subsection 56(1) of the Canada Revenue Agency Act an assessment of the recourse the Agency provides or administers in its management of human resources.

Organizational contact information



Head office

Connaught building
555 MacKenzie Avenue, 7th floor
Ottawa ON K1A 0L5
Telephone: 613-957-3688
Fax: 613-952-1547
Website: canada.ca^{xxvii}

As of September 2018

Agency governance and the Board of Management

Introduction

Board of Management members are appointed by the Governor in Council; the Board's mandate is set out in the Canada Revenue Agency Act.

The Board of Management (Board) of the Canada Revenue Agency (CRA) consists of 15 members appointed by the Governor in Council. They include the Chair, the Commissioner, a director nominated by each province, one director nominated by the three territories in turn, and two directors nominated by the federal government. Members of the Board bring a diverse business and community perspective from the private, public, and not-for-profit sectors to the work of the CRA.

The Canada Revenue Agency Act states that the Board is responsible for overseeing the organization and administration of the CRA and the management of its resources, services, property, personnel, and contracts. It undertakes its oversight role in cooperation with CRA management to make sure the CRA fosters sound management and service delivery to Canadians.

BOARD PRIORITIES AND ACCOMPLISHMENTS FOR 2017-2018

In support of the CRA during this reporting period, the Board continued to provide oversight in all areas of its statutory responsibilities and accomplished its objectives in line with the Board's priorities as stated in the CRA's Corporate Business Plan (CBP) 2017-2018 to 2019-2020. Details on the Board's accomplishments in priority areas are provided below. (Note: the 2017-2018 fourth quarter meeting was held in April 2018.)

STRATEGIC DIRECTION

The Board's priorities for 2017-2018 to 2019-2020 and the CRA priorities for this planning period remained aligned and consistent with previous years' priorities. The Board's priorities were: service to Canadians, integrity and security, people management, innovation, and resource optimization.

The Board remained committed to supporting the Agency in realizing the Minister's mandate, to enhance service to Canadians, and treat them like valued clients not just taxpayers. The Board continued to monitor the Agency's performance through various reporting mechanisms such as its quarterly performance dashboard, regular progress reports, and timely discussions on other key files under its oversight. The Board's Audit committee made sure financial resources were managed in an efficient and effective manner by approving the annual financial statements, reviewing and approving internal audit reports, and monitoring the implementation of the Auditor General's recommendations; while the Human Resources Committee made sure the CRA recruited and retained the right people with the right skill sets, and that they were managed efficiently in a work

environment free of harassment and discrimination. The Resources Committee ensured optimum resource utilization with a focus on project management, cybersecurity, and the integrity and security of taxpayers' information. The Board's Governance Committee oversaw the enhancement and implementation of governance best practices to support efficient Board operations, including director orientation and development.

SERVICE TO CANADIANS

The Board continued to support the CRA's efforts to enhance service to Canadians and supported the appointment of the Agency's first Chief Service Officer, to develop and implement a service framework which puts taxpayers and benefit recipients at the core of its business.

The Board ensured the progress and results of the Minister's mandate. Specifically, the Board ensured communication with Canadians was easy to understand; telephone service was accessible and accurate; eligible taxpayers received the benefits and credits they were entitled to; and enhanced outreach to Indigenous peoples and vulnerable groups through the Agency's partnerships with Employment and Social Development Canada and the growth of the Community Volunteer Income Tax Program (CVITP).

In spring 2017, with the full support of the Board, the CRA continued its pursuit of excellence with the world-class tax and benefit administration (WCTBA) initiative. This initiative commenced by consulting with employees to learn their thoughts on the CRA as a world-class organization. Furthermore, the CRA launched an objective assessment of the Agency using an internationally recognized tool developed by the International Monetary Fund called the Tax Administration Diagnostic Assessment Tool (TADAT). Both of these approaches identified strengths and areas for improvement. The Board will continue to monitor and guide the CRA in its journey to improve service and become a WCTBA.

Following the 2017 Auditor General's report on the CRA's call centres, the Board established a call centre advisory subcommittee which worked closely with the Agency's management to oversee the strategy and implementation of an action plan for CRA call centres. Despite project delays in the implementation of the Hosted Contact Centre Service (HCCS), the action plan resulted in the CRA hiring additional call centre agents to improve accessibility for individual and business clients during the 2018 tax filing period; and using a new approach to training call centre agents to improve accuracy of the information we provide to taxpayers. The Board's Audit Committee will continue to monitor the implementation of the Auditor General's recommendations, and the Resources Committee will continue to monitor the implementation of the HCCS.

The Board encouraged the CRA to continue growing its digital service offerings, to make it easier for taxpayers to file their returns. For example, the CRA launched a new application called CRA BizApp, which allows Canadian business owners to check their recent transactions, verify their balance owing, and make payments. The CRA also introduced the Express NOA service, which allows individuals and their authorized representatives to view their notice of assessment right after they file electronically; this allows them to view the amount owing or the expected refund.

The Board oversaw not only the CRA's increased and enhanced digital services, but its service to low to modest income Canadians through the CRA's Community Volunteer Income Tax Program (CVITP) including in-person outreach to Indigenous communities.

The focus of the annual Board Planning Meeting in September 2017 was once again on enhancing service to Canadians. The Board engaged in discussions to better understand environmental imperatives for the CRA, examined strategies for achieving horizontality across the Agency, treating taxpayers as valued clients and striving to be a world-class tax and benefit administration. Board members also invited the Agency's senior management team to participate in discussions aimed at helping the Agency better articulate its *raison d'être* to both employees and taxpayers in order to foster a culture of service, enhance employees' understanding of what it means to be client service oriented and continue to evolve its service offerings to Canadians.

The Board strongly believes that a fair and impartial review of taxpayer disputes and objections in a timely manner is a fundamental taxpayer right. During this period, the Board received regular progress reports on the implementation of the Comprehensive Business Plan for appeals, and the CRA reduced its objections inventory and also established client oriented and transparent service standards for objections and for processing requests for taxpayer relief.

INTEGRITY AND SECURITY

The Board received regular updates on all aspects of the CRA's Security Program, including cybersecurity, information security, personnel security, internal investigations, physical security, emergency management, and identity access management. The Board also reviewed and approved the annual CRA IT Strategic Plan 2017-2018 to 2019-2020, and supported the CRA's Data Security Initiative to detect and prevent internal fraud and data misuse.

The Board received the CRA Integrity Framework in 2017-2018, with a continued focus on values and ethics and post-employment. The Board reviewed and approved changes to the Directive on conflict of interest, gifts and hospitality, and post-employment, as well as other corporate policy instruments and practices in the CRA.

The Board received annual updates by the CRA's Chief Privacy Officer on the CRA's efforts to reduce backlog of Access to Information (ATIP) and Privacy (PA) requests. This also included highlights from the 2016-2017 annual report on the administration of the ATIP and PA tabled in Parliament in July 2017 and it supports the Government of Canada's commitment to an open and transparent government.

PEOPLE MANAGEMENT

The Board reviewed and approved the CRA's 2017-2018 to 2019-2020 Agency Workforce Plan, and monitored human resources (HR) performance through quarterly updates on the following people management aspects: the CRA workforce; workplace; succession planning and recruitment in the Agency; HR modernization initiatives; respectful workplace and well-being.

The Board continued to support strategic recruitment efforts to make sure the CRA has the workforce it needs to deliver timely client-centered service now and in the future. Specifically, in light of Budget 2017, the Agency hired specialists such as behavioural economists, data analysts, forensic accountants, project managers and auditors, to combat tax evasion and tax avoidance, and to improve debt collections.

The Board closely monitored the progress of the Service Renewal initiative, which consolidated processing in National Verification and Collections Centres to better align its operations with actual business as the Agency transitions from an organization that used to handle mostly paper-based transactions to one that is more electronic/digital. Workload transfers to these sites is virtually complete and the Board received quarterly reports including impacts on the workforce and service targets.

The Board also monitored emerging issues in people management, including the impact of the Phoenix pay system on CRA employees. The Board directed the CRA to take measures to minimize impacts on its workforce, to address pay issues on a timely manner and to continue to communicate with employees.

The Board oversaw the CRA's efforts towards identifying and developing future CRA leaders by ensuring the Canada School of Public Service continues to provide relevant and accessible learning for its employees. As well, the Board supported the Agency in the introduction and use of character-based leadership for recruitment.

During this period, the Board recommended key mandates to the President of the Treasury Board of Canada (TBS) and continued to encourage the CRA in having positive and constructive relations with the unions. The Board supported the CRA in reaching an agreement with the Public Service Alliance of Canada, Union of Taxation Employees (PSAC-UTE) and in signing the new collective agreement

with the Professional Institute of the Public Service of Canada (PIPSC) for the Audit, Financial and Scientific Group (AFS). The Board believes healthy and productive labour-management relations can and should form a cornerstone of good human resources management.

INNOVATION

The Board continued to focus on innovation in the CRA. This year, members received an update from the CRA's Accelerated Business Solutions Laboratory focussing on the CRA's use of behavioural insights, ethnography, and advanced data analytics to inform its business decisions.

The Board supports the CRA's Business Intelligence Vision, which underpins an integrated, horizontal approach to data mining. In support of this vision, a Chief Data Officer was appointed to oversee and implement this approach and the Board will continue to monitor the data strategy to make sure data continues to drive the CRA business.

The Board recognizes the importance of business intelligence not only to detect non-compliance but also to enhance service to Canadians. To that end, it established a Blockchain Advisory subcommittee to help the CRA in developing and implementing strategies for its adoption of blockchain technology, in line with broader Government of Canada strategies.

RESOURCE OPTIMIZATION

During this period, the Board continued to provide fiscal oversight as a major fiduciary responsibility. Members examined the year's Strategic Investment Plan, quarterly dashboards on all major projects over \$20 million, quarterly resource management reports on the Agency's financial position, and approved the CRA's annual financial statements which obtained an unmodified audit opinion from the Office of the Auditor General.

As part of its fiduciary responsibilities, the Board also considered the Corporate Risk Profile risk action plan in June 2017, and a new Corporate Risk Profile for the new fiscal year in April 2018. The Board's Audit Committee regularly reviewed internal audit reports and evaluations.

During this period, the Board oversaw CRA activities funded by Budget 2016 and Budget 2017 for improving tax collections, cracking down on tax evasion, and combatting tax avoidance, client-focused services for Canadians and Canadian businesses, including expansion of compliance and audit measures.

CONCLUSION



The Board accomplished its strategic objectives for 2017-2018 and it is committed to fulfilling its oversight responsibilities and providing strategic advice and guidance to the Agency. The Board thanks Commissioner of Revenue, Mr. Bob Hamilton for his leadership and is grateful for the excellent cooperation and support received from senior management and employees of the CRA in achieving its fiduciary obligations.

Board membership

(Back row, left to right): Kathy Bouey, Dawn Dalley, Gerard Fitzpatrick, Susan Hayes, Mark Dwor, Joyce Sumara, Myles Bourke

(Front row, left to right): Mireille Aulier, Francine Martel-Vaillancourt, Bob Hamilton, Suzanne Gouin, Stanley Thompson, France-Elaine Duranceau.

The biographical information of the current members of the CRA's Board of Management is available on canada.ca^{xxviii}.

Committee membership and director participation

The Board of Management is supported by four committees and two subcommittees: they undertake much of the detailed review of items brought before the Board for its consideration. The following table shows the membership of each committee as well as directors' committee attendance over the 2017-2018 fiscal year.

Board Members	Board of Management (7 meetings) ¹	Audit Committee (4 meetings)	Governance Committee (5 meetings) ²	Human Resources Committee (4 meetings)	Resources Committee (4 meetings)	Call Centre Advisory Subcommittee (9 meetings) ³	Blockchain Advisory Subcommittee (3 meetings) ⁴
Board members attendance throughout the fiscal year⁵, taking into consideration departures and appointments.							
Kathryn A. Bouey	7/7		1/1	4/4	4/4	8/9	2/3
Myles Bourke	7/7	4/4	5/5		4/4	1/1	
France-Élaine Duranceau	7/7	4/4	5/5			1/1	3/3
Mark Dwor	7/7		5/5		4/4	1/1	3/3
Gerard J. Fitzpatrick	7/7	4/4	1/1		4/4	1/1	
Susan Hayes	7/7		5/5	4/4		1/1	
Francine Martel-Vaillancourt	7/7	4/4	1/1	4/4		8/9	
Mireille A. Saulnier	7/7		5/5	4/4		1/1	
Joyce Sumara	7/7	4/4	1/1		4/4	8/9	
Bob Hamilton	7/7		5/5	4/4	4/4	9/9	
Board members who joined during the fiscal year							
Dawn Dalley	7/7			2/2	2/2	1/1	
Suzanne Gouin	4/4	2/2	2/2	2/2	2/2	9/9	3/3
Stanley (Stan) Thompson	4/4					1/1	3/3
Board members who left during the fiscal year							
Rossana Buonpensiere	5/5		4/4	3/3		1/1	
Richard (Rick) Thorpe	2/2	2/2	2/2	2/2	2/2		
Norman G. Halldorson	6/6	3/3	4/4			1/1	
Margaret Melhorn	3/3		1/1	2/2	2/2		
Average Attendance Per Meeting⁶	101/101=100%	27/27=100%	47/47=100%	31/31=100%	32/32=100%	52/55=95%	14/15=93%

1 This includes four Board meetings, two teleconferences (August 28, 2017 financial statements-full Board attended, November 15, 2017 CBP), and the annual Board Planning Meeting.

2 Includes one teleconference to discuss the CEO Performance Assessment and Expectations. Full Board attended.

3 The April TC will be reported in next year's report. This report is until end of fiscal March 31, 2018. Full Board participated in TC November 21, 2017 to discuss the OAG Report on Call Centres.

4 This attendance report includes meetings until March 31, 2018

5 Includes Q4 2016-2017, Q1 2017-2018, Q2 2017-2018, Q3 2017-2018. Q4 2017-2018 (April 2018 Board meeting) to be reported in 2018-2019.

6 Average attendance per committee meeting is based on attendance of committee members only and does not include observers.

Governor in Council Rates of Pay		
Member Capacity	Per Annum Retainer	Per Diem
Board Chair	\$14,500 - \$17,100	\$565 - \$665
Committee Chair	\$11,100 - \$13,000	\$565 - \$665
Director	\$7,300 - \$8,600	\$475 - \$550

Service standards

The Canada Revenue Agency's 2017-18 service standards are available on this [webpage^{xxix}](#).

Taxpayer Bill of Rights

**YOU
HAVE
THE
RIGHT
TO**

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

COMMITMENT TO SMALL BUSINESS

**THE CANADA REVENUE
AGENCY IS COMMITTED TO**

administering the tax system in a way that minimizes the costs of compliance for small businesses

working with all governments to streamline service, minimize cost, and reduce the compliance burden

providing service offerings that meet the needs of small businesses

conducting outreach activities that help small businesses comply with the legislation we administer

explaining how we conduct our business with small businesses

Appendix: Definitions

Appropriation: Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

Base Erosion and profit-shifting (BEPS): “Tax avoidance strategies that exploit gaps and mismatches in tax rules to artificially shift profits to low or no-tax locations.” ([OECD website^{xxx}](#)).

Budgetary expenditures: Operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Core Responsibility: An enduring function or role performed by a department. The intentions of the department with respect to a Core Responsibility are reflected in one or more related Departmental Results that the department seeks to contribute to or influence.

Departmental Plan: A report on the plans and expected performance of an appropriated department over a three-year period. Departmental Plans are tabled in Parliament each spring.

Departmental Result: A Departmental Result represents the change or changes that the department seeks to influence. A Departmental Result is often outside departments’ immediate control, but it should be influenced by program-level outcomes.

Departmental Result Indicator: A factor or variable that provides a valid and reliable means to measure or describe progress on a Departmental Result.

Departmental Results Framework: Consists of the department’s Core Responsibilities, Departmental Results and Departmental Result Indicators.

Departmental Results Report: A report on an appropriated department’s actual accomplishments against the plans, priorities and expected results set out in the corresponding Departmental Plan.

EFILE: A service that lets authorized service providers and discounters send individual income tax return information to the CRA directly from the software used to prepare the tax return. Clients take their documents to a registered tax preparer who, for a fee, will prepare their return and send it to the CRA electronically using EFILE.

Evaluation: In the Government of Canada, the systematic and neutral collection and analysis of evidence to judge merit, worth or value. Evaluation informs decision making, improvements, innovation and accountability. Evaluations typically focus on programs, policies and priorities and examine questions related to relevance, effectiveness and efficiency. Depending on user needs, however, evaluations can also examine other units, themes and issues, including alternatives to existing interventions. Evaluations generally employ social science research methods.

Experimentation: Activities that seek to explore, test and compare the effects and impacts of policies, interventions and approaches, to inform evidence-based decision-making, by learning what works and what does not.

Full-time equivalent: 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.

Gender-based Analysis Plus (GBA+): An analytical approach used to assess how diverse groups of women, men and gender-diverse people may experience policies, programs and initiatives. The “plus” in GBA+ acknowledges that the gender-based analysis goes beyond biological (sex) and socio-cultural (gender) differences. We all have multiple identity factors that intersect to make us who we are; GBA+ considers many other identity factors, such as race, ethnicity, religion, age, and mental or physical disability. Examples of GBA+ processes include using data disaggregated by sex, gender and other intersecting identity factors in performance analysis, and identifying any impacts of the program on diverse groups of people, with a view to adjusting these initiatives to make them more inclusive.

Government-wide priorities: For the purpose of the 2017–18 Departmental Results Report, those high-level themes outlining the government’s agenda in the 2015 Speech from the Throne, namely: Growth for the Middle Class; Open and Transparent Government; A Clean Environment and a Strong Economy; Diversity is Canada’s Strength; and Security and Opportunity.

Horizontal initiative: An initiative where two or more departments are given funding to pursue a shared outcome, often linked to a government priority.

Management, Resources and Results Structure: 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.

NETFILE: An electronic tax-filing service that allows taxpayers to send individual income tax and benefit returns directly to the CRA using the Internet and a NETFILE-certified software product.

Non-budgetary expenditures: Net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

Performance: 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: 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: The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

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.

Planned spending: For Departmental Plans and Departmental Results Reports, 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 Departmental Plans and Departmental Results Reports.

Priority: A plan or project 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) or Departmental Results.

Program: Individual or groups of services, activities or combinations thereof that are managed together within the department and focus on a specific set of outputs, outcomes or service levels.

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

Program Inventory: Identifies all of the department's programs and describes how resources are organized to contribute to the department's Core Responsibilities and Results.

ReFILE: An online service that lets individuals and EFILE service providers send online adjustments for income tax and benefit returns with certified NETFILE software and EFILE software.

Result: 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: 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: A long term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

Sunset program: 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: 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: Expenditures that Parliament approves annually through an Appropriation Act. The Vote wording becomes the governing conditions under which these expenditures may be made.

Endnotes

- i Canada.ca – Copyright information, https://www.canada.ca/en/revenue-agency/corporate/careers-cra/information-moved/code-integrity-professional-conduct-we-work.html#item3_b
- ii The Minister's mandate letter, <https://pm.gc.ca/eng/minister-national-revenue-mandate-letter>
- iii Tax Administration Diagnostic Assessment Tool, <https://www.canada.ca/en/revenue-agency/corporate/about-canada-revenue-agency-cra/tax-administration-diagnostic-assessment-tool-tadat-summary-report.html>
- iv Public opinion research, http://epe.lac-bac.gc.ca/100/200/301/pwgsc-tpsgc/por-ef/canada_revenue_agency/2017/093-16-e/report.pdf
- v Get Ready campaign, <https://www.canada.ca/en/revenue-agency/campaigns/taxes-get-ready.html>
- vi Doing Your Taxes page, <https://www.canada.ca/en/services/taxes/income-tax/personal-income-tax/doing-your-taxes.html>
- vii Moving campaign, https://www.canada.ca/en/revenue-agency/campaigns/moving-tell-the-cra.html?utm_campaign=not-applicable&utm_medium=vanity-url&utm_source=canada-ca_cra-update-address
- viii Marital status changes campaign, <https://www.canada.ca/en/revenue-agency/campaigns/about-canada-revenue-agency-cra/common-law-married-separated-your-marital-status-changed-please-tell-canada-revenue-agency.html>
- ix Having a child campaign, <https://www.canada.ca/en/revenue-agency/campaigns/having-child-benefits-credits.html>
- x Newcomer to Canada campaign, <https://www.canada.ca/en/revenue-agency/campaigns/benefits-credits-newcomers.html>
- xi Report on the consultations with northern residents, <https://www.canada.ca/en/revenue-agency/campaigns/consultations-northern-residents.html>
- xii Report on the 2016 Serving You Better consultations with small and medium businesses, <https://www.canada.ca/en/revenue-agency/campaigns/consultations-small-businesses.html>
- xiii Contact the CRA about your debt, <https://www.canada.ca/en/revenue-agency/services/about-canada-revenue-agency-cra/when-you-money-collections-cra/contact-canada-revenue-agency-about-your-debt.html>
- xiv Statistics Canada Study on the Underground Economy in Canada, 1992-2013, <https://www.canada.ca/en/revenue-agency/news/newsroom/fact-sheets/fact-sheets-2016/statistics-canada-study-on-underground-economy-canada-1992-2013.html>
- xv Compliance in the real estate sector, <https://www.canada.ca/en/revenue-agency/programs/about-canada-revenue-agency-cra/compliance/real-estate-sector.html>
- xvi Voluntary Disclosures Program, https://www.canada.ca/en/revenue-agency/programs/about-canada-revenue-agency-cra/voluntary-disclosures-program-overview.html?utm_campaign=not-applicable&utm_medium=vanity-url&utm_source=canada-ca_taxes-voluntary-disclosures
- xvii CRA convictions, <https://www.canada.ca/en/revenue-agency/news/newsroom/criminal-investigations-actions-charges-convictions.html>
- xviii Note 3 – CRA Financial Statement, parliamentary appropriations, <https://www.canada.ca/en/revenue-agency/corporate/about-canada-revenue-agency-cra/departamental-performance-reports.html>
- xix GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html>
- xx Ethnography of homeless and housing-insecure Canadians' experiences filing taxes and accessing benefits, <https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/rc563/rc563.html>
- xxi We're more than just taxes video, <https://www.canada.ca/en/revenue-agency/news/cra-multimedia-library/individuals-video-gallery/transcript-canada-revenue-agency-we-than-just-taxes.html>
- xxii Supplementary information tables, <https://www.canada.ca/en/revenue-agency/corporate/about-canada-revenue-agency-cra/departamental-performance-reports.html>
- xxiii Public Accounts of Canada 2017-2018, <http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html>
- xxiv Financial statements, <https://www.canada.ca/en/revenue-agency/corporate/about-canada-revenue-agency-cra/departamental-performance-reports.html>
- xxv Canada Revenue Agency Act, <https://laws-lois.justice.gc.ca/eng/acts/C-10.11/>
- xxvi Report on Federal Tax Expenditures, <https://www.fin.gc.ca/purl/taxexp-eng.asp>
- xxvii CRA Website, <http://www.canada.ca/en/revenue-agency.html>
- xxviii Canada.ca – CRA Board of Management, <https://www.canada.ca/en/revenue-agency/corporate/about-canada-revenue-agency-cra/board-management/board-management-biographies.html>
- xxix CRA service standards, <https://www.canada.ca/en/revenue-agency/services/about-canada-revenue-agency-cra/service-standards-cra.html>
- xxx OECD, <http://www.oecd.org/tax/beps/>