



Canada Revenue  
Agency

Agence du revenu  
du Canada

# 2018–19 DEPARTMENTAL RESULTS REPORT

Trusted, fair and helpful by putting people first

Canada

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ISSN: 2560-9130

Rv1-32E-PDF

# A MESSAGE FROM THE MINISTER

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As Minister of National Revenue since 2015, I have committed to making sure Canadians are treated like valued clients and to combatting tax evasion and aggressive tax avoidance.

I am proud of the Agency's considerable efforts to adopt a client-centric approach. The 2018 Federal Budget marked a major investment by the government to strengthen this approach. Through this investment, the Agency has reinforced its partnerships with community organizations across the country and increased its outreach activities. As a result, the Agency is providing organizations with more support for hosting tax preparation clinics open year-round. These community organizations help the most vulnerable clients access the benefits and credits to which they are entitled.

In February 2019, just in time for the start of tax filing season, the Agency opened three new Northern Service Centres in Whitehorse, Yellowknife and Iqaluit. From February 11 to March 31, 2019, these centres provided more than 700 businesses and nearly 1,500 individuals with in-person services specifically designed to meet their needs.

During the 2018–19 fiscal year, the Agency also updated its telephone systems and began analyzing call recordings to improve the quality and accuracy of responses to clients.

Canadians are particularly keen on each taxpayer paying their fair share and expect the Agency to closely monitor those who do not comply with their obligations. Over the course of 2018–19, the Agency built on significant

investments in Budgets 2016, 2017 and 2018 to enhance its compliance efforts. Multinational enterprises and offshore transactions were the subject of targeted audits as a result of higher-quality data and analysis tools.

The Agency has made great strides in the right direction. These advancements would not have been possible without the exceptional contribution of our qualified employees working in a respectful and diverse environment. Thanks to them, our clients get the information they need to receive the credits and benefits to which they are entitled and meet their tax obligations. Every day, they maintain the integrity of our tax system while protecting clients' personal information.

I am happy to outline the efforts and achievements of the Agency and its employees. It is my pleasure to present the 2018–19 Departmental Results Report.

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

# FOREWORD BY THE CHAIR



During the 2018–19 fiscal year, the Board of Management (Board) supported the Canada Revenue Agency (CRA) in achieving five strategic priorities: service to Canadians, people resources, resource optimization, integrity and security and innovation. The Board has a legislated responsibility to oversee the organization and administration of the CRA. This support contributes to building a skilled and engaged workforce that provides Canadians with the services they expect, while optimally using its resources.

The CRA made good progress on its service transformation journey. This journey aims to put clients at the centre of everything we do. To oversee and support this service transformation initiative, the Board established a Service Transformation Subcommittee in September 2018. The subcommittee oversaw progress in key service areas and the development of a service policy framework.

Throughout the year, the Board received regular updates on a number of initiatives. Following internal audits at the CRA, the Board reviewed and approved the reports and resulting action plans, and approved the CRA's annual Risk-Based Audit and Evaluation Plan. In terms of human resources, we paid particular attention to the CRA's employee engagement activities, its plans for ensuring the wellness of its workforce and the health of its work environment, and for retaining and hiring a skilled and diverse workforce to support its current and future priorities. The Board received quarterly updates on employee compensation and the CRA's efforts to mitigate issues related to the Phoenix payroll system. We approved the annual Agency Workforce Plan

(AWP) 2018–2019 to 2020–2021, to ensure the CRA has a skilled, multi-talented, and diverse workforce and leaders for the future, and received updates on the progress of the 2017–2018 AWP.

Through its quarterly dashboard report, the Board reviewed and monitored the CRA's 2018–2019 Corporate Business Plan commitments, as well as multi-year commitments established in prior years. The Board also oversaw the CRA's financial performance by reviewing its financial statements on a quarterly basis, to ensure optimal use of resources, and alignment with priorities. We received regular updates from Shared Services Canada regarding their role in the CRA's transformation projects, and provided support and oversight to ensure they provide adequate service and prioritization. Furthermore, the Board monitored major projects underway to ensure sound project management. It monitored progress to simplify its Corporate Policy Instruments to ensure all employees understand their roles and responsibilities, and also monitored the CRA's exploration and implementation of innovative emerging technologies.

With regard to overall data security and protection of client confidentiality, the Board monitored key enhancements to improve data disclosure controls and overall data security. To ensure integrity of the systems, we received regular updates on the CRA's security program and oversaw the steps the CRA took to implement sensitive file storage practices and automated mainframe database monitoring to produce alerts of potential employee fraud and external breaches.

The Board maintained its productive working relationship with the Minister and also supported her in the attainment of her mandate.

In addition, we collaborated with Agency senior management, which resulted in the development of key performance indicators for the Board; we now receive quarterly reports on these indicators. These purposeful changes have better equipped the Board to be more focused, and to provide strategic advice and support to the CRA, while 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 for tabling in Parliament.

**Suzanne Gouin**

Chair, Board of Management

# COMMISSIONER'S INTRODUCTION

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The Canada Revenue Agency's (CRA) 2018–19 Departmental Results Report highlights the CRA's continued efforts to challenge itself to be a world-class tax and benefits administration.

Throughout 2018–19, the CRA focused on placing our clients at the centre of our programs and services to make the Agency more people-focused, helpful and fair. We engaged employees in this initiative, consulted with Canadians and established an external advisory panel on service, comprised of leaders and experts from the public, private, and not-for-profit sectors, to help inform and support our efforts to deliver better service outcomes for Canadians.

We improved services to vulnerable Canadians and to Indigenous communities. Expansion of our Community Volunteer Income Tax Program, along with 2,900 outreach activities, helped ensure that those eligible to receive benefits and credits had access to them. Meanwhile, three new Northern Service Centres were opened, giving the Agency a year-round physical presence to deliver in-person outreach and make information on taxes, tax-filing, and benefits more readily available.

We made improvements to our telephone services. Working with Shared Services Canada, we successfully implemented a new call centre platform. We introduced call recording and remote quality listening, which led to a significant improvement in the quality and accuracy of the information provided to callers.

Becoming a more client-centric organization has also had an impact on our approach to compliance. We are placing greater emphasis on education and communication to foster greater voluntary and long-term compliance. At the same time, we took appropriate enforcement action where warranted, especially in relation to offshore tax evasion, so that Canadians could remain confident in the fairness of the tax system. We increased our use of business intelligence and data analytics to help us identify taxpayers at highest risk of being non-compliant and strengthen our ability to collect tax debts.

Canada continues to be a global leader in tax administration. In June 2018, the CRA hosted the inaugural meeting of the Joint Chiefs of Global Tax Enforcement to advance collaboration and enforcement actions relating to tax evasion and financial crimes that cross borders. I was proud to serve as Vice Chair of the Organization for Economic Co-operation and Development's (OECD) Forum on Tax Administration (FTA). The CRA co-led the FTA's work on building capacity in developing countries' tax administrations. As part of this work, the CRA has developed an innovative, web-based knowledge-sharing platform (KSP) to help developing countries deal with international tax evasion. At the July 2018 G20 meeting, Canada announced that it would invest up to \$16.8 million to expand the KSP.

The Agency published its fourth tax gap report in June 2018, as part of our efforts to foster better understanding of our compliance challenges.

The CRA made significant contributions to delivering on key government commitments in 2018–19. We successfully implemented the administration of the cannabis taxation regime, the carbon pricing regime and the Climate Action Incentive. A permanent Advisory Committee on the Charitable Sector was established that will provide ongoing recommendations to the Government of Canada on important and emerging issues facing the sector.

As we celebrate these achievements, I know that we need to continue to improve to achieve results that matter to Canadians. I am confident that the CRA is charting the right course, well on its way to building a better client experience that will anticipate and respond to client needs and expectations. The CRA's ever improving data analytics capacity will facilitate improved decision-making and further enhance Agency services. Our focus is on service to make it easy for Canadians to comply with their tax obligations, but we will also continue to crack down on tax evasion and aggressive tax planning to ensure the fairness of the tax system. Internally, the CRA is looking to a future that delivers more collaboration and integration, greater agility and a strong service-oriented culture that places great value on continuous learning.



As always, it is the Agency's employees who ensure the success of our programs and services. That is why it is a priority to ensure their workplace is healthy, inclusive and respectful. I want to express my sincere appreciation to our employees for the exceptional work they do each and every day, and for what they were able to accomplish on behalf of Canadians throughout 2018–19. For the second year in a row, the Canada Revenue Agency was named one of the Top 100 Employers in Canada, an outstanding achievement that is the direct result of our dedicated employees from coast to coast to coast.

**Bob Hamilton**

Commissioner of the Canada Revenue Agency

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This report begins by addressing the operating context and risks associated with meeting our core responsibilities. It then presents our key results for tax, benefits and internal services.

Throughout this report, we highlight four areas of focus for the Canada Revenue Agency (CRA), wherever you see the following logos:



This logo refers to strengths and challenges identified by, and actions taken in response to, the World-Class Tax and Benefits Administration initiative launched in July 2017. The initiative, guided by a comprehensive and objective assessment framework, provides a picture of the Agency's performance on its journey to ensure its operations are world-class.



This logo identifies areas of experimentation. The CRA is committed to maintaining an environment where employees feel they can introduce innovative ideas and to experiment with new ways to address outstanding issues and provide taxpayers and benefit recipients the best possible service.



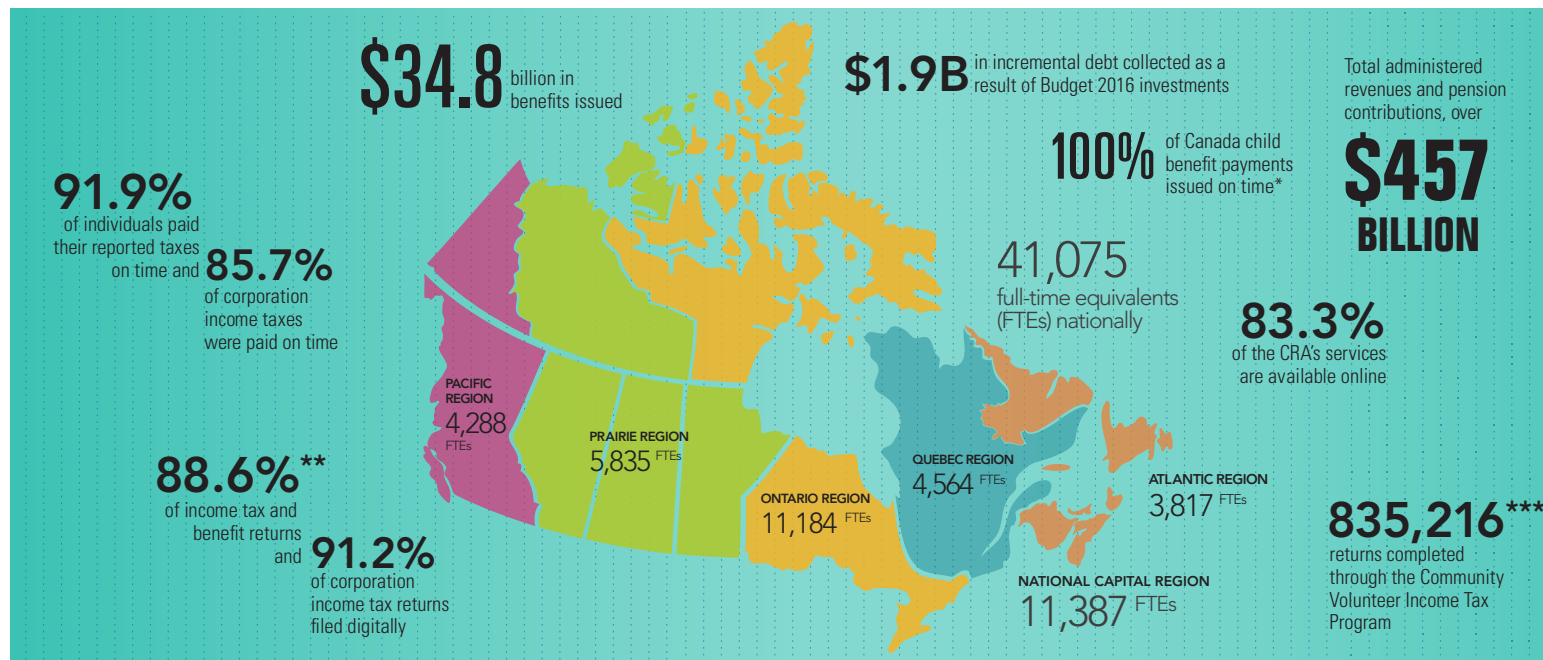
This logo identifies areas of interest with regard to Gender-based Analysis Plus (GBA+). Gender equality, diversity, and inclusion are key priorities for the Government of Canada. The CRA is committed to GBA+ as part of good program analysis and informed decision-making. Applying GBA+ ensures outcomes improve for all Canadians, including the most vulnerable.



This logo identifies results related to social responsibility and sustainable development. The CRA supports initiatives that contribute to local communities and is committed to modifying its operations in ways that improve its environmental impact.

# CRA AT A GLANCE

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\*Canada child benefits payment information was transferred to Public Services and Procurement Canada to make direct deposits or to issue cheques for distribution on the scheduled benefit payment date.

\*\*2019 tax-filing season

\*\*\* Returns completed by May 15, 2019

# RAISON D'ÊTRE, MANDATE AND ROLE

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## RAISON D'ÊTRE

The Minister of National Revenue is responsible for the Canada Revenue Agency (CRA). The CRA administers tax, benefits, and related programs for governments across Canada. In carrying out its role, the CRA contributes to the economic and social well-being of Canadians by promoting voluntary participation in our tax system. The CRA makes sure that:

- Canadians comply with their tax obligations
- Canadians receive the benefits to which they are entitled
- Non-compliance is addressed
- Canadians have access to appropriate mechanisms for resolving disputes

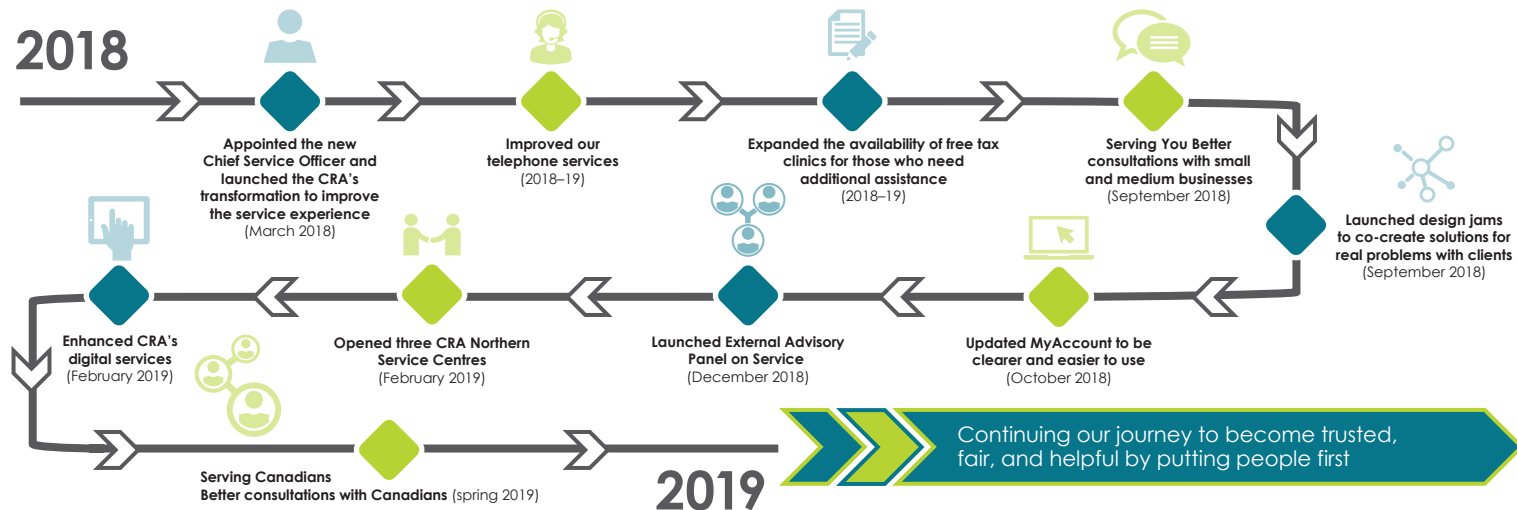
## MANDATE AND ROLE

The CRA's mandate is to make sure that Canadians pay their required share of taxes and 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 mandate letter commitments, see the [Minister's mandate letter](#).

## 3

Service is an integral part of the CRA's operations and the CRA is committed to providing Canadian taxpayers and benefit recipients with the best possible service. Advances in technology and Canada's shifting demographics are changing the ways in which Canadians expect services to be provided.



To respond to the changing needs and service expectations of its clients, the CRA embarked on a journey to become a more client-centric organization. The CRA wants to ensure that it can deliver the best possible service experience for Canadians. We aim to be trusted, fair and helpful by putting people first, whether it is in how we process and review tax returns, deliver benefit and credit payments, or provide advice and support over the phone or in writing.

The CRA's clients are telling the Agency it needs to modernize its service offerings by leveraging new technologies to meet their expectations of how the CRA will interact with them. By encouraging both continuous improvement and exploring ways to leverage emerging technologies, the Agency is innovating to maximize the quality and efficiency of its services. In keeping with the Government of Canada's policy of digital first, the Agency is enhancing its digital services to make them increasingly available anytime, anywhere and on any device. By working with clients, the CRA is ensuring that its policies, programs, and services are designed and delivered in ways that uphold its commitment to the client experience being at the centre of everything it does.

In transforming itself into a client-focused organization, the Agency is also examining its internal processes and structures closely. This involves breaking down organizational silos, improving internal communications, and taking the necessary steps to foster a productive and engaged workforce where employees feel a sense of responsibility, and are supported to serve others.

## MAINTAINING THE FAIRNESS AND INTEGRITY OF CANADA'S TAX SYSTEM

Trust in public institutions is vital for governments to function and serve society well. The CRA seeks to apply the law equitably to maintain the fairness of Canada's self assessment system to build trust and promote compliance with Canada's tax laws.

Significant non-compliance, including in the underground economy and with aggressive tax avoidance, can place the integrity and fairness of Canada's tax system at significant risk. Complex tax evasion and aggressive tax avoidance schemes on the international scale remained a key focus area for the CRA as it has for other tax administrations around the world. Investments from Budget 2016 and Budget 2017 helped increase the CRA's capacity to address these areas and also increase its capacity for global collaboration. The funding also helped the CRA work on initiatives to gain better data and improve our business intelligence, thus taking on a more targeted and risk based approach to compliance, and, in turn, improving how fairly we administer tax and benefits programs.

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## KEY RISKS

Identifying and mitigating risk helps the CRA to optimize outcomes, prioritize strategies and adapt for the future.

The 2018–19 risk assessment results suggested that the CRA's environment was becoming increasingly uncertain. The following table highlights the key risks influenced by internal and external trends that had the potential to impact the CRA's ability to meet its objectives and priorities. It also illustrates which of the core responsibilities each risk has a potential to impact.

The external environment is rapidly changing, and as the CRA advances in a world that is becoming more digital and connected, there is a need to remain proactive in addressing current and new sophisticated cyber threats. Global economic uncertainty and changes in digital commerce, such as the adoption of digital currencies and online payment systems can also impact the CRA's ability to deliver services, while its vast information holdings make it a target for cybercrime.

### Risk 1: Cybersecurity

There is a risk that cyber threats will compromise CRA services and taxpayer information.

**CRA priority:** Integrity and security

**Government-wide priority:** Government of Canada Strategic Plan for Information Management and Information Technology 2019 to 2022

Mitigating strategy and effectiveness:

- Implemented the Data Security Initiative to further reduce the risk of data being shared with unauthorized parties
- Adopted advanced malware to protect against threats to our web services
- Used Application Control to strengthen the CRA's ability to manage cyber-threats and protect its information
- Used artificial intelligence technologies for advance threat detection

### Risk 2: Dependencies

There is a risk that the CRA will not be agile or responsive enough to meet its priorities and program requirements due to dependencies on federal and provincial partners.

**CRA priority:** Service

**Government-wide priority:** Government of Canada Strategic Plan for Information Management and Information Technology 2019 to 2022

Mitigating strategy and effectiveness:

- Implemented Shared Services Canada (SSC) Service Model Review to determine if CRA operational requirements are being met, and in cases where they are not, conduct a joint review with SSC to identify options, and recommend solutions to ensure alignment
- Applied SSC-CRA Business Arrangement - a bilateral agreement between SSC and CRA based on a high level of commitment and continued collaboration

### Risk 3: Compliance

There is a risk that taxpayers and businesses will undermine the integrity of Canada's voluntary compliance system by engaging in non-compliance activities.

**CRA priority:** Compliance

**Mandate letter commitments:** Crack down on tax evaders and work with international partners to adopt strategies to combat tax avoidance

Mitigating strategy and effectiveness:

- Offshore and aggressive tax planning: Used investments from Budget 2018, providing \$38.7 million over five years for the CRA to expand offshore compliance activities
- Profit shifting: Implemented a country-by-country reporting regime for transfer pricing that provides the CRA with additional information on Canadian and foreign multinational enterprises through information exchanges with other countries
- Digital commerce: Strengthened compliance strategies by focusing research on the types and extent of non-compliance for evolving digital currencies, digital payment systems, and online businesses

### Risk 4: Tax debt

There is a risk that the growth of the tax debt will outpace the growth of revenues.

**CRA priority:** Compliance

**Government-wide priority:** Inclusive and sustainable economic growth

Mitigating strategy and effectiveness:

- Reduced the Agency's risk exposure to tax debt by improving its ability to collect outstanding tax debts through various initiatives and strategies, including the Budget 2016 commitment of resolving an additional \$7.4 billion in outstanding tax debt over a period of 5 years



# TAXPAYER BILL OF RIGHTS

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This Taxpayer Bill of Rights represents the CRA's commitment to providing clients with the best possible service. At all times, clients can expect to see us uphold these rights. They have the option of communicating with the Office of the Taxpayer's Ombudsman when the CRA's formal channels are not sufficient.

**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

★ These rights are under the mandate of the Taxpayers' Ombudsman

## 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 actions when necessary to uphold the integrity of the system, offering avenues for redress whenever taxpayers may disagree with an assessment/decision.

The pages that follow describe the CRA's key results and accomplishments related to tax. For the 2018–19 fiscal year, we made great efforts to improve our telephone services, and assist individuals from vulnerable population groups by filing their income tax and benefit returns. Our compliance efforts went a long way: we identified \$2.6 billion more in unreported taxes owing than just four years ago, a result of better data and improved analysis.



## SERVICE

Our clients rely on the CRA's service offerings to fulfill their tax obligations. In 2018–19, we embarked on a service transformation journey, adopting a client-focused approach to the design and delivery of our internal and external programs and services. This journey involved engagement sessions with employees and the creation of an external advisory panel on service, comprising experts from public, private and not-for-profit sectors, to advise on emerging trends and practices. The feedback we collected from these consultations is assisting us in effectively designing and delivering programs and services. This ongoing effort is intended to lead to a better client experience, which will make it easier for clients to meet their tax obligations.

## TELEPHONE SERVICES AND WRITTEN CORRESPONDENCE

Many Canadians rely on traditional methods, like telephones and written correspondence, to communicate with us. In his 2017 report, the Auditor General of Canada indicated clients had trouble getting through our phone lines, and when they did, sometimes received inaccurate answers to their questions.

To address the Auditor General's findings and ensure Canadians received timely and accurate information that is easy to understand, in 2018–19, we:

- modernized our individual tax, business and benefits enquiries telephone systems to provide a better service experience to callers, using technology that offers many features, including:

### KEY RESULT



**6,924,882**  
calls were  
answered by  
**AUTOMATED  
SERVICE**

**10,602,275**  
calls were  
answered by  
**AGENTS**

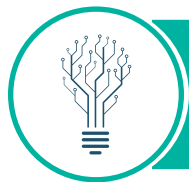
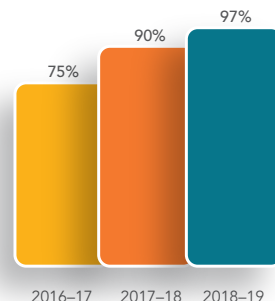


- providing callers with estimated wait times so they can make an informed decision about whether to stay on the line to speak to a CRA agent, use our automated service system, or call back
  - creating national queues so that callers can speak to the next available agent, anywhere in the country
- reviewed call recordings to improve the quality and accuracy of responses given to callers
  - improved the service given to northern residents through two dedicated telephone lines, one for individuals and one for businesses, serviced by CRA agents familiar with northern tax matters

Throughout the year, we pursued improvements to our written correspondence. We delivered on our ongoing commitment to simplify the wording of letters we send to clients, making it easier to understand tax matters and for them to voluntarily comply. We also made it easier to access correspondence we send to clients online.

KEY RESULT

IMPROVED CORRESPONDENCE TO  
CANADIANS (DESIGN, STYLE,  
CLARITY AND TONE)



The CRA first launched a pilot dedicated phone service for tax professionals in response to feedback from small and medium business owners. We quickly realized this specialized service improved outcomes. Seeing success with this experimental approach, we made the dedicated phone line permanent.

## PROACTIVE OUTREACH, COLLABORATION AND EDUCATION

The CRA uses proactive outreach and education to inform Canadians of their tax obligations and how to access our services. In 2018–19, we collaborated with our clients to find out what they need to make it easier to comply. We also collaborated with other government departments to implement new legislation.

The Government of Canada recognized the value of the important partnership with community organizations across the country. Budget 2018 allocated significant investments in the Community Volunteer Income Tax Program (CVITP). This allows us to work with community organizations and train volunteers to file tax returns to help more people meet their tax obligations.

In 2018–19, the CRA expanded the Liaison Officer Service following a successful pilot that included visits and seminars related to carrying on business in northern Canada. This service also continued to offer in-person support and guidance to small businesses and self-employed

individuals nationally. This helps them understand their tax obligations and avoid common errors that could end up costing time and money.

In 2018–19, we:

- expanded the CVITP and outreach programs by providing support to community organizations to hold free CVITP clinics year-round and by conducting more outreach activities to vulnerable population segments
- partnered with applicable provinces and territories to administer, on their behalf, carbon pricing rebates for eligible individuals and deliver the climate action incentive payment with the 2018 income tax and benefit returns filed by residents of Saskatchewan, Manitoba, Ontario, and New Brunswick in the 2019 tax filing season

KEY RESULT

Approximately  
**97%** of eligible families  
 received the  
**climate action  
 incentive** payment  
 as a result of CRA efforts in  
 implementation and communication

KEY RESULT

**CVITP** had  
**13%** more  
 participating  
 organizations

**CVITP**  
 helped  
**5%** more  
 individuals

**25%** more  
 Indigenous-focused  
 organizations  
 participated in the  
**CVITP**  
 than in the 2017–18  
 program year

**CVITP** had  
**9%** more  
 volunteers



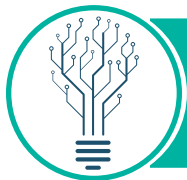
- produced ten webinars from January 2018 to March 2019, including “Canada Pension Plan (CPP) Enhancement and You,” which are available on the Canada.ca website
- produced four podcasts, including a two-part series on the Small Business Deduction
- conducted the 2018 Serving You Better consultations with small and medium businesses and their service providers, encouraging them to share their feedback on ways the CRA could improve programs and services by making them more streamlined and client-focused; we will implement recommended improvements by 2021



Vulnerable populations, such as modest-income households, Indigenous peoples, seniors, newcomers to Canada, and persons with disabilities may face barriers when it comes to filing their income tax and benefit return and getting the benefits and credits for which they are eligible. Through programs like the CVITP, we assist members of these groups to file their returns at free volunteer-run tax clinics.

- collaborated with other departments and industry representatives to:
  - develop and implement an excise duty taxation regime in support of the Government of Canada’s framework on cannabis legalization
  - assist the cannabis industry in getting ready for October 17, 2018, the date of legalized cannabis; by year-end, the CRA had licensed 148 sites to produce or package cannabis products
  - develop and implement a fuel charge regime in support of the Government of Canada’s commitment on carbon pollution pricing

- engage industry representatives through webinars, publications, meetings and outreach activities to ensure members were aware of their obligations under the Greenhouse Gas Pollution Pricing Act, and assist the industry in getting ready for the April 1, 2019, implementation date; the CRA has registered more than 8,100 accounts under this Act, as of March 31, 2019
- establish the permanent Advisory Committee on the Charitable Sector, made up of stakeholders from the charitable sector, which will provide advice to the CRA on important and emerging issues facing charities on an ongoing basis
- support the amendments to the Income Tax Act that limit the non-partisan political activities of charities
- implement the Charities Education Program, conducting in-person education visits to registered charities and providing them with information and assistance in understanding their obligations under the Income Tax Act



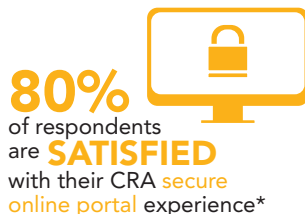
We launched Charlie, the CRA's first chatbot, to answer questions on the new climate action incentive payment. With Charlie, we've made it easier for Canadians to get answers, simply and quickly.

## DIGITAL SERVICES

Many Canadians prefer to access services digitally, and they expect those services to be easy to use. To meet their expectations in an ever-evolving environment, this year we launched new digital services, and enhanced existing ones, with the goal of simplifying the tax filing experience for Canadians. We also made other improvements to streamline how clients interact with us. In 2018–19, we:

- introduced the “Find a tax clinic” application on [Canada.ca](https://Canada.ca), making it easier for taxpayers to find a CVITP clinic
- introduced the ability to use “Auto-fill my return” with the tax-filing software we provide to CVITP volunteers, simplifying the process of filing returns and improving accuracy by automatically filling in parts of returns with information the CRA has on hand
- enhanced options for clients to request or submit documents electronically:

### KEY RESULT



\*The results are based on a randomly generated exit survey

- business owners and authorized representatives can now create their own filing and balance confirmation letters online to obtain a compliance summary for all their program accounts
- tax preparers can submit business authorization requests, which are validated and processed in real time, providing tax preparers immediate access to their clients' accounts
- taxpayers who use goods and services tax/harmonized sales tax (GST/HST) Internet File Transfer software can register for online mail
- taxpayers can digitally file for GST/HST new housing rebates

### KEY RESULT

**1.6 million** individuals registered for **online mail** and over **18 million** pieces of **correspondence** were issued **online**

### KEY RESULT

**238,619** businesses registered for **online mail** and over **1.9 million** **correspondence** items were issued **online**



- Canadian business owners going through a trust account examination can submit their books and records electronically through My Business Account and Represent a Client portals
- continued collaborating with Employment and Social Development Canada on the direct deposit address information sharing initiative for over 647,787 Canada Pension Plan (CPP) recipients; this initiative is an example of simplifying access to services for clients
- merged the online mail and Account Alerts services to improve email notifications for Canadians; registered users will receive email notifications when there is new mail to view in My Account and in My Business Account, and when important changes are made to their account
- launched a new and improved My Account in October 2018, based on user experience design and testing; this redesigned secure online portal makes it easier for clients to find the information they need and interact with the CRA

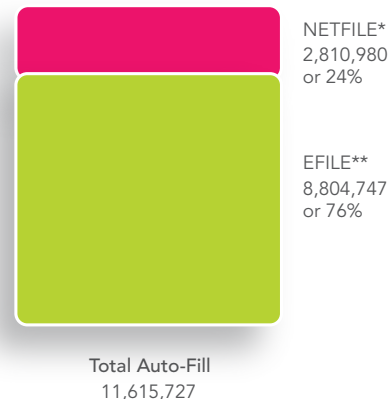
## KEY RESULT

During the 2019 tax-filing season, the **Express NOA (Notice of Assessment)** service was used **653,772** times

- continued to provide new online payment methods, adding Interac eTransfer and PayPal as options this year, ensuring individuals and businesses can use the method they find most convenient and safe
- improved content on [Canada.ca](https://www.canada.ca) for clients' tasks related to GST/HST, payroll, business registration and account maintenance to help them find the correct information and successfully complete their tasks

## KEY RESULT

## AUTO-FILL MY RETURN SERVICE



\*A service that allows most Canadians to file their income tax and benefit return for the current year using the Internet

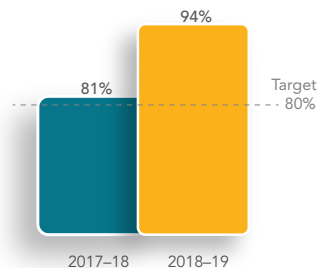
\*\*A service that lets authorized service providers and discounters send individual income tax return information to the CRA directly from the software used to prepare the tax return

## FAIR AND IMPARTIAL REVIEW

Clients have the right to disagree with the decisions we make regarding their tax situation, and they should be able to use a simple, fair process to request impartial review. In addition, when dissatisfied with the level of service the CRA provides, clients can lodge complaints related to service and expect to receive a response that directly addresses their concerns. The CRA can also grant relief by cancelling or waiving penalties and interest to help clients who may not be able to meet their tax obligations because of circumstances beyond their control. To improve these processes for our clients, in 2018–19 we:

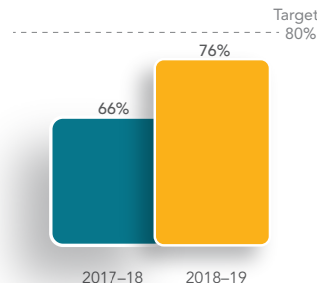
### KEY RESULT

#### RESOLUTION OF LOW-COMPLEXITY OBJECTIONS WITHIN 180 DAYS



### KEY RESULT

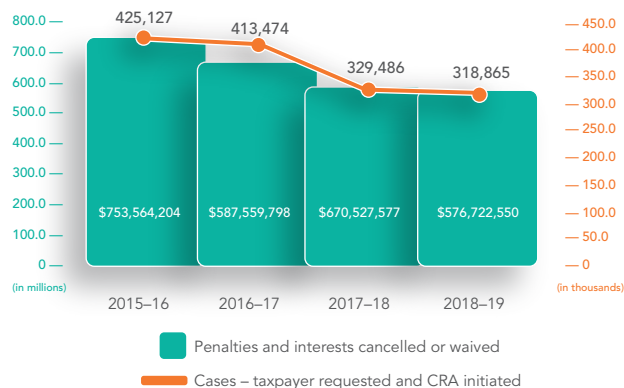
#### RESOLUTION OF MEDIUM-COMPLEXITY OBJECTIONS WITHIN 365 DAYS



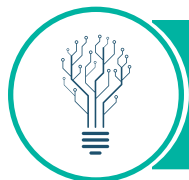
- established a new service standard for the resolution of medium-complexity objections to give clients greater certainty about when they can expect their objection to be resolved
- revised the cancellation or waiver of penalties and interest form in June 2019, to make it easier for clients to complete their request

### KEY RESULT

#### TAXPAYER RELIEF



- implemented a continuous improvement approach to Canada Pension Plan and employment insurance disputes that reduced duplication and internal delays by eliminating the number of steps in some processes by as much as 62%
- implemented digital delivery of responses to service complaints through the My Account and My Business Account secure portals; since the launch of this service and as of March 29, 2019, we have issued 900 letters through our portals



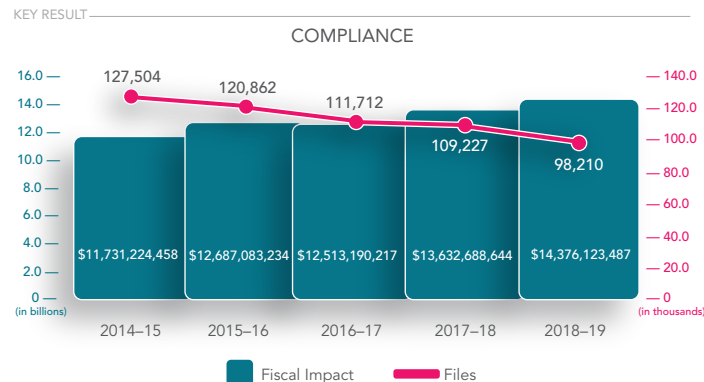
We noticed clients had issues with choosing the best option to resolve their income tax issues, so we created an online decision tool allowing clients to discover the right choice for their circumstance, to improve their service experience.

## COMPLIANCE

The CRA's compliance programs continue to focus on taxpayers who are most likely not to comply with their tax obligations. In 2018-19, the CRA used significant investments from Budget 2016 and Budget 2017 to support its compliance efforts. Better data and more advanced analytics have allowed the CRA to target its audits on the files with the greatest fiscal impact for Canadians, while at the same time reducing the total number of compliance activities it undertakes. As indicated in the graphic titled "Compliance", the CRA conducted 23% fewer audits in 2018-19 compared to four years ago, while re-assessing a record \$14.4B in additional gross taxes, including penalties. Over \$8.6 billion, or 60% of these results came from audits of large multinational enterprises and high-net-worth individuals, including those engaged in aggressive tax planning using offshore structures.

This trend of improved results was corroborated by findings from the Office of the Auditor General of Canada (OAG). In its 2018 Fall Report on Compliance Activities—Canada Revenue Agency, the OAG found that while we have opportunities to enhance timeliness and consistency in our audits, the additional revenues from CRA compliance activities had increased by almost 60%<sup>1</sup> from 2013-14 to 2017-18.

<sup>1</sup> Source: [Report 7—Compliance Activities—Canada Revenue Agency](#)



## ADDRESSING AGGRESSIVE TAX PLANNING AND OFFSHORE NON-COMPLIANCE

The CRA seeks to prevent anyone from avoiding their tax obligations through aggressive tax planning or by using bank accounts outside Canada. In 2018–19, we:

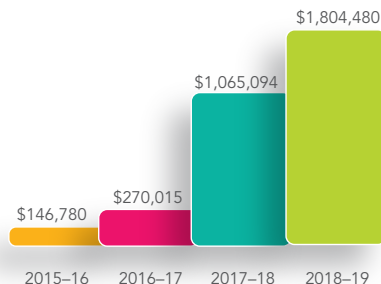
- assessed over \$750 million in additional gross federal taxes through audit programs focusing on offshore non-compliance, aggressive tax planning, and high-net-worth individuals and their economic entities

### KEY RESULT

income tax audits of large businesses and multinational enterprises resulted in **\$8.6 BILLION** in fiscal impact

### KEY RESULT

AGGRESSIVE TAX PLANNING – FISCAL IMPACT PER FILE



- reviewed and risk-assessed over 80% of the beneficial owners listed in the “Panama Papers” who may have ties to Canada
- published a report in the CRA’s Tax Gap series, titled “[International Tax Gap and Compliance Results for the Federal Personal Income Tax System](#)”, presenting the CRA’s estimation of the extent of potential revenue loss from hidden offshore investments, and the CRA’s activities that aim to reduce the international tax gap

## CRIMINAL INVESTIGATIONS

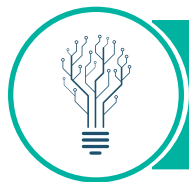
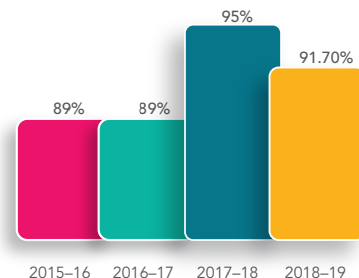
The CRA’s criminal investigators work closely with other federal and international law enforcement partners to make sure the most serious cases of tax evasion and fraud are thoroughly investigated and referred to the Public Prosecution Service of Canada for criminal prosecution.

In June 2018, Canada hosted the inaugural meeting of the Joints Chiefs of Global Tax Enforcement (J5), an international group formed to tackle enablers and promoters of international tax crime composed of tax experts from five countries: Australia, Canada, the Netherlands, the United Kingdom and the United States. In 2018–19, we:

- continued to develop a performance indicator that measures the impact of our focus on the most complex criminal investigations (involving international schemes, potential money laundering, etc.), which we intend to include in future Departmental Results Reports

- researched and explored international tools for training investigators to detect financial crimes on the dark web
- executed search warrants in relation to a \$77 million offshore tax evasion case; this investigation is one of 52 international and offshore tax evasion cases that the CRA undertook
- continued to publish enforcement notifications and news releases to keep Canadians informed of the execution of search warrants, convictions, and the laying of criminal charges against tax evaders and money launderers
  - On February 12, 2019, the CRA published an enforcement notification announcing that it had collaborated with the Royal Canadian Mounted Police on Project Collecteur, an investigation of a major money laundering network; the joint investigation led to the execution of search warrants and the arrest of 17 individuals in the greater Montreal and Toronto areas

## KEY RESULT

GST/HST AND INCOME TAX COURT  
PROSECUTIONS – CASES RESULTING IN  
CONVICTION

Investigators involved in Project Collecteur used creative, innovative approaches, and advanced technology to dismantle a major money laundering and tax evasion scheme. This strong partnership between the Royal Canadian Mounted Police, the CRA and other law enforcement agencies was an experiment that delivered great results.

## THE UNDERGROUND ECONOMY

The underground economy (UE) includes any business activity in Canada that is not reported to the CRA in full, including sales that are paid for under the table. In October 2018, Statistics Canada estimated that underground economic activity in Canada totalled \$51.6 billion, or 2.5% of gross domestic product. UE activity negatively affects economic growth in Canada and reduces tax revenues for all levels of government, which puts pressure on their ability to provide the services that Canadians enjoy and expect. Over the last four years, the CRA identified over \$4 billion in unreported income related to the UE, resulting in over \$1.6 billion in gross taxes assessed, including over \$250 million in penalties. Specifically in 2018–19, we:

- continued to educate Canadians on the negative impacts of participation in the UE and address the most severe cases of non-compliance through ongoing traditional audit activities, including our focus on real estate
- renewed our UE Strategy with increased focus on the growing use of cryptocurrencies and

### KEY RESULT

initiatives focusing  
on non-filers  
resulted in  
**31,162**  
assessed returns totalling  
**\$395,309,541**

platform economies (for example, accommodation sharing platforms), the use of third party data, and continued efforts on education

- conducted over 4,000 income tax and GST/HST audits related to the UE and identified \$2 billion in unreported income
- assessed additional taxes of \$786 million, including over \$104 million in penalties, as a result of these income tax and GST/HST audits
- developed a targeted third party data strategy to enhance insight of non-compliant taxpayer populations such as those operating in the UE
- continued the partnership with Ontario Ministry of Finance to provide enhanced verification resources to address non-compliant tax practices and protect Canada's tax base

## COLLECTIONS AND MANAGING TAX DEBT

During 2018–19, the CRA resolved just under \$68 billion in outstanding tax debt, which represents an increase of 17.6% over what was resolved in 2017–18. Of this total, \$64.7 billion was collected and \$3.3 billion was written-off<sup>2</sup> by the Collections programs. The CRA continued to maximize its use of Budget 2016 funding (\$7.4 billion over five years) by resolving an additional \$1.9 billion in outstanding tax debt, exceeding the expected recovery of \$1.84 billion by 3.6%.

- 2 Uncollectible taxes that are deleted from active inventory of accounts receivable, after the CRA has taken all reasonable collection action, and exhausted all possible means of collection.

- launched an awareness campaign that takes a targeted approach to sectors of the population that are non-compliant, which includes using nudge letters and automated phone messages to emphasize the importance of filing to get benefits and credits
- received over 16.3 million reports of international electronic transactions over \$10,000, to help identify wealthy individuals and their related entities who may be engaged in aggressive tax planning
- undertook our first exchanges under the Common Reporting Standard (CRS) in the fall of 2018, now with over 80 jurisdictions; the CRS allows the CRA to know when non-resident individuals hold financial accounts in participating countries

## BUSINESS INTELLIGENCE AND DATA ANALYTICS

The strategic use of business intelligence and data analytics is helping the CRA to more precisely target non-compliance in a timely manner and direct resources toward addressing the highest risk cases. In 2018–19, in relation to our use of data analysis and business intelligence, we:

- implemented an Agency data program, under the leadership of a Chief Data Officer, that provides a business-led coordinated approach to the acquisition, governance and use of data; this program increases the CRA's ability to curate existing and new data and to use it better

### KEY RESULT

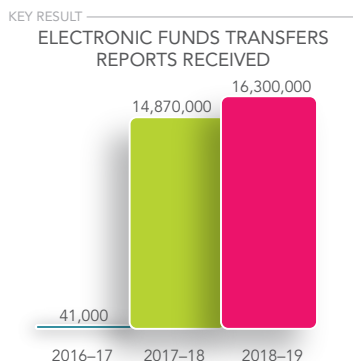
over  
**66,000**  
 GST/HST audits  
 with almost  
**\$3.5** BILLION  
 in fiscal impact

### KEY RESULT

approximately  
**24,000**  
 income tax audits of  
 small and medium  
 enterprises with over  
**\$2** BILLION  
 in fiscal impact



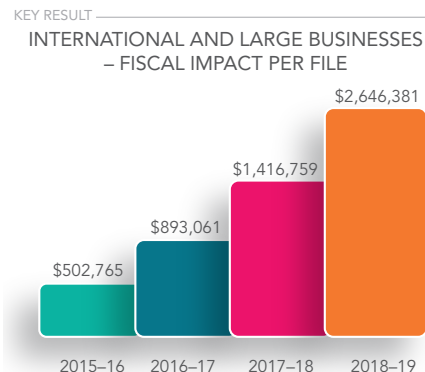
- issued unnamed persons requirements to property developers and builders in high-risk markets in British Columbia and Ontario, to identify buyers who might not be reporting their real estate transactions
- began to automate the process of matching and risk-assessing electronic funds transfer records that do not contain a client identifier with existing CRA taxpayer data
- used advanced analytics to develop predictive models for identifying small and medium enterprises at high risk of not meeting their income tax obligations
- implemented a solution to identify abusive GST/HST schemes and prevent the payment of unwarranted GST/HST refunds
- developed a new forecasting model to further understand the impacts that the Canadian economy has on the tax debt; an additional model to help the Agency better understand the trends that affect collection intakes is currently under development



## INTERNATIONAL COLLABORATION

The CRA's partnerships to advance compliance extend beyond Canada's borders. Our engagement at the OECD is particularly vital. Our Commissioner is Vice Chair of the OECD Forum on Tax Administration (FTA), which brings 50 countries together to improve tax administration and enhance compliance activities. In 2018-19, the CRA:

- continued to build a common approach to transfer pricing through the FTA's Joint Audit Project, and participated in the development of a global risk register that participating tax administrations can access to facilitate mutual understanding of key tax risks, through the first phase of the Comparative Risk Assessment project



- completed multilateral risk assessments of eight large multinational enterprises through a pilot of the OECD's International Compliance Assurance Program (ICAP); the ICAP will allow the CRA and other tax administrations to provide early tax certainty to multinational enterprises who are willing to engage actively and transparently, and to better target compliance resources where action is most needed

## KEY RESULT

**9,835** VOLUNTARY DISCLOSURES generated more than **\$1** BILLION in previously unreported income

More than

**\$435** MILLION of that amount was related to offshore account disclosures

- continued to contribute to the work of the Joint International Taskforce on Shared Intelligence and Collaboration (JITSIC), a network of over 37 countries, to share information about intergroup transactions; the CRA leads JITSIC expert working groups in developing strategies to identify and stop promoters of abusive tax schemes

- began the automatic exchange of Country-by-Country (CbC) reports as part of the OECD's Base Erosion and Profit Shifting action plan, providing the CRA with information about how multinational enterprises allocate their income across the globe and their taxes paid to participating countries; over 65 countries have activated CbC agreements with Canada

## KEY RESULT

**\$192** MILLION in transfer-pricing penalties levied

- deployed the cloud-based Knowledge-Sharing Platform for Tax Administrations, part of Canada's 2016 commitment in support of the G20 international tax agenda, which allows governments around the world to access networks of experts and a growing library of global best practices

## TAX BUDGETARY FINANCIAL RESOURCES (DOLLARS)

2018–19 Main estimates	2018–19 planned	2018–19 total authorities available for use <sup>1</sup>	2018–19 actual <sup>2</sup>	Difference (actual minus planned)
2,793,270,920	2,793,270,920	3,002,891,119	2,959,502,477	166,231,557

## TAX HUMAN RESOURCES (FTE)<sup>3</sup>

2018–19 planned	2018–19 actual	Difference (actual minus planned)
30,691	31,789	1,098

### FOOTNOTES

- 1 Total authorities available for use includes severance payments, parental benefits, vacation credits and the carry-forward of unused funds from 2017–18 where, pursuant to section 60(1) of the Canada Revenue Agency Act, the CRA has up to two fiscal years to use 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 on parliamentary appropriations.
- 3 Includes FTEs associated with fulfilling the CRA's administrative responsibilities in support of Canada Pension Plan and employment insurance legislation.

## TAX PERFORMANCE INDICATORS

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

Departmental result indicator	Target	2018–19 result	2017–18 result	2016–17 result
Percentage of filers who have filed a tax return by their due date (by March 31, 2019)	90%	91%	91%	91%
Percentage of known businesses registered for GST/HST (by March 31, 2019)	90%	95%	94.9%	94.9%
Percentage of reported taxes (including instalments) and source deductions that are paid on time (by March 31, 2019)	90%	91.9% <sup>1</sup> 85.7% <sup>2</sup>	92.4% <sup>1</sup> 88.8% <sup>2</sup>	93.1% <sup>1</sup> 84.4% <sup>2</sup>
Percentage of external service standards targets that are met or mostly met (by March 31, 2019) <sup>3</sup>	90%	83% <sup>4</sup>	80%	n/a
Public Perception Index: score compared to baseline	Maintain or increase <sup>5</sup>	6.85 (increase)	6.28 (decrease)	6.73 (increase)
Percentage of total volume of improved correspondence (i.e. changes to structure, design, language, and format)	95%	97%	90%	75%
Percentage of services available online	77%	82.4%	77%	76%
Number of Community Volunteer Income Tax Program returns completed (by May 15, 2019)	800,000	835,216	786,606	768,349
Complete an online consultation open to charities and the public	March 2018	Completed in March 2017		
Incremental revenue resulting from Budget investments <sup>6, 7</sup>	2018–19: \$1.4B	\$1.99B	\$1.6B	n/a <sup>8</sup>
Incremental debt collected (resolved) resulting from Budget 2016 investments	\$7.4B over 5 years	\$1.9B <sup>9</sup>	\$1.1B <sup>10</sup>	\$0.47B

## FOOTNOTES

- 1 Percentage of individuals who paid their taxes on time.
- 2 Percentage of corporate taxes that are paid on time.
- 3 "Mostly met" means within 5% of target. The CRA reviews and updates its external service standards annually to ensure they are relevant, ambitious and transparent for Canadians. For more information see the CRA's [2018-2019 service standards](#).
- 4 Of the 30 external service standards, 25 met or mostly met their target. The service standard for telephone enquiries service is being reviewed and therefore, there are no results for 2018–19.
  - Income tax and benefit returns (T1) – Paper, T1 adjustment requests – Digital and T1 adjustment requests – Paper: To provide greater transparency to the taxpayer, paper and electronic standards were separated. This new approach is expected to improve results.
  - Scientific research and experimental development (SR&ED) tax credit – Refundable claims: While we did not meet this new standard, more claimants are experiencing improved time frames compared to 2017–18. The residual inventory of legacy files under the previous standard affected the ability to complete new intake within the new standard. The program is working diligently to lean processes, improve service, and complete the remaining legacy files. This work is expected to bring about a decline in results for the upcoming quarters. However, we expect to be on track to meet the target by the end of 2019–20.
  - Service complaints: In 2018–19, the National Intake Centre (NIC) saw a 29% increase in gross intake when compared to the previous year (14,384 vs. 11,179). The cumulative effect of this increase has caused delays in the creation and assignment of files from the NIC to our centres of expertise, negatively affecting the program's ability to meet the target. With additional resources in place to assist with production along with a new approach to share workload nationally based on the availability of centres of expertise, progress is being made in achieving our 30-day service standard. The program showed an improvement in the indicator when compared to the 2017–18 year-end.
- 5 The Public Perception Index, which is based on annual corporate research, was established in 2013 with a baseline score of 6.64 on a scale of 0–10.
- 6 Reflects 2018–19 investments from 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 is on track to meet its five-year Budget 2016 revenue target of \$2.6B.
- 7 The incremental revenue is comprised of federal income tax adjustments for the years audited plus future years' adjustments discounted to the net present value and the value of GST/HST recoveries plus third-party, transfer pricing and gross negligence penalties. It does not account for the impact of appeals reversals and uncollected amounts.
- 8 The indicator was introduced in 2017–18, and no previous results were available.
- 9 The target for 2018–19 was \$1.836B.
- 10 The target for 2017–18 was \$1.07B.

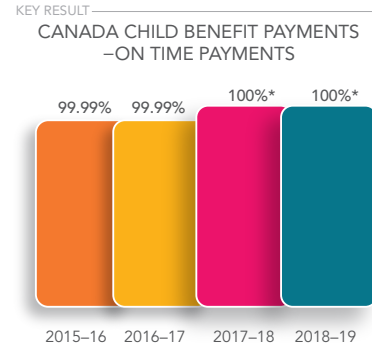
## CORE RESPONSIBILITY

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.

This section describes our key results and accomplishments for benefits. In 2018–19, we expanded our services to territorial residents and issued 113 million benefit payments to 15.6 million clients.



The CRA administers many ongoing benefits and one-time payment programs for federal, provincial and territorial governments. These benefits support the economic and social well-being of Canadians of all walks of life. In some cases, our clients depend on their benefit payments as a significant part of their household income. Our role of reaching out to clients and ensuring they know how to access their benefits and providing them with the services needed is critically important.



\*Canada child benefits payment information was transferred to Public Services and Procurement Canada to make direct deposits or to issue cheques for distribution on the scheduled benefit payment date.

KEY RESULT

We issued  
**113** million  
benefit payments  
to **15.6** million  
clients



The benefit payments the CRA makes have been shown to reduce inequality between women and men, as well as among people in different demographic groups.



As part of the World-Class Tax and Benefit Administration project, the CRA developed the Benefit Administration Complementary Diagnostic Assessment Tool (BACDAT) and conducted a pilot assessment that indicated sound performance. The CRA intends to continue to refine the BACDAT based on this pilot.

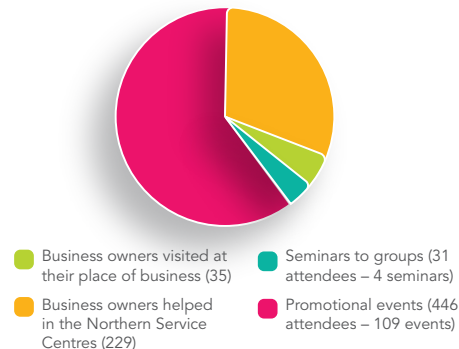
## PROACTIVE OUTREACH AND ASSISTANCE

Budget 2018 provided the CRA with an additional \$9 million annually to help vulnerable Canadians get benefits and tax credits to improve their quality of life. This funding allowed the CRA to help its clients access their benefits and credits, by finding out directly from them what obstacles they face in accessing benefits and credits (for example not being able to complete their own tax return or not being able to afford to have their taxes completed by a tax firm or accountant), and to help ensure equal and tailored service for all. During the 2018–19 fiscal year, we:

- opened three northern service centres in the territorial capitals, Whitehorse, Yellowknife and Iqaluit, in time for the 2019 tax season, to better support individuals and businesses in the territories with their tax and benefit enquiries
- extended services to CVITP organizations and volunteers on a year-round basis
- partnered with Revenu Québec to develop and set up training seminars, prepare for recognition events and develop the CVITP Memorandum of Understanding; thanks to this partnership, nearly 4,000

### KEY RESULT

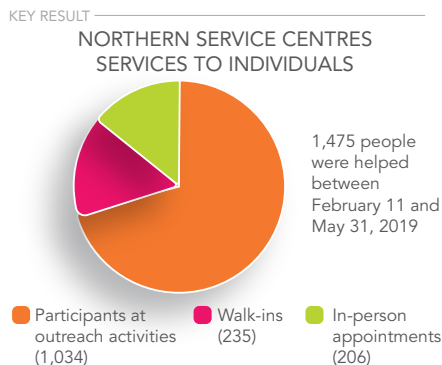
#### NORTHERN SERVICE CENTRES SERVICES TO BUSINESSES





volunteers and more than 550 organizations participated in the program and helped approximately 170,000 people receive the proper credits and benefits

- re-established the Disability Advisory Committee to provide the CRA with a formalized means of engaging with stakeholders
- issued 205,425 Non-Filer Benefit Letters to Canadians with low or no tax recovery potential, promoting filing so that they can receive the benefits and credits for which they are eligible; a total of 25,621 returns were filed by February 8, 2019, amounting to \$13.3 million in tax refund payments and \$19.2 million in credits or benefits paid out
- implemented the "Call Me First" initiative whereby, before making an adjustment to their benefits, the CRA calls Canadians who did not respond to the initial benefit review letter

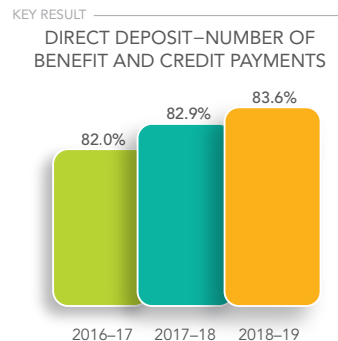


- conducted focus groups to better understand why individuals are not responding to benefit review letters and determine what the CRA can do to encourage clients to respond
- collaborated with various municipal, provincial and national law enforcement and government partners to increase Canadians' knowledge and awareness of various fraudulent schemes and scams; we used social media and technical briefings, and worked with the media and Canadian retailers

The CRA also attributed a sizeable portion of the funding from Budget 2018 to conducting outreach activities to Canadians so they are better prepared to comply with their tax obligations. For more information, see the [Tax section](#).

## DIGITAL SERVICES

The CRA is committed to providing the best possible service to its clients by making our digital services easy to use and accessible to all. Digital services make it easier for clients to understand their benefit and credit eligibility, to quickly apply for benefits and credits and to easily access their payment information. For instance, we:



- worked with the Yukon and Nunavut in offering their residents access to our Automated Benefits Application, a simple online form already in place in all provinces and the Northwest Territories that allows clients to quickly and easily apply for the Canada child benefit (CCB)
- enhanced the MyBenefits CRA mobile app, implementing features to improve ease of use
- made applying for the disability tax credit easier, by offering Canadians the ability to submit their Disability Tax Credit Certificate, and any supporting documents, through the submit documents service in My Account or Represent a Client portal; from February 2019 to March 31, 2019, we received 2,787 submissions

To find out more about our work related to digital services designed to help clients meet their tax obligations, see the [Tax section](#).

## TELEPHONE SERVICES

Telephone enquiry lines constitute a valuable service for clients who cannot find an answer to their question online or simply prefer that means of communication. Furthermore, a number of the CRA's clients live in rural areas with limited Internet access, making the CRA's telephone services their preferred method of getting information about their benefits and credits. To help our clients, we made many improvements to all our phone lines, including the benefit enquiries line. We improved self-service options for callers and updated training for call centre agents, thus increasing the accuracy of responses to clients' questions. We also launched an enhanced telephone service for clients who call with questions regarding the disability tax credit. To find out more about the improvements to the CRA's telephone services, see the [Tax section](#).

### KEY RESULT

Benefit enquiries agents answered

**2,101,948** CALLS

while

**1,405,293** CALLS

were served by  
automated services

## BENEFITS BUDGETARY FINANCIAL RESOURCES (DOLLARS)

2018–19 Main estimates	2018–19 planned	2018–19 total authorities available for use <sup>1,2</sup>	2018–19 actual <sup>2,3</sup>	Difference (actual minus planned)
482,609,132	482,609,132	1,137,578,755	1,128,379,061	645,769,929

## BENEFITS HUMAN RESOURCES (FTE)<sup>4</sup>

2018–19 planned	2018–19 actual	Difference (actual minus planned)
1,506	1,135	(371)

## FOOTNOTES

- 1 Total authorities available for use includes severance payments, parental benefits, vacation credits and the carry-forward of unused funds from 2017–18 where, pursuant to section 60(1) of the Canada Revenue Agency Act, the CRA has up to two fiscal years to use parliamentary appropriations once approved. This funding is received during the fiscal year and is therefore not reflected in planned spending.
- 2 Total authorities available for use and actual spending include statutory Climate Action Incentive payment of \$663.8M.
- 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 on parliamentary appropriations.
- 4 Includes FTEs associated with fulfilling the CRA's administrative responsibilities in support of Canada Pension Plan and employment insurance legislation.

# BENEFITS PERFORMANCE INDICATORS

Outcome: Canadians receive their rightful benefits in a timely manner.

Departmental result indicator	Target	2018–19 result	2017–18 result	2016–17 result
Percentage of Canada child benefit recipients who provide complete and accurate information in order to receive the proper entitlement	95%	n/a <sup>1</sup>	92.6%	n/a <sup>2</sup>
Percentage of benefit payments issued to benefit recipients on time	99% <sup>3</sup>	100% <sup>4</sup>	100% <sup>4</sup>	99.99%
Percentage of respondents satisfied with benefit application processing time	75%	84%	n/a <sup>5</sup>	n/a <sup>6</sup>
Percentage of taxpayers (benefit recipients) who filed as a result of targeted CRA intervention	10%	7.9% <sup>7</sup>	8.1% <sup>7</sup>	n/a <sup>8</sup>

## FOOTNOTES

- 1 There are no results for 2018–19, because the indicator is being reviewed.
- 2 The study that produces this result is performed every two years.
- 3 The target was revised to 100% starting in 2019–20.
- 4 Canada child benefits payment information was transferred to Public Services and Procurement Canada; direct deposits were made, and cheques distributed on time based on the benefit payment schedule.
- 5 There are no results for 2017–18, because the client satisfaction survey was reviewed and refreshed to improve response rates.
- 6 The number of respondents was not enough to produce valid results.
- 7 The population targeted by this initiative consists of non-filers who may have difficulties in filing, are unaware of the processes involved in filing an income tax and benefit return, may not want to take part in the tax system, or who may be difficult to reach by mail. These are lower-income earners and may be more mobile, which poses challenges to the targeted intervention strategy.
- 8 The indicator was introduced in 2017–18.

# RESULTS: INTERNAL SERVICES

35



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 10 distinct services that support program delivery in the organization, regardless of the Internal Services delivery model in an agency or 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, and Real Property Management Services.

In 2018–19, we were pleased to take steps to improve the health and inclusivity of our workplaces. We also worked to increase awareness of scams and to protect our clients' information. The pages that follow describe our key results and accomplishments for internal services.



The CRA developed and applied a tool to assess the extent to which it fosters innovation. The assessment revealed that we are encouraging innovation: we have adopted Lean and Agile methodologies and put in place processes related to innovation. It also indicated that there are opportunities to clarify the CRA's expectations regarding innovation and ensure a supportive environment for innovation to flourish.

The CRA's renewed focus on service is essential for all clients, both external and internal. Through internal services, we manage one of the largest, most sophisticated and secure information technology environments in Canada's public service, and provide our external clients with assurance their matters are handled with integrity and respect for their privacy.

## OUR PEOPLE

Our people play a vital role in delivering our services to our clients. We want to equip them with what they need to help the CRA achieve the goal of being a world-class tax and benefit administration and ensure the CRA's workforce is representative of the diverse community it serves. We view our employees' contributions and well-being as essential, and their diversity as our strength. That is why we worked on recruiting strategically, maintaining a healthy, inclusive and respectful workplace, and identifying and resolving issues that affect our employees' pay with Public Services and Procurement Canada. In 2018–19, we:

### KEY RESULT

One of the  
**NATIONAL CAPITAL  
REGION'S TOP**

employers for  
the **6TH** year in  
a row

One of  
**CANADA'S  
TOP  
EMPLOYERS**

for Canadians  
over 40 for the  
**2ND** year in a row

One of the  
**TOP 100 EMPLOYERS**  
in Canada for the **2ND**  
year in a row





Employees at the Southern Alberta Tax Services Office collect plastic containers, such as margarine and yogurt containers, and donate them to the local soup kitchen for use by their clients as takeout containers.

- mobilized resources and continued to make progress in addressing the backlog of pay issues and enquiries
- developed our corporate communications strategy and prevention approach on discrimination and harassment, which includes the development of mandatory online training
- continued to modernize training and learning at the Agency by developing innovative solutions using technology such as interactive videos
- introduced the employee Well-Being Network, to promote awareness of well-being support services and resources
- implemented year two of the Strategy for the recruitment, inclusion and retention of Indigenous peoples, including:
  - advancing the CRA Indigenous student employment program through universities, career fairs, local communities, social media and CRA employee networks
  - creating a national Re-Hire Indigenous Students List to facilitate bridging students into the CRA as permanent employees and hiring 94 Indigenous students from April 2018 to March 2019
  - developing a National Indigenous Community page, which currently has 226 members, on GCconnex, a professional networking and collaborative workspace
  - continuing the implementation of the Indigenous Mentoring Initiative, matching 63 pairs across the country as of March 2019
  - increasing the recruitment of Indigenous peoples in professional positions to address current and future underrepresentation, surpassing our target of reducing the gap in the professional group by 50%

- conducted outreach and increased awareness of the CRA as an employer of choice through participation in experimental learning activities with various post-secondary institutions, like our successful CRA Recruitment Day, at Lakehead University, Thunder Bay, where we piloted on-the-spot letters of offer to address recruitment gaps in information technology and audit
- continued supporting CRA's 2018 Charitable Campaign with the help of employees across Canada who volunteered their time and efforts, changing the lives of 15,168 Canadians
- expanded our online presence and developed enhanced content for our social media platforms to showcase our workplace culture, sharing our status as a Top 100 Employer and promoting the CRA as an inclusive and diverse workplace



Employees at the Shawinigan National Verification and Collection Centre created a carpooling page on their Intranet site that matches employees interested in carpooling. Reserved spaces for carpooling are also made available in the parking lot.





In 2018, we launched a national plastics reduction campaign to encourage employees to help the CRA become a leader in plastics reduction. We shared information with employees on the impact of plastic waste and tips on how to reduce the use of single-use plastic through initiatives such as an online quiz, posters, emails and video screenings.

## INFORMATION TECHNOLOGY

Information technology (IT) is one of the cornerstones of the CRA's operations, allowing us to provide sustainable and reliable services to Canadians and deliver our core responsibilities of tax and benefits. It plays an important role in meeting Canadians' expectations for a seamless service experience when dealing with the CRA. While evolving our systems to be more service-oriented, in 2018–19 we:

- continued to modernize our IT operational environment by completing an annual assessment of our legacy IT systems, and completed an annual multi-year investment plan to support CRA and Government-wide strategies to renew aging software applications, protecting their integrity
- increased our use of Agile and Lean methodologies to improve IT agility and internal practices for developing software and achieve faster program and service delivery
- continued to expand our digital service offerings to Canadians to make it easier and more convenient for individuals and businesses to interact with the Agency
- protected CRA data, information assets and IT infrastructure from increasingly sophisticated cybersecurity threats, unauthorized access, alteration, and loss
- established a self-service business intelligence environment, meeting the needs of CRA researchers and analysts and supporting more complex activities in research, analytics and data mining

- evolved our governance and partnership with Shared Services Canada by streamlining processes and collaborating to ensure IT infrastructure services are available and reliable
- collaborated with other government departments, under the leadership of the Treasury Board of Canada Secretariat, to support a whole of Government approach in setting the strategic direction for the evolution of IT services

## INTEGRITY AND SECURITY

During the 2018–19 year, we continued supporting and promoting integrity and security through our continuous investment in our information technology infrastructure. We developed and promoted awareness tools to ensure employees and managers understand their responsibilities when it comes to protecting the integrity of CRA programs, data, and systems. We also continued to strengthen the public's trust by educating them about new scams and increasing transparency through our commitment to report on our mandate. During 2018–19, we:

- continued to safeguard client information by monitoring employee access and actions on CRA systems while ensuring employees have the accesses they need to serve Canadians
- continued carefully disposing of surplus assets, like office equipment, while ensuring the respect of government goals for sustainable stewardship of assets
- partnered with the media, community groups, and police forces for wider distribution of warnings about new scams targeting Canadians:
  - used social media to raise awareness of email, phone and text scams using static messages and four new videos, targeting vulnerable populations and the population at large
  - distributed a comprehensive kit for members of Parliament with the view that they can use our communications material in collaboration with their local community associations to help raise awareness and protect citizens from falling victim to tax scams
  - distributed a pragmatic document to media that explains what clients can expect when the CRA calls clients to help them manage their tax affairs and laying out what they can do if they are unsure if the call they received is a scam or if they fear they have been scammed

### KEY RESULT

Our **DIGITAL ADVERTISING CAMPAIGN** to raise awareness of scams resulted in a link click through rate\* of

**1.82%**  
compared to 0.89% for the GC,  
& over **2** million impressions\*\*

\* The percentage of users who clicked on the ad

\*\* How often the ad was on screen for target audience

- collaborated with partners, including the Royal Canadian Mounted Police, the Competition Bureau, the Canadian Antifraud Centre and the Retail Council of Canada to promote awareness of frauds and scams across Canada



In May 2018, the Office of the Auditor General recognized the CRA for its management and re-use of government assets, which yielded savings of more than \$4.8 million over a three-year period.

## ACCESS TO INFORMATION AND PRIVACY

Parliamentarians, journalists and the general public want access to CRA information that is transparent, complete and meaningful. Working toward the CRA's objective of ensuring that the information it releases to the public respects our clients' right to privacy, in 2018–19, we:

- hired a consulting firm in March 2019 to assist us in implementing recommendations to reform the CRA privacy management program, with implementation of recommendations expected in 2019–20
- developed a workload management plan to help ensure that all access to information and privacy requests are treated within the targeted timeframe

KEY RESULT

**7,444** requests completed under the

Access to Information Act & Privacy Act (ATIP)

Achieved an  
**ATIP COMPLIANCE  
RATE of 89%**

## INTERNAL SERVICES BUDGETARY FINANCIAL RESOURCES (DOLLARS)<sup>1</sup>

2018–19 Main estimates	2018–19 planned	2018–19 total authorities available for use <sup>2</sup>	2018–19 actual <sup>3</sup>	Difference (actual minus planned)
925,713,343	925,713,343	1,167,180,180	1,030,133,619	104,420,276

## INTERNAL SERVICES HUMAN RESOURCES (FTE)<sup>1,4</sup>

2018–19 planned	2018–19 actual	Difference (actual minus planned)
7,707	8,122	415

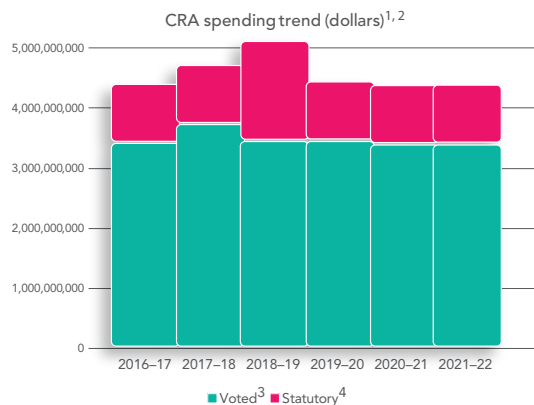
### FOOTNOTES

- 1 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.
- 2 Total authorities available for use includes severance payments, parental benefits, vacation credits and the carry-forward of unused funds from 2017–18 where, pursuant to subsection 60(1) of the Canada Revenue Agency Act, the CRA has up to two fiscal years to use parliamentary appropriations once approved. This funding is received during the fiscal year and is therefore not reflected in planned spending.
- 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 on parliamentary appropriations.
- 4 Includes FTEs associated with fulfilling the CRA's administrative responsibilities in support of Canada Pension Plan and employment insurance legislation.

# ANALYSIS OF TRENDS IN SPENDING AND HUMAN RESOURCES

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## ACTUAL EXPENDITURES



	Actual spending			Planned spending		
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Statutory	936,635,156	941,296,937	1,643,402,289	967,434,089	962,201,820	959,311,056
Voted	3,453,312,607	3,766,470,408	3,477,710,768	3,474,118,598	3,422,441,754	3,428,036,672
Total	4,389,947,763	4,707,767,345	5,121,113,057	4,441,552,687	4,384,643,574	4,387,347,728

## FOOTNOTES

- 1 The spending trend graph 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, Children's Special Allowance payments, Climate Action Incentive payments, as well as the implementation of initiatives to improve efficiency.
- 2 For more information on the variances, please refer to the Analysis of budgetary performance summary section.
- 3 Voted expenditures: Expenditures that Parliament approves annually through an Appropriation Act. The wording of the vote sets the conditions for these expenditures.
- 4 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 for making them.

## BUDGETARY PERFORMANCE SUMMARY FOR CORE RESPONSIBILITIES AND INTERNAL SERVICES (DOLLARS)<sup>1</sup>

Core responsibilities and internal services	2020–21 Planned	2019–20 Planned	2018–19 Main Estimates	2018–19 Total authorities available for use	2018–19		2017–18 Actual <sup>2</sup>	2016–17 Actual <sup>3</sup>
					Planned	Actual <sup>2</sup>		
Tax	3,127,136,140	3,156,308,891	2,793,270,920	3,002,891,119	2,793,270,920	2,959,502,477	3,145,344,608	2,919,596,085
Benefits <sup>4</sup>	494,389,657	499,962,083	482,609,132	1,137,578,755	482,609,132	1,128,379,061	479,298,608	475,216,775
Taxpayers' Ombudsman <sup>5</sup>	3,474,081	3,471,070	3,132,365	3,149,766	3,132,365	3,097,900	3,210,404	2,894,786
<b>Subtotal</b>	<b>3,624,999,878</b>	<b>3,659,742,044</b>	<b>3,279,012,417</b>	<b>4,143,619,640</b>	<b>3,279,012,417</b>	<b>4,090,979,438</b>	<b>3,627,853,620</b>	<b>3,397,707,646</b>
Internal Services <sup>6</sup>	759,643,696	781,810,643	925,713,343	1,167,180,180	925,713,343	1,030,133,619	1,079,913,725	992,240,117
<b>Total</b>	<b>4,384,643,574</b>	<b>4,441,552,687</b>	<b>4,204,725,760</b>	<b>5,310,799,820</b>	<b>4,204,725,760</b>	<b>5,121,113,057</b>	<b>4,707,767,345</b>	<b>4,389,947,763</b>
Less: Respondable Non-Tax Revenue under Section 60 of the Canada Revenue Agency Act	(177,261,640)	(178,954,430)	(159,856,226)	(182,105,000)	(159,856,226)	(182,105,000)	(166,387,494)	(163,733,679)
Plus: Cost of services received without charge	561,832,448	564,195,407	N/A	N/A	449,900,714	625,096,288 <sup>7</sup>	598,489,629	512,443,686
<b>Net Cost</b>	<b>4,769,214,382</b>	<b>4,826,793,664</b>	<b>N/A</b>	<b>N/A</b>	<b>4,494,770,248</b>	<b>5,564,104,345</b>	<b>5,139,869,480</b>	<b>4,738,657,770</b>

## FOOTNOTES

- 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 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 on parliamentary appropriations.
- 3 Actual spending for the 2016–17 fiscal year has been cross-walked 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.
- 4 Includes statutory Children's Special Allowance payments (planned spending: \$335M in 2018–19; \$337M in 2019–20 and 2020–21); (actual spending: \$338.7M in 2018–19; \$333.6M in 2017–18 and \$319.7M in 2016–17) and statutory Climate Action Incentive payments (planned spending: \$0 in 2018–19, 2019–20, and 2020–21); (actual spending: \$663.8M in 2018–19; \$0 in 2017–18 and 2016–17).
- 5 Since the Taxpayers' Ombudsman operates at arm's-length from the CRA, this Departmental Results Report does not reflect the activities of that office. For more information see the [Office of the Taxpayers' Ombudsman's annual reports](#).
- 6 A portion of the decrease in internal services spending from 2018-19 to 2019-20 is due to the attribution of direct internal service costs to the programs (primarily within the tax core responsibility).
- 7 Most of the variance between the 2018–19 actual and planned spending (\$175M) is related to changes associated with information technology services provided by Shared Services Canada (\$138M) and employer contributions to the health and dental insurance plans provided by the Treasury Board Secretariat (\$27M).

## ANALYSIS OF BUDGETARY PERFORMANCE SUMMARY

Actual spending for fiscal years 2016–17 to 2018–19 includes technical adjustments such as the CRA's carry-forward from the previous year and funding for severance payments, parental benefits, and vacation credits. In 2017–18, a significant portion of the increase in spending is associated with the cash out of severance benefits upon resignation or retirement for employees represented by the Public Service Alliance of Canada, Union of Taxation Employees (PSAC-UTE). 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-UTE and the Professional Institute of the Public Service of Canada-Audit Financial and Scientific (PIPSC-AFS) group, including amounts set aside in anticipation of wage settlements for the period under the operating budget freeze.

The CRA's 2018–19 total authorities available for use increased by \$1.106 billion, or 26.3% over the planned spending identified in the 2018–19 Departmental Plan. Of this amount \$663.8 million is related to the statutory Climate Action Incentive payment deemed to have been paid as a rebate in respect of fuel charges levied under Part I of the Greenhouse Gas Pollution Pricing Act (included in both 2018–19 total authorities available for use and actual spending). Other items contributing to the increase include the carry-forward from 2017–18, funding for severance payments, parental benefits, and vacation credits, funding to implement and administer measures announced in the 2018 federal budget and the federal fuel charge, and collective bargaining adjustments (for more information, please see "Authorities approved after Main Estimates" in the supplementary information tables). The CRA's actual 2018–19 spending was \$5.121 billion resulting in \$189.7 million remaining unexpended at year-end. The majority of this funding, \$179.4 million, can be carried forward by the CRA to 2019–20 under its statutory two-year spending authority. This amount was largely planned and forms part of the CRA's strategy to address unfunded operating pressures in 2019–20 as well as manage changes in the funding profile of major investment projects.



Over the planning period, the CRA's authorities show a slight reduction (from \$4.442 billion in 2019–20 to \$4.385 billion in 2020–21) primarily as a result of planned decreases in funding received to administer various measures announced in the federal budgets as well as the federal fuel charge and the upgrade of the individual income tax processing system. Further reductions are associated with the reallocation of departmental resources as announced in the 2018 Federal Budget to modernize and enhance the Government's digital services.

Anticipated fluctuations in future year funding are proactively monitored and reflected in the planning process. Given that more than three-quarters of the CRA's spending is associated with personnel costs, such changes could substantially impact planning and related staffing process for upcoming years. To be agile, Agency management continually reviews how CRA resources are allocated to ensure that the programs being supported remain relevant and that these programs are being delivered in the most efficient manner possible. Where necessary, funds may be reallocated from areas generating efficiencies or where the public policy priority may have diminished to higher priority work.

## HUMAN RESOURCES SUMMARY FOR CORE RESPONSIBILITIES AND INTERNAL SERVICES (FTE)

Core responsibilities and internal services	2016–17 actual <sup>1</sup>	2017–18 actual	2018–19		2019–20 planned	2020–21 planned
			planned	actual		
Tax	29,529	30,399	30,691	31,789	33,774	33,319
Benefits	1,299	1,253	1,506	1,135	1,627	1,578
Taxpayers' Ombudsman	25	25	31	29	31	31
<b>Subtotal</b>	<b>30,853</b>	<b>31,677</b>	<b>32,228</b>	<b>32,953</b>	<b>35,432</b>	<b>34,928</b>
Internal Services	7,875	8,088	7,707	8,122	6,364	6,267
<b>Total</b>	<b>38,728</b>	<b>39,765</b>	<b>39,935</b>	<b>41,075</b>	<b>41,796</b>	<b>41,195</b>

## FOOTNOTE

- 1 Actual FTEs for the 2016–17 fiscal year have been cross-walked 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.

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## ANALYSIS OF HUMAN RESOURCES SUMMARY

The increase in FTEs in 2018–19 is largely attributable to new funding received to implement and administer measures announced in Budget 2018 as well as growth in funding for measures announced in Budget 2016 and Budget 2017.

Over the planning period, the reduction in FTEs (from 41,796 in 2019–20 to 41,195 in 2020–21) is primarily the result of planned decreases in funding received for various measures announced in the federal budgets as well as reductions in planned project investments. A portion of the decrease in internal services FTEs from 2018–19 to 2019–20 is due to the attribution of direct internal service costs to the programs (primarily within the tax core responsibility).

# FINANCIAL STATEMENTS HIGHLIGHTS

## AGENCY ACTIVITIES

Condensed statement of operations (unaudited) for the year ended  
March 31, 2019 (dollars)

Financial information	2018–19 Planned results	2018–19 Actual results	2017–18 Actual results	Difference (2018–19 actual results minus 2018–19 planned results)	Difference (2018–19 actual results minus 2017–18 actual results)
Total expenses	4,942,344,000	5,115,835,982	4,915,827,517	173,491,982	200,008,465
Total non-tax revenues	508,381,000	535,788,724	519,251,687	27,407,724	16,537,037
Net cost of operations before government funding and transfers	4,433,963,000	4,580,047,258	4,396,575,830	146,084,258	183,471,428

The CRA's 2018–19 net cost of operations before government funding and transfers amounted to \$4,580.0 million, an increase of \$183.5 million from the \$4,396.5 million net cost of operations before government funding and transfers in 2017–18.

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 increased by \$132.5 million in 2018–19, including salary expenses (\$101.9 million) and other allowances and benefits (\$30.6 million). The increase is mainly explained by an increase in the number of employees and higher rates of pay reflecting collective agreements ratified in fiscal year 2018.

Non-personnel expenses have increased by \$67.5 million in 2018–19. This net variance mainly results from an increase in IT services provided by Shared Services Canada (SSC) (\$73.0 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), as well as an increase in computer purchases resulting from the End user Renewal Program (\$20.2 million). 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 (\$10.5 million) and a decrease in direct occupancy costs due to the net reduction of space used, as well as an incentive to re-locate to locations with lower rent cost (\$15.5 million).

Condensed statement of financial position (unaudited) as of March 31, 2019 (dollars)

Financial information	2018–19	2017–18	Difference (2018–19 minus 2017–18)
Total net liabilities	1,184,140,108	1,283,659,360	(99,519,252)
Total net financial assets	384,744,472	523,417,913	(138,673,441)
Agency net debt	799,395,636	760,241,447	39,154,189
Total non-financial assets	433,699,081	425,846,275	7,852,806
Agency net financial position	365,696,555	334,395,172	31,301,383

Liabilities have decreased by \$99.5 million in 2018–19. This was mainly attributable to a reversal of salary accruals resulting from the ratification of the collective agreements for the Public Service Alliance of Canada (\$51.9 million) and the Professional Institute of the Public Service of Canada (\$125.9 million) in fiscal year 2018. This decrease was offset in part by an increase in the current year provision for salary accruals to reflect expired collective agreements (\$77.4 million).

The decrease of \$138.7 million in financial assets reflects a decrease in the Due from the Consolidated Revenue Fund (CRF) as the prior year amount included accrued salaries resulting from the ratification of collective agreements in 2017–18 which have been settled in 2018–19. The Due from the CRF account represents the net amount of cash that the CRA is entitled to draw without using further appropriations to discharge its liabilities.

## ADMINISTERED ACTIVITIES

Condensed statement of administered revenues and pension contributions and statement of administered expenses and recoveries (unaudited) for the year ended March 31, 2019 (in millions of dollars)

Financial information	2018–19	2017–18	Difference (2018–19 minus 2017–18)
Total administered revenues and pension contributions	457,219	430,331	26,888
Total net administered expenses and recoveries	(37,388)	(35,096)	(2,292)
Revenues paid or payable directly to a province	(433)	(390)	(43)
Changes in administered assets and liabilities	(112)	(5,596)	5,484
Net cash deposited in the Consolidated Revenue Fund of the Government of Canada	419,286	389,249	30,037

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 \$457,219 million in 2018–19, an increase of \$26,888 million or 6.2% from 2017–18. This 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 \$37,388 million in 2018–19, an increase of \$2,292 million or 6.5% from 2017–18. The increase reflects the implementation of the Climate Action Incentive payments on January 1, 2019, and the indexation of Canada Child Benefit basic entitlement.

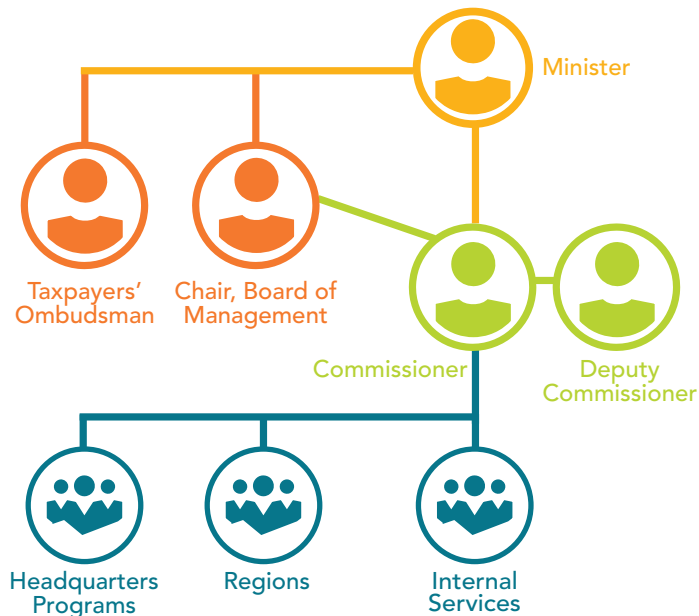
Condensed statement of administered assets and liabilities (unaudited) as at March 31, 2019 (in millions of dollars)

Financial information	2018–19	2017–18	Difference (2018–19 minus 2017–18)
Total administered assets	131,971	128,475	3,496
Administered liabilities	65,988	62,604	3,384
Net amount due to the Consolidated Revenue Fund	65,983	65,871	112
Total Liabilities	131,971	128,475	3,496

Total administered assets amounted to \$131,971 million as at March 31, 2019, an increase of \$3,496 million or 2.7% from 2017–18. The increase is in line with the growth in revenues due to sustained economic growth, offset in part by lower instalments and payments on filing from corporations at year-end.

Administered liabilities amounted to \$65,988 million as at March 31, 2019, an increase of \$3,384 million or 5.4% from 2017–18. The increase reflects higher individual and GST/HST refund claims at year-end, as well as higher amounts payable to corporations.

## ORGANIZATIONAL CONTACT INFORMATION



### Head office

Connaught building  
555 MacKenzie Avenue  
Ottawa ON K1A 0L5  
Telephone: 613-957-3688  
Fax: 613-952-1547  
Website: [www.canada.ca/en/revenue-agency](http://www.canada.ca/en/revenue-agency)

For more information about the CRA and its governance, visit [Canada.ca](http://Canada.ca).

### Organizational profile

Minister  
The Honourable Diane LeBouthillier, P.C., M.P.

Institutional head Bob Hamilton	Chair, Board of Management Suzanne Gouin
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Ministerial profile  
National Revenue

Enabling instrument  
Canada Revenue Agency Act

Year of commencement  
1999



# REPORTING FRAMEWORK

The CRA's Departmental Results Framework and Program Inventory of record for 2018–19 are shown below.

## Tax

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

### Program inventory:

- Tax Services and Processing
- Returns compliance
- Collections
- Domestic compliance
- International and Large Business Compliance and Criminal Investigations
- Objections and Appeals
- Taxpayer Relief
- Service Complaints
- Charities
- Registered Plans
- Policy, Rulings, and Interpretations

## Indicators

Percentage of...

- Filers who have filed a tax return by their due date
- Known businesses registered for GST/HST
- Reported taxes (including instalments) and source deductions that are paid on time
- External service standards targets that are met or mostly met
- Services available online
- Total volume of improved correspondence (i.e., changes to structure, design, language, and format)

Also...

- Public Perception Index: score compared to baseline
- Number of Community Volunteer Income Tax Program returns completed (by May 15, 2019)
- Complete an online consultation open to charities and the public
- Incremental revenue resulting from Budget investments
- Incremental debt collected (resolved) resulting from Budget 2016 investments

## Benefits

Canada child benefit recipients who provide complete and accurate information in order to receive the proper entitlement

### Program inventory:

- Benefits

## Indicators

Percentage of...

- Canada child benefit recipients who provide complete and accurate information in order to receive the proper entitlement
- Benefit payments issued to benefit recipients on time
- Respondents satisfied with benefit application processing time
- Taxpayers (benefit recipients) who filed as a result of targeted CRA intervention

## Ombudsman

Canadians have access to trusted and independent review of service complaints about the CRA.

### Program inventory:

- Taxpayers' Ombudsman\*

## Indicators

Percentage of...

- Recommendations made by the Ombudsman to the Minister in systemic examination reports that will be acted upon by the CRA
- Taxpayer complaints acknowledged within two business days
- Individual complaint examinations resulting in the CRA taking action

\* The Office of the Taxpayers' Ombudsman is at arm's length from the Canada Revenue Agency (CRA) in its mandate to conduct independent and objective examinations of issues with the CRA's service, and therefore reports separately to Parliament on its results.

## SUPPLEMENTARY INFORMATION TABLES

The following supplementary information tables are available on the [CRA's website](#):

- CRA Sustainable Development Strategy
- Definitions
- Details on transfer payment programs of \$5 million or more
- Endnotes
- Gender-based analysis plus
- Response to parliamentary committees and external audits

## 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](#). 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 subsection 56(1) or a summary statement of any assessment produced under section 59.

The report and assessment are produced on an as needed basis. During 2018–19, the Public Service Commission did not prepare, or have prepared on its behalf, a report to the CRA pursuant to subsection 56(1) 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 section 59 of the Canada Revenue Agency Act an assessment of the recourse the Agency provides or administers in its management of human resources.

## LINKS

Service standards: <https://canada-preview.adobecqms.net/en/revenue-agency/services/about-canada-revenue-agency-cra/service-standards-cra/service-standards-2018-2019.html>

Financial statements: <https://www.canada.ca/en/revenue-agency/corporate/about-canada-revenue-agency-cra/departmental-performance-reports.html>

Expenditures by vote: [Public Accounts of Canada 2018–19](#)

Government of Canada spending and activities: [GC InfoBase](#)

Supporting information on the Program Inventory: [GC InfoBase](#)

# AGENCY GOVERNANCE AND THE BOARD OF MANAGEMENT

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## BOARD PRIORITIES AND ACCOMPLISHMENTS FOR 2018–19



**Top row:** David Reid, Stanley Thompson, Gerard Fitzpatrick, Dawn Dalley

**Middle row:** Susan Hayes, Susan Green, Joyce Sumara, France-Élaine Duranceau, Paul Summerville

**Bottom row:** Mireille Saulnier, Bob Hamilton, Suzanne Gouin, Kathy Bouey, Francine Martel-Vaillancourt, Mary Ference

The Board provided oversight in all areas of its statutory responsibilities and accomplished its objectives as outlined in the CRA's Corporate Business Plan (CBP) 2018–2019 to 2020–2021.

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### STRATEGIC DIRECTION

The Board focused on its strategic priorities of: service to Canadians, people resources, integrity and security, innovation and resource optimization for 2018–19. Enhancing service to Canadians remained the core of all strategic priorities of the Board.

During this fiscal year, new key performance indicators were used to produce a quarterly performance dashboard to support the Board in providing oversight. In addition, the Board regularly reviewed the Status Report on Strategic Deliverables to oversee the Agency's progress on the CBP commitments. These reporting tools have allowed the Board to provide strategic advice and direction to the Agency to ensure that it is well positioned to achieve its commitments as set out in the CBP.

## SERVICE TO CANADIANS

Enhancing service to Canadians and ensuring that they are treated like valued clients remained a Board priority during this fiscal year. The Agency's Chief Service Officer established a Service Secretariat, which collaboratively developed a service policy framework with a new CRA vision: Trusted, fair and helpful by putting people first. This vision will guide the Agency's journey forward and ensure it remains a World-Class Tax and Benefit Administration.

In support of the Agency's significant service transformation journey, the Board established a Service Transformation Subcommittee in September 2018. The subcommittee received quarterly updates on service transformation initiatives, including employee engagement and communications, and provided strategic advice and support to the Chief Service Officer in the development of the Service Policy Framework. The subcommittee also received a service related annual update from the Office of Taxpayers' Ombudsman.

The Board also oversaw the Agency's call centre migration to the new Hosted Contact Centre Service platform, which was completed by the end of 2018 for the Agency's benefits, individual, and business enquiries phone lines. The Service Transformation Subcommittee continues to receive regular updates on call centre improvements and performance.

## PEOPLE RESOURCES

In the area of people resources, the Board reviewed and approved the annual Agency Workforce Plan (AWP) 2018–2019 to 2020–2021, which outlines continued focus on three themes; Agency's leaders, its people and its work environment. The AWP will support the Agency in building a skilled workforce to meet its current and future business deliverables.

The Board also:

- received quarterly updates on compensation at the Agency, supporting its employees on compensation related issues that stem from the Phoenix Payroll System; this includes steps undertaken to mitigate financial hardship while efforts are underway to stabilize the pay system
- received regular updates on the Agency's human resources initiatives, such as the staffing redesign initiative, the introduction of character leadership in its executive recruitment and development and the Agency's preparedness for the future of work
- continued to encourage the Agency's recruitment and outreach activities with educational institutions across the country
- focused on ensuring the Agency had robust succession plans and processes in place for its senior leaders and for key positions

## INTEGRITY AND SECURITY

The Board continued to ensure the Agency had appropriate measures in place to safeguard its clients' personal information by investing and modernizing its information technology (IT) systems. The Board also:

- approved the Agency's annual IT strategy, which sets out the Agency's and Government of Canada's IT priorities.
- received quarterly updates on cyber-security and monitored related risks and mitigation plans through the development of a cyber-security dashboard
- reviewed the integrity framework and plans to enhance integrity at the Agency; the Framework supports the Agency to foster a culture of integrity, while also preventing, monitoring, detecting, and managing breaches of integrity
- supported the Agency's use of social, broadcast, and print media to inform Canadians of tax scams and to promote awareness of tax fraud and its consequences
- received annual update from Agency's Chief Privacy Officer on the Access to Information and Privacy program, and its efforts to ensure sound privacy management at the Agency

- monitored the status of the Agency's corporate policy suite to ensure that they remain current, relevant and employee-centric and that the employees better understand the Code of Integrity and Professional Conduct and CRA's Corporate Policy Instruments

## INNOVATION

The Board continued to encourage and support the Agency's efforts to explore and implement innovative approaches to doing business, and regularly reviewed the Agency's new emerging technology radar which forms part of the Board's quarterly dashboard.

The Board also:

- invited external speakers from the private sector and other tax agencies to its June 2018 planning meeting to discuss various innovative methods being used in their organizations to enhance client service and experience
- received updates from the Agency's Innovation Lab on the continued work with other government departments including academic institutions in the fields of Artificial Intelligence and Data Analytics to improve service and compliance

## RESOURCE OPTIMIZATION

As part of its resource (e.g., infrastructure, information technology, financial, etc.) oversight responsibility, the Board:

- monitored the Agency's utilization of funds received in Budgets 2016 and 2017 to address non-compliance
- received quarterly updates on the state of the Agency's budget, and reviewed its quarterly financial statements
- monitored and received quarterly financial and performance audit updates from the Office of the Auditor General
- reviewed the internal audit reports and action plans to address any recommendations from internal audits; the Board also reviewed and approved the Agency's annual risk based audit and evaluation plan
- reviewed the Agency's quarterly financial reports and approved the 2018–19 financial statements for Administered Activities and Agency Activities
- supported the Agency's completion of its comprehensive review and its recommendations to achieve its service transformation objectives; the Board was pleased with the Agency's internal resource alignment process to ensure that its resources continue to be properly aligned with the priorities and that it can deliver on its mandate
- received quarterly updates from the Agency on Shared Services Canada (SSC) initiatives, discussed the Agency's client satisfaction rating for SSC services, and met with the SSC President to discuss the Agency's priorities to provide support for this productive and critical relationship; SSC is an important stakeholder in the Agency's operations as the Agency is dependent on SSC for delivering on transformation projects and for providing major IT services
- reviewed ongoing work on major IT projects over \$20 million, through its quarterly major project investment dashboard report
- maintained its oversight of the Agency's contracting and procurement activities through the annual report
- received an update on the Agency's 2017–18 results on the Sustainable Development Strategy

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## CONCLUSION

The Board accomplished its strategic objectives for 2018–19 and remains committed to:

- fulfilling its oversight responsibilities, in its fiduciary role
- providing strategic advice and guidance to the Agency
- exploring innovative methods to streamline its governance and make its oversight role more effective and efficient

The Board thanks Commissioner of Revenue, Mr. Bob Hamilton for his leadership and is grateful for the excellent cooperation and support received from CRA senior management and employees in achieving its fiduciary obligations.



## BOARD OF MANAGEMENT ATTENDANCE RECORD FOR 2018–19

The Board of Management is supported by four committees and one subcommittee. 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 2018–19 fiscal year.

Board members	Board of Management (12 meetings) <sup>1</sup>	Audit committee (4 meetings)	Governance committee (4 meetings)	Human resources committee (8 meetings)	Resources committee (3 meetings)	Blockchain advisory subcommittee (2 meetings) <sup>2</sup>	Call centre advisory subcommittee (2 meetings) <sup>3</sup>	Service transformation subcommittee (2 meetings) <sup>4</sup>
Board members attendance throughout the fiscal year, taking into consideration departures and appointments.								
Kathryn A. Bouey	11/12			8/8	4/4	2/3	2/2	
Myles Bourke <sup>5</sup>	4/4	2/2	1/1		2/2			
Dawn Dalley	11/12			6/8	4/4			2/2
France-Élaine Duranceau	10/12	4/4	4/4			3/3		
Mark Dwor <sup>6</sup>	7/7		2/2		3/3	3/3		
Mary Ference <sup>7</sup>	7/8			1/2				1/1
Gerard J. Fitzpatrick	11/12	4/4			4/4			
Susan Green <sup>8</sup>	7/8		2/2					1/1
Suzanne Gouin	12/12	4/4	4/4	8/8	4/4	2/3	2/2	2/2
Susan Hayes	12/12		4/4	6/8				
Francine Martel-Vaillancourt	11/12	4/4		7/8			2/2	1/2
David Reid <sup>9</sup>	6/8	1/1			1/1			1/1

Board members	Board of Management (12 meetings) <sup>1</sup>	Audit committee (4 meetings)	Governance committee (4 meetings)	Human resources committee (8 meetings)	Resources committee (3 meetings)	Blockchain advisory subcommittee (2 meetings) <sup>2</sup>	Call centre advisory subcommittee (2 meetings) <sup>3</sup>	Service transformation subcommittee (2 meetings) <sup>4</sup>
Mireille A. Saulnier	12/12		4/4	8/8				
Joyce Sumara	11/12	4/4	4/4		4/4		1/2	
Paul Summerville <sup>10</sup>	4/5			2/3				
Stanley (Stan) Thompson	11/12	1/1		5/5	4/4	3/3		1/1
Commissioner Bob Hamilton	12/12		4/4	8/8	4/4		2/2	2/2
Average attendance per meeting <sup>11</sup>	159/172 = 92%	24/24 = 100%	29/29 = 100%	59/66 = 89%	34/34 = 100%	13/15 = 87%	9/10 = 90%	11/12 = 92%

## FOOTNOTES

- 1 This includes 11 Board meetings and one annual Board planning meeting.
- 2 The sub-committee was dissolved on September 14, 2018.
- 3 The sub-committee was dissolved on September 21, 2018.
- 4 The sub-committee was established on June 21, 2018.
- 5 Mr. Bourke – Term expired on June 28, 2018.
- 6 Mr. Dwor – Term expired on September 19, 2018.

7 Ms. Ference – Appointed as Board member effective June 29, 2018.

8 Ms. Green – Appointed as Board member effective June 29, 2018.

9 Mr. Reid – Appointed as Board member effective June 14, 2018.

10 Mr. Summerville – Appointed as Board member effective September 21, 2018.

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

Governor in Council rates of pay <sup>12</sup>		
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

## FOOTNOTE

<sup>12</sup> Source: <https://appointments.gc.ca/prflOrg.asp?OrgID=CRA&type-ty=1&lang=eng>