



Canada Revenue
Agency

Agence du revenu
du Canada



2019–20 DEPARTMENTAL RESULTS REPORT

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as represented by the Minister of National
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Message from the Minister

In November 2019, I had the honour of being re-appointed Minister of National Revenue. I am proud to continue the work to ensure that the Canada Revenue Agency (Agency) is a trusted, fair and helpful agency that meets Canadians' needs and expectations, and maintains the integrity of Canada's tax and benefits administration.

This past year, the Agency continued its service journey to ensure that its clients are at the centre of everything they do. In 2019–20, the Agency reached out to Canadians through public consultations. Based on what they heard, it launched the CRA's People First approach for tax filing season 2020, to make the filing process easier, faster, and more secure. This launch is in part the result of how the Agency re-invested its resources following the government's comprehensive review of its service model.

A significant milestone in the Agency's service journey was its response to the COVID-19 pandemic. The Agency demonstrated its leadership and resolve, launching emergency measures to support Canadians and businesses facing hardship in record time. At the same time, it extended filing deadlines and payment schedules to lessen the financial burden on many Canadians during an unprecedented time. It did this all during the tax filing season and while continuing to deliver critical services on which Canadians depend.



Trust in the Agency is based on fairly administering taxes and benefits for all. Over the course of 2019–20, the Agency continued to deliver results on investment the government made to crack down on tax evasion and combat aggressive tax avoidance. It also continued to realize the benefits of the government's investments to ensure that taxes that are assessed get paid.

These results achieved by the Agency would not have been possible without the exceptional contribution of its employees. I am proud of their efforts and achievements. I appreciate their hard work, whether working in call centres, their offices or, more recently, their home offices. They are on the front lines of the COVID-19 pandemic response, working to implement and deliver the measures that helped countless families, students, and business owners during this difficult time.

It is my pleasure to present the
2019–20 Departmental Results Report.

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

Foreword from the Chair

On behalf of the Canada Revenue Agency's Board of Management (the Board), I am pleased to recommend the 2019–20 Departmental Results Report to the Minister of National Revenue for tabling in Parliament.

While much was accomplished in 2019–20, the extraordinary efforts undertaken in the final weeks by the Canada Revenue Agency (CRA) to address the challenges of COVID-19, deserve special mention.

In March, the CRA's priorities rapidly shifted to respond to the COVID-19 pandemic, and deliver on the Government of Canada's emergency relief benefits to support Canadians and businesses. The CRA's strong foundation, including its leadership team, culture, crisis management readiness, and its progress made during 2019–20, especially in its service and digital journeys, supported the CRA in rapidly implementing its business continuity and resumption plans. The Board will continue to oversee and monitor the CRA's response to COVID-19.

During 2019–20, the Board was also focused on achieving the following five joint strategic priorities:

- providing a seamless service experience
- maintaining fairness in Canada's tax and benefits administration
- strengthening trust, transparency, and accountability
- enabling innovation
- empowering CRA's people to excel

Throughout the year, the Board oversaw and monitored the CRA's implementation of commitments from the Corporate Business Plan 2019–20 with perspectives to

2021–22, as well as multi-year established in prior years. The Board encouraged the CRA to strive to be a world-class tax and benefit administration and to continue to set bolder, more meaningful and transparent indicators to realize continuous improvement in all areas under the Board's oversight.

This report highlights a number of significant initiatives and results that the Board oversaw, such as, the launch of the CRA's People First philosophy; the implementation of additional digital service offerings; better usage of data holdings to inform business decisions; the development of the CRA's new Privacy Framework; implementation of numerous enhanced cyber security defenses to better



protect taxpayer information; and the renewal of several corporate policy instruments.

The Board was particularly pleased that the CRA was awarded the Best Overall Corporate Governance award at the 2019 Excellence in Governance Awards. This award recognizes the solid governance processes at the CRA, including the Board's role in providing forward-looking, strategic perspective to the CRA's operations and its long-term strategies, and the efficient fulfilment of its fiduciary obligations. The Board recognizes that the CRA's successes are due to its employees. We very much appreciate their commitment to providing services to Canadians, as exemplified by their work related to Covid-19.

I am proud of the CRA's accomplishments and the foundation it has built, that will accelerate its service, culture and digital transformation in the years ahead.

Suzanne Gouin
Chair, Board of Management

Message from the Commissioner

The Canada Revenue Agency's (Agency) 2019–20 Departmental Results Report highlights our continued efforts to ensure that we are a world-class tax and benefit administration.

The Agency accomplished a lot throughout the year, with some of our most notable achievements coming in response to the COVID-19 pandemic in the waning weeks of fiscal year 2019–20. The Agency played a leading role in Canada's COVID-19 Economic Response Plan, launching significant new programs in record time and adapting our administration of tax and benefits to support Canadians and businesses facing hardship as a result of the outbreak. We were also agile in implementing our national business continuity plan and protecting the health and safety of our employees while continuing to deliver critical services.

The successful implementation of new programs during the pandemic was enabled by the actions we took over the past few years, and throughout 2019–20, to transform our services, foster innovative mindsets and drive ourselves to be a more digital organization.

During 2019–20, we continued on our journey to become a more client-centric organization in the pursuit of our vision to be trusted, fair, and helpful by putting people first. We reached out to Canadians through the [Serving Canadians Better](#) consultations to better understand their client experiences, and we published a [Report on the Canada Revenue Agency's 2018 consultations with small and medium businesses](#). Canadians advised us that we are on the right path with our service journey, but we have more to do to make information more helpful and easier to understand, provide more convenient



access to services and ensure that Canadians feel understood, respected and valued. Our service journey continued when we launched a number of service improvements as part of our People First approach for the 2020 tax filing season.

Putting clients at the centre of our operations also has implications for how we approach our compliance activities. We take an education-first approach to preserving the fairness of Canada's tax and benefit system by promoting and facilitating compliance. At the same time, we take appropriate enforcement actions when situations warrant.

Over the course of 2019–20, we leveraged business intelligence to better target risk-based compliance actions, and we continued to invest in cracking down on tax evasion and managing the tax debt to ensure that all Canadians pay their fair share of tax. We also calculated the corporate income tax gap to help evaluate our approach and better target compliance actions. In addition, we continued our cooperation with international counterparts to address tax evasion at the international level. This included work with the Organisation for Economic Co-operation and Development's (OECD) Forum on Tax Administration to achieve a common understanding of risks to tax compliance.

Maintaining the trust of Canadians is critical to Canada's self-assessment system, and this year, we continued to foster Canadians' trust by focusing on improving transparency and accountability. We took steps to continue to protect client information and safeguard privacy. To ensure that we manage and protect personal information appropriately, this year we launched a new privacy management framework.

Innovation remains an Agency priority to ensure that we continuously improve our administration of tax and benefits. In our response to the COVID-19 pandemic, we demonstrated that agile program and technological developments are possible. As we move forward, we will seek to learn from the lessons drawn from this experience, as well as other innovative experiments we has undertaken this year, so that we may institutionalize what works and be positioned to take advantage of future opportunities. This will undoubtedly mean continuing our work to use data as a strategic asset to improve our service and approaches to compliance, while becoming a more digital organization.

Most importantly, the Agency's people are our greatest resource. I was blown away by the more than 7,500 employees who answered a call to work in a virtual call centre to help their fellow citizens receive COVID-19 emergency measures. Thanks to the flexibility

and efficiency of our employees, we were able to adapt quickly to the new working realities, with the majority of our workforce working from home, while continuing to provide services to Canadians. This is a testament to Agency employees, whose dedication ensures the success of all our programs and services. We also takes pride in fostering an inclusive environment where a diverse workforce feels safe, supported and empowered to proudly serve Canadians. In 2019–20, the Agency was named one of the Top 100 Employers in Canada for the third straight year, an exceptional result that I credit to the Agency's exceptional employees.

As we look forward to the coming year, we must recognize that, in addition to our normal workloads, we will have an ongoing role in supporting the Government's response to the COVID-19 pandemic. We will carry out these tasks while continuing to support the health and wellbeing of our employees. We will, moreover, seize the moment to innovate and accelerate our transformation into a more digital and data-driven organization, with the capacity to securely deliver new programs with speed and agility. We will effectively manage this change to ensure that we build back better, guided by our philosophy to put people first.

Bob Hamilton

Commissioner of the Canada Revenue Agency

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A man with a beard and short brown hair, wearing a light blue button-down shirt, is looking down at a document. A young girl with blonde hair, wearing a green cardigan and a red bow with a silver star, is also looking at the document. They are in a room with large windows in the background.

Results at a glance and operating context

The Canada Revenue Agency (CRA) administers tax laws for the Government of Canada and for most provinces and territories, and it administers various social and economic benefit and incentive programs delivered through the tax system.

The CRA has two core responsibilities:

Tax

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, and by offering avenues for redress when taxpayers disagree with an assessment or decision.

Benefits

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.

Performance summary

In 2019–20, the CRA identified five strategic priorities to help it achieve its core responsibilities:

1. Providing a seamless service experience
2. Maintaining fairness in Canada's tax and benefits administration
3. Strengthening trust, transparency and accountability
4. Enabling innovation
5. Empowering our people to excel

In pursuing these priorities, it achieved these key results:

- The CRA published the [Serving Canadians Better report](#) to outline what it heard during the consultations on service and the resulting commitments to Canadians, and published a [report on CRA's 2018 Serving You Better consultations with small and medium businesses](#)
- It resolved an additional \$2.0 billion in debt as a result of the 2016 budget investment, bringing the total over four years to \$5.5 billion
- It built on its protection of personal information practices, by implementing a new Privacy Management Framework
- It implemented several service improvements, including:
 - providing an interactive calculator to make it easier to estimate Canada Child Benefit payments
 - simplifying the language and layout of GST/HST and Payroll web content to make it easier for businesses to find and understand information
 - streamlining Contact Us pages to make it easier for Canadians to find the right phone number or mailing address
 - improving access to the Disability Tax Credit by reducing the complexity of the paper form and online application

- clarifying and simplifying the scientific research and experimental development claim process by redesigning the self-assessment and eligibility tool with users
- It fostered a welcoming and respectful workplace for all employees—more than 7,200 employees took the Positive Space Awareness training, doubling its target of 3,000

In carrying out its core responsibilities, the CRA used 16 indicators to measure its progress in achieving its departmental results.¹

It set targets for 11 of these indicators:

- Eight met their target
- Three did not meet their target

This was the baseline year for three indicators, and the CRA will introduce those targets in the 2021–22 Departmental Plan. In addition, the CRA is reviewing two indicators; therefore, no results are available for the 2019–20 fiscal year for these indicators.

In working toward these results, the CRA's actual spending was \$7,194,406,626 and its actual full-time equivalents were 41,753.

- 94% of individual income taxes and 86.6% of corporation income taxes were paid on time
- The CRA issued over \$35 billion in federal and provincial benefits
- The CRA administered over \$467 billion in revenues and pension contributions

For more information on the CRA's plans, priorities and results achieved, see the Results section of this report.

Endnotes

¹ Results are tabulated as of March 31, 2020, except for the number of individuals helped by the Community Volunteer Income Tax Program (mid-May), the percentage of Canadians who participate in the tax system (July 30), the percentage of tax returns filed on time and the percentage of reported tax liabilities paid on time (April 30 for personal income tax and June 15 for self-employed individuals). Those results are tabulated differently to capture performance for tax filing season.

COVID-19

The COVID-19 pandemic significantly disrupted our activities at the end of the 2019–20 fiscal year, as it did for the rest of Canada and worldwide. The CRA's actions in response to the pandemic were substantial and warrant highlighting in reporting its results.

On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. Though this was in the last month of the reporting period, it was a significant disruption for society, the economy and the CRA. The CRA played a leading role in Canada's COVID-19 Economic Response Plan, taking unprecedented action to help Canadians and businesses facing hardship, while ensuring that any privacy implication was reviewed and mitigated.

At the end of March 2020, the CRA took action and laid the groundwork to support Canada's COVID-19 Economic Response Plan. Information related to COVID-19 measures implemented by the CRA are available on [Canada.ca](https://www.canada.ca) and results will be detailed in future reporting. The measures include:

- implementing the Canada emergency response benefit (CERB), an income support for people facing unemployment, who were sick, quarantined, or in directed self-isolation, and who were unable to work and were not eligible for employment insurance (EI)
- implementing the Canada emergency wage subsidy (CEWS) to help employers re-hire employees and avoid layoffs during the crisis as well as the temporary wage subsidy (TWS) to support eligible employers by reducing the amount of payroll deductions they had to remit to the CRA
- implementing the Canada emergency student benefit (CESB), a taxable benefit for students who are not eligible for the CERB or EI and unable to work because of COVID-19
- providing a one-time increase to the Canada child benefit (CCB) on May 20, 2020. This provided an extra \$300 per child for Canadians who normally receive the benefit
- increasing the payments in May 2020 to agencies for the children's special allowances by an additional \$300 per child
- providing a one-time special goods and services tax/harmonized sales tax (GST/HST) credit payment for low- and modest-income families
- estimating GST/HST credit and CCB payments until September 2020, to ensure that benefit and credit payments are not interrupted for those who were unable to file their 2019 tax returns in time to be assessed by early September 2020
- reviewing and extending certain filing and payment deadlines for the 2020 filing season that may pose unnecessary strain on individuals, businesses, trusts and charities
- implementing an enhanced Charlie the chatbot for the 2020 tax-filing season to provide quick answers to taxpayers' questions, and get them the information they need, when they need it
- adapting the Community Volunteer Income Tax Program, Benefits Outreach Program and the Liaison Officer service, to be offered by drop-off, video-conference, over the phone or through a webinar
- accepting electronic signatures for forms T183 and T183CORP authorizing tax preparers to file taxes without requiring taxpayers and their preparers to meet in person
- supporting provincial and territorial governments by giving timely information and assistance to ensure that they continued delivering provincial and territorial tax credit or benefit programs. The CRA also collaborated, when necessary, on implementing new provincial measures specific to the pandemic. As well, it made sure it shared any updates on the CRA's actions in response to the pandemic to allow for alignment between both levels of government regarding programs and messages to taxpayers

- using social media to provide information on the various benefits, promote the website and available digital tools, answer questions and monitor trends and key questions from Canadians to develop useful and timely messages
- temporarily suspending nearly all post-assessment compliance activities, except for high-risk-audits and investigations
- identifying other CRA actions that might pose a burden on clients and determining whether those could be deferred, including suspending collections activities on all debts, except for high-risk cases

The CRA's work in recent years to transform into a client-centric, digital organization positioned it well to respond to the pandemic and support Canadians in this difficult time. Relying on the competency and capacity of its people, its flexible processes and its robust technological capabilities, the CRA was ready to launch the new emergency measures for Canadians and businesses in record time. The

CRA mobilized people and allocated resources to key priorities and was open to accepting more risk in favour of faster delivery of projects.

The CRA significantly expanded its call centre capacity to address less-complex emergency measure calls. A call out for CRA employees to support the activities of a virtual call centre garnered significant interest, with 7,500 employees responding. The virtual call centre used a new telephony solution that, owing to earlier preparation, was able to be launched in 24 hours.

The CRA also implemented timely measures to ensure that the health and safety of all its employees, especially those who continued to deliver critical services in the workplace. Like other Canadians, CRA employees were asked to follow public health advice and the majority were asked to work from home in the early stages of the crisis. This was enabled by the expedited expansion of remote work capabilities and deployment of equipment. As a result, the CRA has become, to a large degree, a virtual workplace.



Core responsibilities

Tax

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

Departmental result	Indicator	2017–18 result ¹	2018–19 result ¹	2019–20 target	2019–20 result ¹
Canadians voluntarily comply with their tax obligations, non-compliance is addressed, and Canadians have trust in the CRA Programs: <ul style="list-style-type: none"> • 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 	Percentage of Canadians who voluntarily participate in the tax system ²	N/A ³	N/A ³	Baseline year ⁴	93.6% ²
	Percentage of tax returns filed on time ⁵	91%	91%	90%	91%
	Public Perception Index: service experience	6.28	6.85	Maintain or increase relative to baseline ⁶	6.76
	Percentage of businesses registered for the GST/HST	94.9%	95%	90%	94.6%
	Percentage of external service standard targets met or mostly met	80%	83%	90%	87%
	Percentage of reported tax liabilities paid on time	N/A ³	N/A ³	Baseline year ⁷	91.7% ⁸
	Percentage of services available online	77%	82.4%	77%	84.3%
	Incremental revenue resulting from budget investments	\$1.6 billion	\$1.99 billion	\$1.644 billion ⁹	\$2.09 billion

Departmental result	Indicator	2017–18 result ¹	2018–19 result ¹	2019–20 target	2019–20 result ¹
Canadians voluntarily comply with their tax obligations, non-compliance is addressed, and Canadians have trust in the CRA Programs: <ul style="list-style-type: none"> • 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 	Number of individuals helped by the Community Volunteer Income Tax Program	N/A ¹⁰	N/A ¹⁰	802,000	407,408 ¹¹
	Incremental debt collected (resolved) resulting from Budget 2016 investments	\$1.1 billion ¹²	\$1.9 billion ¹³	\$7.4 billion by March 2021	\$2.0 billion ¹⁴
	Percentage of total volume of improved correspondence (i.e. changes to structure, design, language and format)	90%	97%	95%	97%
	Ratio of collectible tax debt to total net receipts (cash accounting)	N/A ³	N/A ³	Baseline year ¹⁵	18.7%

Budgetary financial resources (dollars) and human resources (full-time equivalents)

	2019–20 Main estimates	2019–20 total authorities available for use ¹⁶	2019–20 planned	2019–20 actual ¹⁷	Difference 2019–20 (actual minus planned)
Financial resources	3,156,308,891	3,402,005,929	3,156,308,891	3,279,915,517	123,606,626
Full-time equivalents (FTEs) ¹⁸	N/A	N/A	33,774	34,267	493

Benefits

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.

Departmental result	Indicator	2017–18 result ¹⁹	2018–19 result ¹⁹	2019–20 target	2019–20 result ¹⁹
Canadians receive their rightful benefits in a timely manner Program: • Benefits	Percentage of respondents satisfied with benefit application processing time	N/A ²⁰	84%	N/A ²¹	N/A ²¹
	Percentage of Canada child benefit recipients who provide complete and accurate information in order to receive the proper entitlement	92.6%	N/A ²²	N/A ²²	N/A ²²
	Percentage of benefit payments issued to benefit recipients on time	100% ²³	100% ²³	100%	100% ²³
	Percentage of taxpayers (benefit recipients) who filed as a result of targeted CRA intervention ²⁴	8.1%	7.9%	10%	9.5%

Budgetary financial resources (dollars) and human resources (FTEs)

	2019–20 Main estimates	2019–20 total authorities available for use ^{16, 25}	2019–20 planned	2019–20 actual ^{17, 25}	Difference 2019–20 (actual minus planned)
Financial resources	499,962,083	3,147,959,679	499,962,083	3,140,851,352	2,640,889,269
FTEs ¹⁸	N/A	N/A	1,627	1,302	(325)

Internal services

Internal services are groups of activities and resources that the federal government considers to be in support of programs and required to meet corporate obligations of an organization: acquisition management, communication, financial management, human resources management, information management, information technology, legal, material management, management and oversight and real property management.

Budgetary financial resources (dollars) and human resources (FTEs)

	2019–20 Main estimates	2019–20 total authorities available for use ¹⁶	2019–20 planned	2019–20 actual ¹⁷	Difference 2019–20 (actual minus planned)
Financial resources	781,810,643	935,189,895	781,810,643	773,639,757	(8,170,886)
FTEs ¹⁸	N/A	N/A	6,364	6,146	(218)

Financial, human resources and performance information for the CRA's program inventory is available in [GC InfoBase](#).

Key risks

To ensure that it is a world-class tax and benefit administration, the CRA monitors the internal and external environment for events that could impact the achievement of its priorities and objectives. The CRA's enterprise risk management is agile and well-established. Enterprise risk management also creates an environment where intelligent risk-taking can generate innovation. When intelligent risk-taking is encouraged, more effective decisions can be made on the basis of a well-balanced consideration of both the benefits and risks to the CRA. This approach allows the CRA to optimize its outcomes, prioritize its strategies and adapt for the future.

The risk assessment results respond to the key risks identified during the 2019–20

planning process. The results suggest that the environment was becoming increasingly uncertain, as evidenced by the unpredictability of events like the COVID-19 pandemic. The table below highlights some of the key risks that influenced the CRA's ability to meet its objectives prior to March 2020. By identifying and managing risks properly, the CRA continues to be well positioned to deliver on its mandate and to maintain the trust and confidence of its clients.

As a result of the COVID-19 pandemic, the CRA increased the frequency of its updates to the enterprise risk assessment, as well as its reporting to senior management and the Board of Management.

Risks	Mitigating strategy and effectiveness	Link to the CRA's core responsibilities	Link to CRA priorities, mandate letter commitments or government-wide priorities
Cybersecurity There is a risk that cyber threats will compromise CRA services and taxpayer information.	Implement the Data Security Initiative to further reduce the risk of data being shared with unauthorized parties Adopt advanced malware protection to neutralize threats to our web services Use Application Control to strengthen the CRA's ability to manage cyber-threats and protect its information Use artificial intelligence technologies for detect threats Prevent unintentional or malicious data loss through the Data Loss Prevention Project	Tax, benefits and internal services	CRA priority: Providing a seamless service experience Mandate letter commitments: Improve the protection of taxpayer information against external and internal threats Government-wide priority: Government of Canada Strategic Plan for Information Management and Information Technology 2020 to 2023

<p>Dependencies – Shared Services Canada (SSC)</p> <p>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.</p>	<p>Review the CRA-SSC Governance Framework and Operating Protocol to ensure a strong working relationship between the CRA and SSC</p> <p>Work with SSC to develop a funding model that is transparent and sustainable for the CRA</p> <p>Build an integrated tool to improve client experience between the CRA and SSC, and align with enterprise tools and processes SSC and Government of Canada</p>	<p>Tax, benefits and internal services</p>	<p>CRA priority: Providing a seamless service experience</p> <p>Government-wide priority: Government of Canada Strategic Plan for Information Management and Information Technology 2020 to 2023</p>
<p>Compliance</p> <p>There is a risk that taxpayers and businesses will undermine the integrity of Canada's voluntary compliance system by engaging in non-compliance activities.</p>	<p>Use 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 on profit shifting with other countries</p>	<p>Tax</p>	<p>CRA priority: Maintaining fairness in Canada's tax and benefits administration</p> <p>Mandate letter commitments: Look for more opportunities to invest resources that help crack down on tax evaders and work with international partners to adopt strategies to combat tax avoidance and evasion</p>
<p>Tax debt</p> <p>There is a risk that the growth of the tax debt will outpace the growth of revenues.</p>	<p>Reduce the CRA's risk exposure to tax debt by improving its ability to collect outstanding tax debts through various initiatives and strategies, including Budget 2016 commitments</p>	<p>Tax</p>	<p>CRA priority: Maintaining fairness in Canada's tax and benefits administration</p> <p>Government-wide priority: Inclusive and sustainable economic growth, and enhancing tax collections was a major priority for the CRA under Budget 2016</p>

Social responsibility at the CRA

Through the CRA's core business of tax and benefit administration, it seeks to contribute to the economic and social well-being of Canada. In addition, the CRA supports initiatives that contribute to local communities and is committed to minimizing the environmental impact of its operations. The following are just a few of the social responsibility activities in which the CRA and its employees participated in 2019–20:

- promoting International Day of Pink (April 10, 2019) to take a stand against bullying, discrimination, homophobia, transphobia, and transmisogyny
- promoting Mental Health Awareness Week (May 6-12, 2019) to help celebrate, protect and promote mental health
- promoting the Bell Let's Talk Campaign (January 29, 2020) to raise awareness and combat stigma surrounding mental illness in Canada
- promoting the Moose Hide Campaign, which was originally created to engage Indigenous and non-Indigenous men and boys to stand up against violence towards women and children; it has

expanded to engage all Canadians in ending domestic and gender-based violence against women and children

- partnering with organizations to recycle materials. Those organizations include Staples and Terracycle Canada (writing instruments), Computers for Schools (office supplies, electronics, electrical equipment), Canadian National Institute for the Blind and Lions Club (eyeglasses), Call2Recycle and Raw Materials Company (batteries), and Dress for Success (gently used professional attire and accessories)
- partnering with Tree Canada to plant a tree for each long-service award recipient, with more than 46,000 trees having been planted since the partnership began in 2012
- directly supporting a wide range of social, health, and community agencies and organizations—large and small—in communities across Canada through the CRA Charitable Campaign

For more information, please see the CRA's [Sustainable Development Strategy](#) and the [supplementary information tables](#).

Gender-based Analysis Plus

The Government of Canada seeks to advance gender equality in all areas. In support of this initiative, the CRA regularly analyzes its programs and services through a Gender-based Analysis Plus (GBA+) lens in an effort to eliminate bias on basis of factors such as gender, race, ethnicity, religion, age and mental or physical disability. The CRA has a three-year GBA+ action plan that includes:

- providing support for the development of policies and proposals in support of government initiatives;

- promoting the annual GBA+ Awareness Week; and
- reporting on GBA+ progress and milestones

In 2019–20, the CRA undertook 67 GBA+ program and policy assessments. GBA+ highlights and results by programs are provided in the GBA+ supplementary information table. In addition, the CRA participated in interdepartmental GBA+ working groups and delivered training and awareness sessions to its employees. The CRA also developed and implemented a

communications strategy to promote and raise awareness and understanding of GBA+ requirements across the organization.

The CRA also participated in training led by the Department of Women and Gender Equality Canada (WAGE) to keep apprised of developing issues, and participated in WAGE's annual interdepartmental GBA+ implementation survey to evaluate the CRA's progress and consider the results to inform future practices. Results demonstrated that the CRA has made solid progress in building GBA+ capacity and integrating GBA+ in its policies, programs and services. The CRA will continue to improve the consistent application of GBA+ and its monitoring of the impacts of GBA+ activities and initiatives.

The CRA is also a member of the Gender Balance Network, which was launched by the Organization for Economic Cooperation and Development's Forum on Tax Administration

(FTA) in the spring of 2019 to serve as a catalyst for positive institutional change. The Network developed learning products and identified examples of practices that have been effective in addressing disparities in an effort to close the gender gap, particularly in leadership positions where historically there has been an underrepresentation of women. In 2019–20, the CRA launched a survey to collect information from tax administrations on legislation, policies and initiatives that have been introduced to improve gender balance. Twenty-eight tax administrations responded to the survey, and the results are being used to develop international best practices that will be presented to the FTA Commissioners. The CRA will look to integrate gender considerations and findings of this initiative into its future planning and activities.

For more information on GBA+, please see the [supplementary information tables](#).

Endnotes

- 1 Results are tabulated as of March 31, 2020, except for the number of individuals helped by the Community Volunteer Income Tax Program (mid-May), the percentage of Canadians who participate in the tax system (July 30), the percentage of tax returns filed on time and the percentage of reported tax liabilities paid on time (April 30 for personal income tax and June 15 for self-employed individuals). Those results are tabulated differently to capture performance for tax filing season.
- 2 This Departmental Result and indicator will be adjusted for fiscal year 2021-22 to clarify that Canadians are obligated to participate in the tax system.
- 3 Baseline year is 2019–20.
- 4 A baseline of 93.1% was established by using the average of results from 2015–16 to 2019–20.
- 5 The indicator measures on-time filing compliance for individuals.
- 6 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.
- 7 A baseline of 91.6% was established by using the average of results from 2015–16 to 2019–20.
- 8 The result is calculated using the amount of total tax liabilities paid on time by individuals and corporations divided by the total tax payable for individuals and corporations.
- 9 The target was established in 2018–19 and published in the 2019–20 Departmental Plan. It has since been revised to \$1.692B to include new initiatives identified in Budget 2019.
- 10 The indicator was introduced in 2019–20; therefore, no prior results are available.
- 11 The COVID-19 pandemic and physical distancing recommendations severely compromised the ability to run in-person clinics. Although temporary measures like virtual clinics were introduced, the lack of in-person clinics resulted in a significant decrease in the number of individuals helped this season.
- 12 The 2017–18 target was \$1.07 billion.
- 13 The 2018–19 target was \$1.84 billion.
- 14 The 2019–20 target was \$2.07 billion.
- 15 The baseline of 19.3% was established by using the average of results from 2015–16 to 2019–20.
- 16 Total authorities available for use includes severance payments, parental benefits, vacation credits and the carry-forward of unused funds from 2018–19. Under 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.
- 17 Actual spending is on a modified cash basis and reflects 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](#).
- 18 Includes FTEs who fulfill the CRA's administrative responsibilities in support of Canada Pension Plan and employment insurance legislation.
- 19 Results are tabulated as of March 31, 2020.
- 20 No results are available for 2017–18 because the CRA reviewed the client satisfaction survey to improve response rates.
- 21 No results are available for 2019–20 because a new survey was piloted. A new indicator will be introduced for 2020–21.
- 22 The indicator was under review for 2018–19 and 2019–20. The indicator has been removed for 2020–21.
- 23 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.
- 24 This initiative looked at non-filers who may have difficulties in filing, may be 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 tend to be lower-income earners who may also be more transient, which poses challenges to the targeted intervention strategy.
- 25 Total authorities available for use and actual spending include the statutory climate action incentive payment of \$2.6 billion.

Taxpayer Bill of Rights

The CRA integrates the Taxpayer Bill of Rights (TBR) in its core responsibilities and across all of its daily activities. The TBR is a vital part of the CRA's service transformation to be client-centric, fairer, and more supportive. The TBR defines 16 rights that build on the CRA's values of integrity, professionalism, respect, and collaboration. These rights describe the treatment taxpayers are entitled to when dealing with the CRA. The TBR also sets out the commitment to small businesses to make sure their interactions with the CRA are conducted as efficiently and effectively as possible.

Taxpayers have eight service rights outlined in the TBR (identified with an asterisk below) that govern taxpayers' relationship with the CRA. The CRA's service journey has promoted the widespread understanding of those rights to make sure they are integrated in how it delivers programs and services, and interacts with its clients.



The service improvements for 2019–20 that are linked to the TBR are identified in this report by a TBR icon.

1. You have the right to receive entitlements and to pay no more and no less than what is required by law
2. You have the right to service in both official languages
3. You have the right to privacy and confidentiality
4. You have the right to a formal review and a subsequent appeal
5. You have the right to be treated professionally, courteously, and fairly*
6. You have the right to complete, accurate, clear, and timely information*
7. You have the right, unless otherwise provided by law, not to pay income tax amounts in dispute before you have had an impartial review
8. You have the right to have the law applied consistently
9. You have the right to lodge a service complaint and to be provided with an explanation of the CRA findings*
10. You have the right to have the costs of compliance taken into account when administering tax legislation*
11. You have the right to expect the CRA to be accountable*
12. You have the right to relief from penalties and interest under tax legislation because of extraordinary circumstances
13. You have the right to expect the CRA to publish its service standards and report annually*
14. You have the right to expect the CRA to warn you about questionable tax schemes in a timely manner*

15. You have the right to be represented by a person of your choice*
16. You have the right to lodge a service complaint and request a formal review without fear of reprisal

Commitment to small business

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



Results

Advancing our priorities

The CRA pursued five strategic priorities in 2019–20 to guide its transformation and fulfill its core responsibilities for tax and benefits, with the view of ensuring its administration is world class and people centric. The following sections detail what the CRA achieved and take stock of specific commitments the CRA made to Canadians in its 2019–20 plans. The following symbols show whether or not the CRA completed each commitment.



Commitment
completed



Commitment not
completed

Providing a seamless service experience

A seamless service experience makes it easier for the CRA's clients to fulfill their tax obligations and receive benefits. It does this by providing a consistently positive experience regardless of how, when, or whom they interact with at the CRA.



In 2019–20, the CRA continued its service journey by following the five principles of its People First philosophy: being supportive, innovative, one team, fair and people-centric. In

September 2019, the CRA published the Service Policy Framework. The framework establishes its integrated approach to service with the objective of placing people at the centre of everything it does. To continue to build its new, people-centric foundation, the CRA invested in developing and implementing an overall service transformation. This transformation looks at processes, timelines, and service standards from the experience of the client.

The CRA's efforts to provide a seamless service experience focused on reaching out to Canadians to better understand their needs and expectations, helping them get it right the first time, making it easy for them to interact with the CRA, and enhancing the CRA's services related to dispute resolution and requests for relief. The service improvements that link to the Taxpayer Bill of Rights are identified by a TBR icon.

Comprehensive review of the CRA service model



In Budget 2018, the Government of Canada announced that it would undertake a comprehensive review of the CRA service model. As a result, multi-year funding was re-allocated within the CRA for the development and implementation of new service improvement initiatives beginning in 2019–20, that will help the CRA continue its service journey. The resulting CRA service improvements for 2019–20 are presented throughout this report, identified by a service review icon.

Detailed below is some of the progress the CRA has made on initiatives it undertook in 2019–20. That is followed by an accounting

of how it delivered specific commitments it made to Canadians in its plans for 2019–20.

Reaching out to Canadians



In spring 2019, the CRA consulted with Canadians to improve their service experience and to support its vision of being trusted, fair, and helpful by putting people first. The CRA consulted the public and published the [Serving Canadians Better report](#) in February 2020. The report outlines the CRA's commitments to Canadians to make information more helpful and easier to understand, and support the Minister's mandate commitment to modernize the CRA and make it client-based. The report also outlines the CRA's commitment to provide more convenient access to services and support, and ensure that Canadians feel understood, respected and valued.

In June 2019, the CRA also published a [report on CRA's 2018 Serving You Better consultations with small and medium businesses](#). The report outlines their views on the CRA's work to improve services and ideas to enhance the CRA's programs and services. In response to these consultations, the CRA:

- expanded the Liaison Officer service by visiting 11,200 businesses
- updated the email notification to individuals and businesses to let them know what type of correspondence is waiting for them in the online portal
- made Represent a Client available for estate accounts



In addition, the CRA consulted with small- and medium-sized businesses through its post-audit survey to get feedback on its service during audits. Although the participation rate was low, the survey revealed that clients appreciate auditors who are polite, open-minded, understanding and flexible. It also revealed

that some respondents were dissatisfied with audits taking longer than expected, and with a lack of transparency in communications from the auditors. Due to the low response rate and the COVID-19 pandemic, the CRA is conducting an analysis on the future of the post-audit survey.



The CRA held a collaborative workshop with various users of the scientific research and experimental development (SR&ED) tax incentives program. This engagement deepened the CRA's understanding of the SR&ED claim process for claimants and tax professionals, and identified ways to improve and create solutions together to address specific pain points and improve their experience.



In 2019–20, the CRA conducted two separate consultations with self-employed individuals on their preferences relating to communications about the Canada Pension Plan Enhancement. The results show that more education is needed to help self-employed individuals understand and meet their payroll obligations. The CRA will collaborate with its government partners to develop and issue these resources.




In July 2019, the CRA launched a Service-by-Design Working Group made up of multidisciplinary experts from all regions and programs. The Service-by-Design Working Group is key to implementing the Minister's mandate commitment to improve client satisfaction with quality, timeliness and accuracy of services. The group's goal is to make compliance easy by better understanding clients' needs and interactions, and by designing services accordingly. Their mandate was strengthened by the CRA's work with external industry experts. These experts

are helping the CRA better understand its interactions with clients across its service channels and where improvements are most important.

TBR 1-6 In August 2019 the CRA published the [Ethnography of vulnerable newcomers experiences with taxes and benefits](#). This research project helped the CRA better understand the needs and experiences of newcomers when they first

encounter the Canadian tax and benefit system. The project will also help to ensure that all individuals living in Canada are able to navigate the tax system and access the benefits they are entitled to. This report found that newcomers struggle due to a range of factors, including language barriers, unemployment, stresses related to relocation, and culture shock. The CRA will use these observations to improve its services and outreach to newcomers.

Taking stock of the CRA's commitments to Canadians

Status	2019–20 Departmental Plan commitments	Results
✓	Expand our Liaison Officer service, including visits and seminars related to carrying on business in northern Canada.	 To help Canadians in the territories meet their tax obligations and receive benefits, the CRA expanded its Liaison Officer service to the territories. The CRA reached over 2,600 Canadians in over 41 communities through 199 in-person visits, 25 group seminars, 185 promotional events, and on-site service at the three Northern Service Centres. For more information on GBA+ highlights of this program, please refer to the GBA+ supplementary information table .
□	Increase by 14% ¹ the number of individuals the Community Volunteer Income Tax Program (CVITP) helps, representing about 100,000 more individuals.	The CVITP's main point of influence and its statistical driver have always been the in-person clinics that the CRA's partner organizations host. Unfortunately, the COVID-19 pandemic and physical distancing recommendations severely compromised the ability for these organizations to run those clinics. Although they introduced temporary measures, such as virtual clinics, the lack of in-person clinics resulted in a significant decrease in how many individuals they helped this season. In 2019–20, they helped 407,408 individuals, which did not meet the target of 802,000.
✓	Increase by 15% (200) the total number of outreach activities to vulnerable segments of Canada's population.	The CRA connected with vulnerable segments of Canada's population by conducting 3,919 outreach activities, an increase of 35% from the previous year.

Helping get it right the first time

TBR 6-13 To help Canadians better understand their tax obligations and benefit entitlements, the CRA improved its most popular web pages, including online answers to the most frequently asked questions related to GST/HST, payroll accounts, business registration, the GST/HST credit and the Canada child benefit, and provided an interactive calculator to make it easier to estimate Canada child benefit payments. As a result, Canadians have a higher rate of success at getting the answers they need with the new, re-written, and re-organized content—from an average of 51% success finding answers with the old content, to 85% success with the new content. The CRA also continued to improve its telephone service and updated its service standard for accessible and timely telephone services.

TBR 1-6 The CRA also helped businesses, employers and stakeholder groups understand their tax obligations through general webinars, such as “Unsure about your taxes, CRA can help!” and webinars on specific topics, such as “What to expect during a payroll examination,” “Payroll 101” and “Electronic Payment Options.”

TBR 1-6 As well, it raised awareness of the rules for cannabis products and changes under the Greenhouse Gas Pollution Pricing Act to help Canadians better understand the new regulations. To do this, the CRA conducted a series of outreach visits, webinars, and industry calls with producers, registrants and sector associations.

Taking stock of the CRA’s commitments to Canadians

Status	2019–20 Departmental Plan commitments	Results
✓	Use information gathered through public opinion research to update our external service standards and related targets for accessible and timely telephone services.	<p>The CRA consulted Canadians to better understand their expectations of telephone service and updated its service standard. The new standard is to answer individual tax, benefit and business telephone calls within 15 minutes or less of callers opting to speak with an agent, 65% of the time.</p> <p>For more information on GBA+ highlights of this program, please refer to the GBA+ supplementary information table.</p>
✓	Launch new online services for charities, available through My Business Account, including forms to help organizations fill out and send applications for charitable registration and file annual information returns.	<p>To make it easier for organizations to apply for charitable status and meet their filing obligations, the CRA launched new online services for charities, available through My Business Account, including:</p> <ul style="list-style-type: none"> • view program account details • view application status • file a return
✓	Launch a simplified Canada child benefit application form, in paper and online formats, to improve service to about 200,000 applicants annually.	The CRA updated the form to simplify the language and improve the layout. The new form is easier for Canadians to complete and helps the CRA process the application.



Make it easier for callers to identify themselves (authenticated through a personal identification number (PIN)) when calling CRA individual and benefits enquiries lines.

In 2019–20, over 122,000 Canadians created a PIN and callers used their PIN over 36,000 times.

Making it easy



In February 2020, the CRA launched its People First approach for the 2020 filing season. The CRA made the filing process easier, faster, and more secure with changes such as the introduction of:

- Charlie the chatbot, which uses new technology to help Canadians get the information they need, when they need it
- a check CRA processing times tool, which makes it easier to check processing times for tax returns and other tax-related requests; the processing time is calculated by using published service standards
- a new “Proceed to Pay” buttons in My Account, which makes it easier for Canadians to pay their balance owing
- telephone wait times, which are now given both on the phone and on the new contact information web page to help callers decide when is the best time to call



The CRA piloted a new uncashed cheque feature in My Account. As of May 2019, approximately 5 million Canadians had an estimated 7.6 million uncashed cheques with the CRA, worth approximately \$1 billion. The new feature lets taxpayers know if they have an uncashed cheque waiting for them, and lets them request for it to be reissued. Between February 10 and May 31, more than 250,000 payments worth close to \$58 million were issued to Canadians who requested replacement payments for uncashed cheques older than six months.



The CRA began a client experience project for the SR&ED program in October 2019, using a full suite of design-thinking and client experience tools. It started to build a prototype of an SR&ED portal, and develop an eligibility tool that is accurate and easy for potential claimants to use. The portal will contain all the information and other resources related to SR&ED.



To make it easier for Canadians to interact with the CRA and improve how it delivers digital services, the CRA updated its Digital Services Strategy through an extensive client assessment process to better understand its clients, their service journey, and pain points, in order to identify areas of focus for digital service delivery. The CRA leveraged what it learned to develop a strategy for how it will deliver digital services, focusing on the needs and expectations of Canadians. It also developed a Digital Services Roadmap, a document that sets out the projects, initiatives, timelines and costs required to meet CRA's goals and commitments. The CRA regularly updates the Roadmap to assess its commitments, and refines it to add more detail to future deliverables.



The CRA collaborated with its federal and provincial partners on common initiatives such as the OneGC initiative. This initiative is the Government of Canada's long-term vision to provide any service on any platform or device and through any trusted partner. For example, the CRA partnered with the province of British Columbia to add a new login option.



Canadians who hold a British Columbia Service Card now have immediate access to My Account.



To further improve transparency, the CRA began work on a progress tracker, a

new tool that will enable Canadians to go to a secure portal to confirm that the CRA received their file, find out how long it should take to process the file, get updates on the progress of their file, and find out when it has been completed. The first phase of the tracker will be implemented by October 2021.

Taking stock of the CRA's commitments to Canadians

Status	2019–20 Departmental Plan commitment	Result
	Enable clients to submit a single authorization for a representative to access information on both their business and individual account.	 The CRA introduced a new Authorize a Representative for Access by Phone and Mail form. This form allows clients to submit a single authorization for a representative to access information on both their business and individual account.




Resolving disputes and requests for relief

TBR 4-6-12 In 2019–20, the CRA helped clients choose the most appropriate recourse option by introducing an online income tax and GST/HST recourse tool that guides them through a series of questions to point them to the most appropriate recourse.

TBR 6 The CRA also reduced delays and provided quicker decisions for clients' disputes and requests for relief by

using web-based forms, file scanning and process improvements. In 2019–20, the CRA resolved 97.2% of low-complexity tax objections within 180 calendar days and 82.7% of medium-complexity tax objections within 365 calendar days, exceeding the CRA's targets of 80% for both.

Taking stock of the CRA's commitments to Canadians

Status	2019–20 Departmental Plan commitments	Results
	Survey clients about their experiences with the CRA's objections process and ask for ideas for improvement.	A change in survey methodology resulted in a new target date of March 2020. The CRA had planned to start sending the letters containing the survey link by the end of March 2020. The launch date was postponed until May 2020 due to the COVID-19 pandemic.
	Expand our use of social media and launch videos to increase clients' awareness of how they can access our programs.	The CRA increased public awareness of its objections, litigation and taxpayer relief processes by launching five short animated videos on the CRA YouTube channel and Canada.ca. As of March 31, 2020, the series has more than 6,500 views. The videos were also promoted on CRA's Facebook and Twitter accounts and were viewed over 415,000 times in users' feeds.
	Keep clients who file complex taxpayer relief requests informed of the progress of their case so they will know when they can expect our decision.	The CRA changed its procedures and revised its correspondence to keep taxpayers informed of the status of their requests for relief. These changes included offering estimates of the time required to issue a decision according to the complexity of the request.
	Develop an online version of our Taxpayer Relief Request form to make it easier and faster for taxpayers to send their request.	The CRA launched an interactive web-based version of the Request for Taxpayer Relief - Cancel or Waive Penalties and Interest form available through My Account. Since the launch, web-form requests were processed on average within 26 calendar days compared to paper requests, which are processed on average within 149 calendar days.

Endnote

1 Results are tabulated as of mid-May 2020.

Maintaining fairness in Canada's tax and benefits administration

The CRA takes its responsibility to preserve the fairness of Canada's tax system seriously. In its dealings with clients, the CRA emphasizes a service oriented approach first, followed by a progressive approach with its compliance activities. When necessary, the CRA takes measures to enforce compliance among individuals and businesses who intentionally try to avoid paying their share of taxes.

In 2019–20, the CRA continued to take a variety of measures to protect Canada's

revenue base. It used business intelligence, collaborated with international tax administrations and domestic partners, addressed tax evasion and aggressive tax avoidance, reduced the social acceptability of the underground economy, and resolved taxes assessed but not yet paid. The progress it has made on initiatives that were undertaken last fiscal year is presented below along with how it performed implementing the specific commitments it made to Canadians in its plans for 2019–20.

Using business intelligence to improve fairness

Understanding how and why taxpayers do not always comply is critical to preserving the fairness of Canada's tax system and ensuring that the CRA's activities remain effective and efficient. In its analysis, the CRA uses various business intelligence tools that are instrumental in understanding and predicting certain behavioural patterns. In 2019–20, the CRA tested new approaches to enhance its risk assessment tools and used machine learning¹ to develop predictive models to help identify non-compliance and predict results of compliance efforts.

Advances in technology, large data sets, and increased concerns for privacy protection all point to the need for ethical guidance. In 2019–20, ethical considerations were at the forefront of the CRA's approach to identifying and mitigating potential bias in algorithms, predictive models and research. In addition to the Code of Ethics, the CRA designed a detailed ethical checklist to standardize research ethics principles. It also began

to increase experimentation in and use of Artificial Intelligence (AI), with emphasis on the ethical development and deployment of algorithms and predictive models. By taking proactive steps to govern algorithms, predictive models and AI, the CRA is ensuring it will be in a better position to ensure both ethical implementation and appropriate monitoring as the CRA integrates modern tools in support of delivering services to Canadians.

The CRA also increased the sources of data it uses to help it gain knowledge of transactions that may not be otherwise detected. It increased information gathering and sharing capabilities with its partners, and enhanced its tools and skillsets to identify non-compliance and apply penalties against tax preparers, promoters and other third-parties who intentionally file or prepare false statements or omit information on other individuals' income tax returns.

Taking stock of the CRA's commitments to Canadians

Status	2019–20 Departmental Plan commitments	Results
✓	Publish a report on the corporation tax gap.	To encourage an open and transparent discussion on tax non-compliance, the CRA published Canada's first corporate income tax gap report in June 2019.
✓	Use data mining techniques and analytics to develop risk models of non-compliance within the sharing economy.	The CRA used data-mining techniques and analytics to develop risk models of non-compliance in the transportation and accommodation subsectors of the Canadian economy.
✓	Experiment with insights rooted in behavioural economics to "nudge" businesses to respond better to the CRA's efforts to bring them back into compliance.	The CRA experimented with insights rooted in behavioural economics to nudge corporations to file their outstanding corporation income tax returns. It used the Automated Dialing and Announcement Device, contacting 100,000 corporations that have never filed corporation income tax returns.

Collaborating with international tax administrations

Regarding the global economy, effective and fair tax administration is best achieved collaboratively. In 2019–20, through the Organisation for Economic Co-operation and Development (OECD) Forum on Tax Administration, the CRA continued to examine how participating tax administrations assess risk in areas that lead to the most disputes, such as transfer pricing, to achieve a common understanding of what constitutes a risk to compliance. The CRA also enhanced the Knowledge Sharing Platform for Tax Administrations, an online tool that includes interactive eLearning, virtual classrooms, peer-to-peer discussions and events. This tool is increasingly being used internationally to support initiatives to increase the knowledge of tax administrations throughout the world.

As part of Canada's obligations, the CRA exchanges country-by-country (CbC) reports

with other international tax partners. Canada's third peer review (as of December 31, 2019) relating to the implementation of CbC reporting, which covered 131 jurisdictions, indicated that Canada's implementation of the CbC minimum standard met all the applicable OECD terms. During the review, Canada had 65 Qualifying Competent Authority Agreements with other jurisdictions.

The first OECD Tax Certainty Day was held on September 16, 2019. This event gives tax policy makers, tax administrations, business representatives and other stakeholders a chance to focus on ways of improving dispute prevention and dispute resolution.² In support of this event, the CRA was one of 19 tax administrations that actively participated in the second phase of the International Compliance Assurance Programme (ICAP). The ICAP gives tax authorities a unique

opportunity to prevent potential transfer pricing disputes and offers multinational enterprises and tax administrations a faster, clearer route to tax certainty. Traditionally, tax administrations only come into contact with each other after they have taken position

on a particular transaction. However, the ICAP creates an environment for multilateral collaboration from the start of a risk assessment exercise. This helps avoid the need for time consuming and costly dispute resolution processes later.

Taking stock of the CRA's commitments to Canadians

Status	2019–20 Departmental Plan commitments	Results
✓	Target individuals attempting to conceal income or assets offshore using an automated, internationally used system to detect tax avoidance and facilitate multi-lateral information exchanges.	<p>The CRA used the Common Reporting Standard (CRS) to securely exchange information about non-residents' financial accounts with its international partners. In exchange, it received information about Canadian tax residents³ that hold financial accounts offshore. In addition, the CRA:</p> <ul style="list-style-type: none"> • deployed CRS data related to approximately 100 ongoing audits; this information can be used by auditors in addition to other third-party data, such as international electronic funds transfers of \$10,000 or more • used analytics tools to identify 200 CRS records for risk assessment, of which 20 high risk taxpayers were selected for research audits that will help guide and inform future work • advanced the development of a CRS risk assessment strategy for audits of high-net-worth individuals
✓	Increase audit coverage of high net-worth individuals to identify those who claim non-residency to avoid domestic income tax.	<p>The CRA worked with international partners through the Joint International Taskforce on Shared Intelligence and Collaboration to identify high-net-worth individuals who claim non-residency to avoid domestic income tax.</p> <p>The CRA also audited approximately 200 files. These files had a fiscal impact of \$361 million.⁴ The CRA identified high-risk compliance issues (including non-residency) involving high-net-worth individuals and their related economic entities.</p>

Addressing tax evasion and aggressive tax avoidance

Domestic and international tax evasion and aggressive tax avoidance can place the integrity and fairness of Canada's tax system at significant risk. As a result of budget investments of over \$1 billion between 2016 and 2019, the CRA increased its ability to identify and target aggressive tax planning, especially more egregious cases. It also implemented new business intelligence tools and, in support of the Minister's mandate, continued to work with international partners to combat tax evasion and aggressive tax avoidance. These partners include the OECD, the OECD Taskforce on Tax Crimes and Other Crimes, the Forum on Tax and Crime, and the Joint Chiefs of Global Tax Enforcement (J5) to examine how other tax administrations assess risk to their revenue bases and identify areas of concern. On the domestic front, the CRA continued to work closely with the Royal Canadian Mounted Police and various law enforcement agencies to combat non-compliance. As a result of all of its efforts, the CRA's fiscal impact per audit increased to \$142,000 in 2019–20, from \$92,000 in 2014–15. The total fiscal impact in 2019–20 was just under \$12.7 billion, or 8% more than in 2014–15.

The CRA also contributed to the legislative framework for a public registry of beneficial

ownership of federally and provincially incorporated businesses to safeguard against money laundering, terrorist financing, tax evasion and aggressive tax avoidance.

The fight against tax avoidance is increasingly moving from the audit stage into the courts. Litigation involving the CRA represents approximately 40% of all the cases to which the Government of Canada is a party. In collaboration with the Department of Justice, the CRA continued to pursue the public's interest in litigation involving tax planning that aims to minimize taxes to levels below those intended by Parliament. Recent court decisions will help form the CRA's strategy to address base erosion and profit shifting by large multinational enterprises and wealthy individuals.

In its ongoing efforts to prevent and address aggressive tax avoidance, the CRA revised the Information Return Relating to Controlled and Not-Controlled Foreign Affiliates form. The updated form includes additional information requirements to help identify new areas of risk and better ensure tax compliance. It also includes a group filing option, which should make it easier for taxpayers to file.

Taking stock of the CRA's commitments to Canadians

Status	2019–20 Departmental Plan commitment	Results
✓	33% of the CRA's most complex criminal investigations (involving international schemes, collaboration with other law enforcement agencies, potential money laundering, etc.) will include taxes evaded of \$1 million or more.	41% of the CRA's most complex criminal investigations included taxes evaded of \$1 million or more.
✓	Pursue over 1,000 offshore audits despite the lack of cooperation and the possibility of litigation.	The CRA maintained a steady inventory of over 1,000 offshore audits for the past four years. At the end of 2019–20, over 1,100 audits were in progress.

Reducing the social acceptability of the underground economy

One of the CRA's compliance priorities is to reduce the social acceptability of, and participation in, the underground economy (UE). In 2019-20, the CRA continued to educate Canadians on the negative impacts of participating in the UE, and to address the most severe cases of non-compliance through its audit activities. As a result of income tax and GST/HST tax audits, the CRA identified over \$2 billion in unreported income.

The CRA also participated in the OECD's Shadow Economy Community of Interest, where member countries share best practices aimed at reducing the size of the UE. It also participated in three expert groups that exchange information to promote:

- a whole government approach to addressing the underground economy
- the sharing of intelligence on specific shadow economy topics such as digital currencies
- better measurement of the shadow economy, specifically the tax gap

The CRA worked with provincial and territorial partners to share information and identify taxpayers who were not fully compliant. In 2019-20, it participated in the bi-annual Federal-Provincial-Territorial Underground Economy Working Group to share best practices on enhancing compliance.

It also updated its web pages to tell taxpayers and registrants who participate in the platform economy⁵ about their tax obligations. As well, it partnered with a platform economy operator to remind participants of their tax obligations.

The CRA launched the [Be Part of the Solution](#) campaign to increase public awareness of the negative impacts of the UE. The campaign explains what the UE is, how it affects public programs and services, how the CRA finds UE activities, and encourages consumers and businesses to be part of the solution by recognizing the UE and helping fight it.

Taking stock of the CRA's commitments to Canadians

Status	2019–20 Departmental Plan commitments	Results
✓	Identify cases where those using digital currencies, those involved in speculative markets and commercial operators in the sharing economy are at the highest risk of under-reporting their economic activity.	The CRA began test audits on individuals and businesses using digital currencies and participants in the platform economy to better understand the level of non-compliance. It will continue with these test audits and use the results to update its risk assessment methodologies in these sectors.
□	Develop new communications products (tax tips, social media messages, etc.), through consultation with key stakeholders, to raise awareness about how participating in the underground economy affects government funded programs and services available to Canadians.	The CRA planned new communications products to raise awareness about how participating in the underground economy affects government funded programs and services available to Canadians. Work begun in 2019–20 and was planned to be completed at the end of March 2020 but the commitment was put on hold because of COVID-19.
✓	Expand the reach of the CRA's specialized audit teams who perform underground economy audits with a focus on identifying unreported income.	To help identify potential unreported income, the CRA expanded the reach of its specialized audit teams by adding four new real estate transaction audit teams in British Columbia and Ontario.


Resolving taxes assessed but not yet paid

The CRA is mandated to collect tax and other types of debts, assessed through federal, provincial and territorial laws. To make it easier for taxpayers to pay the tax they owe, the CRA launched the payment arrangement calculator, a tool to help them come up with a plan for a proposed payment arrangement.

The CRA also took a service-oriented approach with taxpayers who are unable to pay their debts by identifying segments of

the vulnerable population who are most in need of compassionate flexibility through the Workload Enhancement Pilot. The purpose of this approach is to assign “the right account, to the right officer, at the right time.” The CRA identifies accounts that belong to vulnerable population groups, such as pensioners, other low income earners and people in financial hardship, and uses a service-oriented approach to solve the underlying issue those taxpayers are facing.

Taking stock of the CRA’s commitments to Canadians

Status	2019–20 Departmental Plan commitments	Result
	Resolve an additional \$5.3 billion in debt as a result of Budget 2016 investments.	The CRA resolved an additional \$2.0 billion in debt as a result of the 2016 budget investment, bringing the total over four years to \$5.5 billion.

Endnotes

- 1 Computer programs that can teach themselves to grow and change when exposed to new data.
- 2 <https://www.oecd.org/tax/oecd-tax-certainty-day-16-september-2019.htm>
- 3 Visit the [CRA website](#) for more information on determining residency status.
- 4 Fiscal impact consists of tax assessed, tax refunds reduced, interest and penalties, and present value of future federal tax assessable arising from compliance actions. It does not account for the impact of appeals reversals and uncollected amounts.
- 5 The platform economy includes economic and social activities facilitated by the use of technologies such as the Internet and mobile applications. The platforms connect buyers and consumers with sellers and service providers.

Strengthening trust, transparency and accountability

Maintaining the public's trust in Canada's tax system is of paramount importance to the CRA: it inspires positive compliance behaviours that contribute to protecting Canada's revenue base. Canadians also need to know that the personal and financial information they share with the CRA is protected, and that the CRA continually takes measures to further that trust by being transparent and accountable. The CRA is always working to strengthen its security to protect Canadians' information.

Cyber threats continue to evolve and increase in number and complexity, but so have the ways in which the CRA and the Government of Canada defends against them. There are robust systems and tools in place to monitor, detect and investigate potential threats and neutralize them, while minimizing service disruptions. Breaches in other organizations can also affect CRA clients. In 2019–20, data breaches occurred at Desjardins Group,

Bulgarian National Revenue Agency, Capital One and Revenu Québec which affected some of the CRA's clients and their interactions with the CRA. In such situations, the CRA is able to identify affected accounts and disable access to make sure taxpayer information is safe and secure. When clients are victims of fraud or identity theft, the CRA prioritizes assistance to them.


The CRA is one of the largest holders of personal information in the Government of Canada. In 2019–20, the CRA increased its efforts to protect its clients' information and increase the CRA's transparency in response to a wide range of security risks in a fast-changing environment. The progress the CRA made on initiatives it started last fiscal year is presented below along with how it performed in implementing the specific commitments it made to Canadians in its plans for 2019–20.

Protecting client information

Protecting privacy and confidentiality rights is central to the integrity of the CRA. In 2019–20, the CRA improved its measures to prevent unauthorized access to its databases and to control and monitor information leaving the CRA, which supports

the Minister's mandate commitment to improve protection of taxpayer information. It continued to centralize enterprise data to make it available to employees who need it and are authorized to access it, while restricting access to others.

Taking stock of the CRA's commitments to Canadians




Status	2019–20 Departmental Plan commitments	Results
	Strengthen the CRA's cyber-security defenses and better protect taxpayer and benefit recipient data from unauthorized access, alteration or loss with the completion of the first phase of the Data Security Initiative.	The CRA implemented Phase 1 of its Data Security Initiative to improve employee security awareness on the use of removable media, database security reviews, and vulnerabilities scanning.

Safeguarding privacy

The CRA is committed to upholding the trust that Canadians place in it when they share their personal information. In 2019–20, the CRA built on its strong practices of protection of personal information, by implementing a new [Privacy Management Framework](#) to

make sure the personal information it holds is properly managed and protected. The framework identifies the driving factors for the CRA's approach to privacy, its privacy guiding principles, its commitment to privacy, and privacy governance.

Taking stock of the CRA's commitments to Canadians

Status	2019–20 Departmental Plan commitments	Results
	Improve internal reporting about the state of privacy at the CRA.	The CRA planned to improve internal reporting on the state of privacy at the CRA. The work included consultation through the Agency Privacy Council at the end of March 2020. The establishment of the Council has been delayed due to the COVID-19 pandemic. The delay does not increase risks to personal information. This work will continue in 2020–21.
	Make sure all new initiatives take privacy considerations into account.	In January 2020, the CRA launched its Privacy Management Framework.
	Improve governance and controls by defining roles and responsibilities of key senior CRA officials to address privacy gaps.	As part of its new Privacy Management Framework, the CRA improved governance and controls by defining roles and responsibilities of key senior CRA officials.

Increasing transparency






The CRA is committed to quality client service and maximizing its transparency. In 2019–20, it continued to expand the amount of data published on open.canada.ca, focusing on the needs of Canadians.

The CRA seeks to measure its performance in the most meaningful ways and report on that performance openly. This year, the CRA engaged stakeholders across its organization, external experts, and international partners to develop a new approach to performance measurement that is based on the CRA's

transformation to being a more people-centric organization.

Bill C-58, an [Act to amend the Access to Information Act and the Privacy Act](#), received royal assent in June 2019. This bill makes important improvements to the openness and transparency of government. The CRA implemented all action items to ensure a smooth application of the bill. Furthermore, in an effort to be transparent, in 2019–20, it completed over 7,600 requests and processed 2 million pages under the Access to Information and Privacy Act.

Taking stock of the CRA's commitments to Canadians

Status	2019–20 Departmental Plan commitments	Results
	Suggest new publications and update existing ones on open.canada.ca to enhance the CRA data that is available to Canadians.	<p>The CRA released 39 datasets and 841 subsets/tables on open.canada.ca. This release included updates to annual data publications, the datasets of Departmental Results Framework indicators, and two new datasets:</p> <ul style="list-style-type: none"> • statistics (2011 to 2018) on the disability tax credit (DTC) • information returns of transactions with non-residents conducted at non-arm's length
	Test new visual representations to help Canadians understand the CRA data on open.canada.ca.	The CRA began piloting visualization software to help make its data on open.canada.ca more informative and meaningful to Canadians, but the commitment was not completed by March 31, 2020.
	Develop a performance measurement framework for CRA compliance programs, including measures that factor in litigation and collections.	The CRA developed a performance measurement framework for its compliance programs that includes measures for work performed and a set of audit indicators, outcomes and outputs used to measure the results of individual and business income tax and GST/HST audits.
	Introduce new performance indicators that capture the level of Canadians' participation in the tax system and the size of the collectible debt to total revenue.	<p>The CRA introduced two new performance indicators for public reporting:</p> <ul style="list-style-type: none"> • the percentage of Canadians who voluntarily participate in the tax system • the ratio of collectible tax debt to total net receipts (cash accounting)
	Introduce a new service standard for decisions about eligibility for the DTC within eight weeks of receipt of application.	The CRA introduced a new service standard for DTC eligibility decisions to be issued within eight weeks of receipt of application, for 95% of applications.

Enabling innovation

The CRA embraces innovation and strives to find new and better ways to meet clients' evolving service expectations, administer benefit programs and protect Canada's tax base. It recognizes the importance of adopting new business approaches and advanced technologies, it encourages employees to explore new ways of doing work, and it actively recruits data scientists to meet the challenges of the future.

During 2019–20, the CRA continued to work on achieving excellence through innovation and adding value through technologies, and incorporating them into its daily operations. The progress it has made on initiatives it started last fiscal year is presented below along with how it performed implementing the specific commitments it made to Canadians in its plans for 2019–20. This section also highlights several experiments the CRA undertook in 2019–20, their results, and the lessons the CRA drew from them.

Achieving excellence through innovation

In 2019–20, the CRA leveraged its networks and collaborated with partners to innovate. It launched a pilot Data Scientist Development Program leveraging external training specialized in data science. Its success led to broader engagement with other government departments and the CRA's participation in developing data scientist training with the Canada School of Public Service. The CRA also fostered collaboration and partnerships by sharing and exchanging innovative approaches with other departments and agencies to address and gain insight on common issues.

The CRA continues to incorporate behavioural insights into its program design and experiments. It successfully completed five nudge¹ experiments, including one aimed at encouraging charities to file their annual information returns on time.

Additionally, the CRA fostered a culture of continuous improvement across the organization. It created working groups and provided training on using promoted


approaches such as Lean² to gain efficiencies in processes.

The CRA used analytics and experimentation to improve its Internet presence. It measured the performance of its web pages that offer the most in-demand information and used the results of this test as the basis for improvement. The CRA improved the language and layout of its:

- Goods and Services Tax (GST) and payroll online content for businesses to make it easier to understand
- "Contact Us" page to improve Canadians' ability to find CRA addresses and telephone numbers
- Canada child benefit content to help parents understand how to access the benefit

The CRA's user testing showed that, on average, Canadians had a higher rate of success at getting the answers they need with the new content—from an average of 51% success at finding answers with the old content to 85% success of finding answers with the new content.

Taking stock of the CRA's commitments to Canadians

Status	2019–20 Departmental Plan Commitments	Results
✓	Apply behavioural insights to help Canadians make informed decisions about matters related to tax and benefits.	<p>The CRA experimented with new ways of contacting clients, including:</p> <ul style="list-style-type: none"> • inserting Canada workers' benefit information in 2.7 million 2019 T1 Income Tax and Benefit Return packages to remind taxpayers that they may be eligible for the benefit • alerting potential recipients to their likely eligibility for benefits, with the benefit letter initiative, and, as a result, 9.5% filed a return
✓	Use qualitative approaches, such as ethnography, user-experience and design thinking, to allow the CRA to gain additional insights into how to improve the effectiveness and service focus of its programs for specific segments of the population.	 <p>The CRA used the following qualitative approaches:</p> <ul style="list-style-type: none"> • using a user-centred and design thinking approach, the CRA completed several optimization projects with the Digital Transformation Office at the Treasury Board Secretariat, including a project to optimize the CRA's Internet content • engaged in ongoing user experience testing to improve the design of the disability tax credit (DTC) form and online application • published the report titled Ethnography of homeless and housing-insecure Canadians' experiences filing taxes and accessing benefits • started work on a portal for the scientific research and experimental development tax incentive to make it easier for claimants to self-assess their eligibility for the tax incentive

Adding value through technology

Information technology (IT) is critical to all aspects of the CRA's operations and is the backbone of tax and benefits programs and services to Canadians. The availability and reliability of the CRA's information technology systems are critically dependent on Shared Services Canada (SSC) and, in 2019–20, the CRA updated the SSC/CRA Governance Framework related to reporting, communications and project management.




 The CRA also explored the use of distributed ledger technology, often referred to as blockchain,³ to find out where it can use this technology to advance its business priorities. In 2019–20, the CRA launched two pilot projects focusing on emerging technology and cryptocurrency.



It laid the ground work for the new service foundation by establishing the Agency Data Clearing House to ensure that tax and benefit data released by the CRA is accurate, consistent, complete and subject to appropriate disclosure controls. In 2019–20, the CRA started to work on centralizing its data and optimizing that data's use in support of the Minister's mandate commitment to leverage data and emerging technologies.

The CRA continued to improve the management of unstructured information.⁴ It deployed GCdocs, an electronic document management system, to approximately 5,000 new users and has developed plans to deploy it to an additional 3,400 users over the next year, along with a change management plan to support the transition to the new tool.

Taking stock of the CRA's commitments to Canadians


Status	2019–20 Departmental Plan commitments	Results
	Update the IT Security Action Plan in response to recommendations from a third party review, ensuring CRA's IT assets are secured and protected.	<p>The CRA updated the IT Security Action Plan. It is addressing the recommendations which include:</p> <ul style="list-style-type: none"> • identity and access management • data, application and endpoint security • service continuity • vulnerability management • security analytics
	Use disruptive technologies, such as artificial intelligence (AI), to strengthen CRA programs and improve service to Canadians.	<p> The CRA developed the AI enablement plan to strengthen its programs and improve service. The plan includes a directive that will provide a governance framework for more AI development.</p>

Experimentation and Innovation

The CRA promotes a culture of innovation and encourages its employees to explore new ideas, test new ways of doing business and find better solutions. During 2019–20, the CRA conducted a variety of experiments

and research studies, striving to maximize efficiency, productivity and the quality of its services. A few of its experiments are highlighted below.

Charlie the chatbot pilot project	As a follow up to the success of its first chatbot pilot in March 2019, the CRA launched a second pilot of Charlie the CRA chatbot in March 2020. The experiment seeks to evaluate the impact of an artificial assistant on certain call drivers and assess the business value of this technology. As a result of the COVID-19 pandemic, the chatbot was quickly adapted to give responses to help Canadians navigate the emergency response measures the CRA administered. For this reason, measurement of the chatbot's benefits on the specific call driver impacts identified for the pilot may not be possible.
Electronic payment behaviours	The CRA investigated the use of machine-learning techniques as a way to better understanding the behavior of businesses making electronic payment. The CRA's analysis helped it to identify personas and like characteristics within the payment method data. Identifying different behaviour clusters is expected to help improve program outcomes, for example, through improved and targeted communication material.
Compliance detection	The CRA used data from a specific industry sector to develop a methodology to identify certain transactions that had a high likelihood of being fraudulent. The CRA's methodology, which used machine learning, accurately predicted fraudulent transactions. More analysis is needed to expand the model beyond the experimentation to the broader target population.
Climate action incentive take-up	This project used readily available climate action incentive (CAI) data to determine what factors influenced the take-up rate and predict which families were eligible for, but did not claim, the CAI. The experiment used machine-learning classification and compared it to traditional logistic regression. The CRA found that machine learning algorithms are very flexible and there are many to choose from, but tuning each model can take a long time, depending on the algorithm.
NewsDesk text analytics	The objective of the project was to develop a methodology to automatically classify, summarize and extract keywords from articles on the NewsDesk platform that are relevant to the CRA. The machine-learning model proved to be very accurate. The results of this work could be used to help reduce manual workloads by applying machine learning to quickly perform tedious and time-consuming tasks.
Knowledge transfer	In partnership with an external contractor, the CRA experimented with an alternative method of supporting knowledge transfer, using a proprietary method. The goal was to identify specific knowledge, skills and behaviours that contribute to executing selected strategic and operational roles, assess the potential risks in capacity, skills, processes and tools, and suggest strategies to reduce the impact if an employee were to leave their role. The results of the experiment showed that the method was efficient.

Scientific Research and Experimental Development program claimants' experience	Between September 2019 and January 2020, the Scientific Research and Experimental Development (SR&ED) program piloted a new service to improve relationships with claimants. The pilot project tested whether a short service-related interaction could increase program awareness and improve a claimant's ability to identify and claim eligible SR&ED work. The service received a high satisfaction rate and 85% of claimants surveyed indicated that their ability to self assess had improved. Going forward, the CRA plans to expand the pilot based on lessons learned and to continue to monitor the long-term compliance of participants.
Record linkage research	The CRA examined the feasibility of a record linking application developed using a cloud native approach. ⁵ Record linking is the task of finding records in a data set that refer to the same entity across different data sources (for example, data files, books, websites, and databases), even if they differ in parameters such as data type and storage location.
Collaboration improvement	The CRA experimented with ways to improve CRA and Shared Services Canada collaboration regarding tackling new technologies and associated risks, using an agile approach. ⁶ The CRA's goal is to find ways to reduce technical risks early in a project and to accelerate putting the product into production with fewer adjustments, reducing the re-work.
Secure two-way communication research	 The CRA explored the feasibility of supporting a business-led pilot to enable secure two-way communication between Canadians and the CRA. Secure two-way communication would let a taxpayer or their representative contact a CRA representative securely in real time using either Internet-based chat or a chat application downloaded to a smart phone. The CRA concluded that it could tailor existing services to meet the CRA's requirements.
Tax schemes and promoters communication pilot project	During 2018–19, the CRA conducted public opinion research on tax schemes and promoters. The insight from this research helped determine how the CRA could identify and target communication activity on tax schemes. The research showed that the individuals who are most interested in tax schemes include those who have attended university (68%), are employed (69%), have a household income of \$100,000 to \$199,999 (71%), and that those in higher income groups prefer more direct contact such as mail. As a result, the CRA mailed 800,000 post-cards to high-net-worth individuals across Canada and added a link to the tax scheme web page in My Account. Preliminary monitoring has identified an increase in web traffic.

Endnotes

- ¹ Nudge combines economics and psychology to influence individuals' behaviours and choices.
- ² Lean is a set of principles and methods used to enhance and streamline processes.
- ³ Blockchain is a term used to describe a system in which a record of transactions made in bitcoin or another cryptocurrency are maintained across several computers that are linked in a peer-to-peer network.
- ⁴ Unstructured information is information that is often created in free-form text using common desktop applications such as e-mail, word-processing, or presentations.
- ⁵ A cloud native approach changes the way business systems are designed to embrace rapid change, large scale and resilient. Cloud computing allows an organization to buy computing power from a provider as needed, instead of managing the infrastructure itself. This offers economies of scale, on-demand provisioning, and elasticity (grows and shrinks according to needs).
- ⁶ Agile approach focuses on team collaboration, incremental delivery, and continual improvements to achieve optimal results.

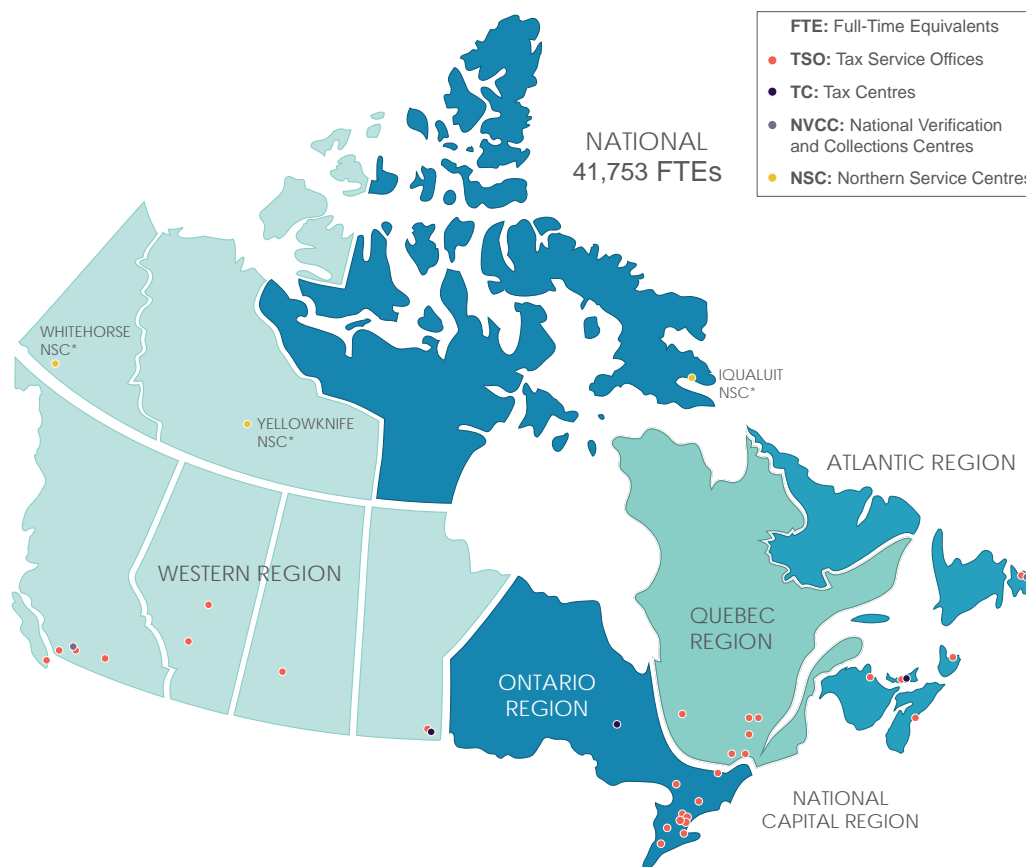
Empowering CRA's people to excel

The CRA's employees are its greatest asset. The CRA's vision for its people is to build a thriving workforce, combining strengths and contributing to a transforming Canada. To achieve this goal, the CRA is committed to creating a healthy and inclusive environment where its diverse workforce feels safe and is supported by their leaders. The CRA encourages collaboration and information-sharing, promotes healthy workspaces, and listens to its employees' feedback on how it can do better.

During 2019–20, the CRA empowered its people to excel by supporting their professional development, encouraging

their career aspirations using leadership development processes, and promoting character leadership. The CRA supported interdepartmental career mobility through interchange assignments so that employees could acquire new experiences and develop new skills.

Furthermore, the CRA continued to build a respectful, healthy and inclusive work environment – one free from discrimination and harassment. The progress it has made on initiatives that it started last fiscal year is presented below, along with how it did implementing the specific commitments it made to Canadians in its plans for 2019–20.



WESTERN REGION	ONTARIO REGION	QUEBEC REGION	ATLANTIC REGION	NATIONAL CAPITAL REGION
10,101 FTEs	11,106 FTEs	4,580 FTEs	3,862 FTEs	12,104 FTEs
8 TSOs	10 TSOs	4 TSOs	2 TSOs	
1 TC	1 TC	1 TC	2 TSO/NVCCs	
1 NVCC		1 NVCC	1 TC/TSO	

*The employees working in the Whitehorse and Yellowknife NSC report to the Western Region and the employees working in the Iqaluit NSC report to the Ontario Region.

Preparing CRA's employees for the future

True to its commitment to strengthen its service culture, the CRA developed its human service roadmap. The roadmap supports the CRA's organizational and culture shift toward client-centered service and aligns its structure, culture and resources to meet future challenges.


The CRA completed the second iteration of the employee service culture survey to give its employees an opportunity to share their views on the CRA's transformation. The survey also helped to the CRA to identify areas where it can strengthen its service culture.

To better meet its operational needs and allow more talent mobility between other departments, agencies and the CRA, the CRA changed the minimum education standards for certain job classifications. This included

matching educational standards to current post-secondary requirements for the actuarial science employee group and removing mobility barriers within the CRA by allowing other fields of specialization in the auditing group.

In an effort to be innovative and learn from the experience in other sectors, the CRA participated in the exchange of ideas on leadership practices with other government departments and agencies, including Treasury Board's Behaviours/Attributes Working Group, and the character leadership communities within the Royal Canadian Mounted Police, the Canada Border Services Agency, the Canadian Securities Establishment and the Canadian Space Agency.

Taking stock of CRA's commitments to Canadians

Status	2019–20 Departmental Plan commitments	Results
	Integrate leader character assessment into all entry-level executive staffing processes.	Character leadership was introduced to executive staffing and used in three executive (EX) entry-level staffing processes.

Building a healthy, inclusive, and diverse workforce

The CRA strives to ensure that its employees work in a respectful environment, in which diversity is recognized as a strength. In 2019–20, it promoted diversity by implementing the Strategy for the Recruitment, Inclusion and Retention of Indigenous Peoples. As part of this strategy, the CRA established the Indigenous Mentoring Initiative, where new Indigenous employees are paired with an Indigenous mentor, and the Indigenous Buddy Initiative, where Indigenous students are matched with an Indigenous employee.

The CRA promoted a safe and inclusive workplace that is welcoming to all its employees, including those belonging to lesbian, gay, bisexual, transgender, queer, questioning, two-spirit, and others (LGBTQ2+) community. As part of this commitment, it launched a national Positive Space¹ initiative to create a safe, accepting, and open-minded environment for the LGBTQ2+ community. It also promoted inclusivity and equality within the CRA and in its programs for Canadians by completing over 60 program and policy assessments using a Gender-based Analysis Plus (GBA+) assessment tool. GBA+ is also used within




several CRA decision-making and reporting processes to ensure that inclusivity is considered and integrated.

The CRA developed a Healthy and Safe Workplace Action Plan focused on prevention, response, and support to address discrimination and harassment in the workplace. The plan incorporates recommendations from the Clerk of the Privy Council's Report on Safe Workspaces, updates

to the Workplace Violence Regulations, and feedback from consultations with stakeholders across the CRA.

Further to its commitment to a respectful workplace, the CRA continued to work closely with Public Services and Procurement Canada to support Phoenix stabilization and to plan for the future of compensation delivery in the public sector.

Taking stock of CRA's commitments to Canadians

Status	2019–20 Departmental Plan commitments	Results
	Ensure that 100% of executives, managers and supervisors who have been actively in the role for at least six months complete the mandatory course on discrimination and harassment.	95% of executives, managers, and supervisors have completed the mandatory course on discrimination and harassment. This result is a significant improvement from 64% having completed the training in April 2019. The CRA has not been able to achieve 100% completion due to employee movement, absences and the short validity period for the course.
	Double the number of employees who receive training on creating a positive space at work, from 1,500 to 3,000.	7,284 employees took the Positive Space Awareness training to foster a welcoming and respectful workplace to all employees, more than doubling the target of 3,000.
	Increase the number of Indigenous people in CRA professional positions by 20, leaving 37 professional positions to be filled by Indigenous people.	The CRA increased the number of Indigenous people in professional positions within the organization by 37, which surpasses the annual target.

Endnote

- 1 A Positive Space is a welcoming and inclusive environment for everyone including members of the LGBTQ2+ community. (Source: <https://www.cspc-efpc.gc.ca/events/psit/index-eng.aspx>)



Board of Management results

The Board of Management provided oversight in all areas of its statutory responsibilities and accomplished its objectives as outlined in the Canada Revenue Agency's Corporate Business Plan 2019–20 with perspectives to 2021–22.

Strategic direction

In 2019–20, the Board of Management (Board) and the Canada Revenue Agency (CRA) focused on five joint strategic priorities of:

- providing a seamless service experience
- maintaining fairness in Canada's tax and benefits administration
- strengthening trust, transparency, and accountability
- enabling innovation
- empowering CRA's people to excel

Enhancing service to Canadians and treating them like valued clients has always remained at the core of all strategic priorities and this was further strengthened by the launch of CRA's People First philosophy: being supportive, innovative, one team, fair and people-centric.

During this fiscal year, the Board continued to use oversight tools such as the Board and Committee quarterly performance dashboards and the Status Report on Strategic Deliverables from the Summary of the Corporate Business Plan (Summary), to monitor the CRA's progress on the Corporate Business Plan (CBP) commitments. This critical performance information allowed the Board to provide strategic advice and direction to the CRA to ensure that it remains well positioned to achieve its commitments as set out in the CBP.

The declaration of the pandemic in March 2020 resulted in disruption to the CRA's business operations. The CRA had to rapidly

shift its focus to delivering critical economic aid to Canadians on behalf of the Government of Canada, while also ensuring employee well-being. The Board continued to meet virtually, and more frequently, to receive information from the CRA management team and oversee the continued efficient and effective management and administration of the CRA.

A key element of the Board's fiduciary oversight is careful attention to risk identification, assessment, and mitigation. In March 2020, the Chair of the Board's Audit Committee collaborated with the CRA's Chief Audit Executive to develop a detailed COVID-19 risk impact analysis report, which was based on a preliminary assessment of the risks faced by the CRA specific to the COVID-19 pandemic. The principle behind considering each risk and assigning a certain level of urgency to the risk was based on its potential impact on CRA's business continuity and business resumption, and employee well-being. The Board received regular updates in the form of a risk dashboard report and offered advice to the CRA's Chief Audit Executive, during its special COVID-19 meetings.

As a result of the pandemic, certain deliverables highlighted in this report were deferred to a later date. The Board will continue to monitor and support the CRA to ensure that these commitments are completed, as the CRA resumes operations, or where necessary, oversee adjustments that are needed as a result of the impact of the pandemic on CRA programs.

Providing a seamless service experience

In its efforts to provide Canadians with a seamless service experience, the Board oversaw the CRA's outreach to Canadians in 2019, including the CRA's consultations to further improve its service offerings. The three resulting recommendations include:

- making information more helpful and easier to understand
- providing more convenient access to services and support
- ensuring Canadians feel understood, respected and valued

The Board and CRA will monitor and respond to these recommendations and continue to improve the service experience of Canadians.

Following the CRA's June 2019 report that outlined the actions it took to address some of the concerns of small and medium businesses, the Board's Service Transformation Subcommittee received updates and provided guidance on the CRA's efforts to better support these businesses.

The Board received regular updates on the CRA's efforts to improve the accuracy of its online information for:

- individuals and businesses
- charities
- taxpayer filed objections
- taxpayer relief requests
- benefit recipients
- self-employed individuals

The Service Transformation Subcommittee continued to support and monitor the CRA's various service initiatives through the CRA-wide service feedback dashboard and service redress dashboard reports. The Board received updates on the work of the Chief Service Officer. It approved the CRA's Service Policy Framework. The Framework establishes an integrated approach to service and outlines the foundational tools (vision, values, guiding principles, and service identity) that will guide the transformation of the CRA's programs, services and culture to deliver better outcomes for Canadians.

Maintaining fairness in Canada's tax and benefits administration

The Board oversaw and supported the CRA's efforts to maintain the fairness in Canada's tax system through its oversight of CRA communications and services. This enables Canadians to comply with their tax obligations and receive eligible benefits and credits.

In 2019–20, the Board continued to encourage the CRA to use business intelligence to combat non-compliance, the extent of which was highlighted in the CRA's tax gap report on corporation taxes. The Board also received reports on the CRA's continued efforts to address the underground economy in partnership with provinces

and territories and various international organizations.

The Board was particularly encouraged by the CRA's collaboration with international organizations such as the Organization for Economic Co-operation and Development (OECD) as well as other tax administrations and organizations to combat tax evasion and aggressive tax avoidance, and share best practices.

To ensure fairness in Canada's tax system, the Board oversaw the CRA's outreach to vulnerable segments of the population to

raise awareness of the importance of annual tax filing, and to access benefits and credits.

These segments include:

- Indigenous people
- newcomers and refugees
- seniors
- youth and students
- persons with disabilities
- modest-income individuals
- homeless and housing-insecure individuals

In 2019–20, the CRA conducted 3,919 outreach activities, an increase of 35% from the previous year.

Strengthening trust, transparency, and accountability and security

The security of taxpayer information is paramount to the trust Canadians place in the CRA. During 2019–20, the Board oversaw the CRA's continued efforts to review and improve its security policies, procedures and protocols. The Board oversaw the CRA's efforts to ensure that employee security awareness of taxpayer information held in the CRA's databases.

The Board received regular updates from the CRA's Chief Privacy Officer on data breaches and CRA's response to those incidents. The CRA implemented its Privacy Management Framework under the Board's oversight, which will further strengthen the protection and management of personal information. The framework outlines the necessary measures to protect personal information, enable the appropriate management of data and drive employee responsibility for privacy.

Through the quarterly cyber security dashboard, the Board monitored the CRA's overall cyber-security health and global events that could potentially cause harm to the CRA. The Board was pleased with the CRA's collaboration with external organizations and the private sector to learn from their experiences, and implement means of informing and protecting the personal and financial information of Canadians.

The Board received an annual and mid-year update from the President of the Shared Services Canada (SSC) on various information

technology projects for which the CRA is dependent on SSC. The Board continued to encourage the productive and collaborative relationship between the CRA and SSC to ensure continued service to Canadians.

The Board approved the CRA's Information Management Policy Framework to outline roles, responsibilities and accountabilities of key players at the highest level, including the CRA's Information Management Strategy. This will help the CRA advance an information management culture that is collaborative and uses information management functionality in business and technology in an appropriate manner.

The Board also reviewed and approved the CRA's Information Technology (IT) Policy Framework and its associated policy instruments, which set the direction for the management of IT in support of CRA priorities. This also ensures that IT continues to provide the necessary capacity to sustain current and emerging CRA business needs, while providing the necessary support for innovative initiatives.

The Board recognizes that environment and climate change are the realities of present and future generations. The Board reviewed and approved the CRA's Sustainable Development Strategy to integrate sustainable development into the CRA's operations. This will help reduce negative environmental impacts and

contribute positively to the economic and social well-being of Canadians.

In fall 2019, the Board proactively engaged CRA management in discussions on its crisis

management readiness, which informed the CRA's refresh of its business continuity plan, and ensured that the CRA was positioned to respond to the pandemic.

Enabling innovation

The Board continued to support the CRA in its efforts to innovate, and to experiment and implement new technologies that enhance the CRA's efficient delivery of its programs and services.

The Board received reports on the CRA's first design jams, which explored how the CRA might better meet the needs and expectations of users interacting with it. The design jams focused on:

- candidate profile, which allows potential job seekers to apply for opportunities with the CRA
- the disability tax credit
- the SR&ED program

The Board also oversaw the enhancement of business intelligence capabilities through the delivery of new tools, processes and infrastructure focused on creating a central, authoritative data foundation and leading the modernization of human resources reports.

The CRA piloted new qualitative approaches to improve the effectiveness and service focus of its programs for specific segments of the population, including the personal income tax content optimization project, the disability tax credit form and online application design, and the Canada child benefit content optimization.

The Board has been very supportive of the CRA's efforts towards developing an artificial

intelligence (AI) enablement plan, which will position the CRA to better leverage AI and use it to improve its services and inform compliance actions. The CRA also continued to make progress in using technology by further improving its Charlie the chatbot service and building upon its 2018 launch. The chatbot not only responds to frequently asked tax questions but was enhanced in 2020 to answer questions about Canada's COVID-19 response and related benefits.

In line with the Board's priority attached to innovation, the CRA completed a number of experiments involving behavioural insights (nudges), which were undertaken to help Canadians make informed decisions about matters related to tax and benefits. A number of pilots involving new qualitative approaches (e.g., ethnography, user-experience and design thinking), were also undertaken to improve the effectiveness and service focus of the CRA's programs for specific segments of the population.

In the spring of 2020, the Board's annual strategic development meeting focused on understanding the implications of the pandemic on the CRA, uncovering potential blind spots and considering future innovations and implications for tax administrations. This foresight exercise informed the Board's consideration of its priorities for the years ahead.

Empowering CRA's people to excel

The Board reviewed updates on the CRA's considerations and plans for the workforce, workplace and leadership of the future,

including its plans for recruiting, training and reskilling its workforce for the future.

To position the CRA for the future, it is important that it has the right leadership in place to motivate and lead employees. Under the Board's oversight, the CRA successfully integrated character leadership as a staffing requirement for its entry-level executive positions. This included raising awareness and training for the senior level executives on character leadership; a combination of virtues, personality traits and values that enable excellence.

The Board received regular updates on the CRA's efforts towards creating a diverse, safe and inclusive workplace, and encouraged CRA management to continue to strengthen its efforts in this regard. Employee well-being, learning, training and development were part of regular discussions between the Board and CRA's senior management. The Board monitored the CRA's efforts towards helping employees with Phoenix-related issues. The Chair of the Board's Human Resources Committee visited the CRA's compensation

call center in 2019 to better understand the CRA's efforts in helping its employees.

The Board approved CRA's Annual Workforce Plan and received updates on the CRA's efforts to enhance its staffing program and other human resources initiatives. The Board paid close attention to the outcomes of the annual 2018 Public Service Employee Survey (PSES) and received updates on the 2019 PSES, with a particular focus on an inclusive and diverse workplace, free of any discrimination and harassment.

Since the onset of the pandemic, the Board has paid special attention to the CRA's efforts towards safeguarding the mental and physical health of its employees. This oversight will continue as the CRA gradually moves towards resuming its business operations. The Board will work with the CRA management to ensure that CRA employees are well supported and have the necessary tools to be productive, innovative, and feel empowered to excel, while working remotely in most cases.


Conclusion

The Board, in partnership with the CRA, accomplished its overall strategic objectives for 2019–20, and remains committed to:

- working with CRA management in its post-pandemic business resumption efforts
- fulfilling its oversight responsibilities, in its fiduciary role
- providing strategic advice and guidance to the CRA
- exploring innovative methods to streamline the Board's governance and social responsibility to make its oversight role more effective and efficient

The Board thanks the Commissioner of Revenue, Mr. Bob Hamilton for his leadership of the CRA, and is also grateful to CRA management and employees for the excellent support in enabling it to carry out its fiduciary obligations. The Board is particularly appreciative of the commitment and effort shown by the CRA during the pandemic and looks forward to seeing the momentum continue as the CRA strives to better serve Canadians as a world-class tax and benefit administration.

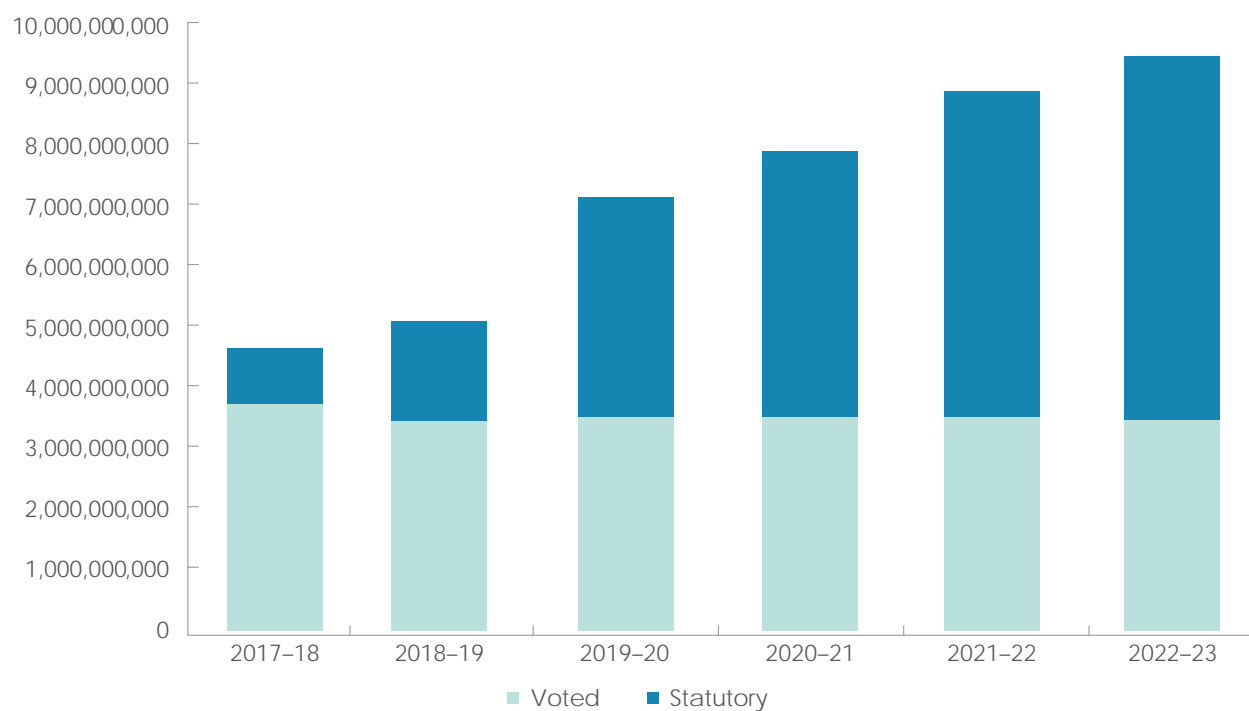
For information the Board of Management attendance record for 2019–20, please see the [supplementary information tables](#).

A man with short brown hair and a beard, wearing black-rimmed glasses, a light blue button-down shirt, and a teal scarf, is seated in a wheelchair. He is smiling and looking off to the side, with his left hand resting on his chin and his right hand holding a yellow mug. He is wearing a brown leather watch on his left wrist and a white earbud in his left ear. The background is a bright, slightly out-of-focus indoor setting with a white wall and a yellow object. A semi-transparent teal rectangle is overlaid on the lower half of the image, containing the title text.

Analysis of trends in spending and human resources

Actual expenditures

Spending trend (dollars)¹



	Actual spending			Planned spending		
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Statutory ²	941,296,937	1,643,402,290	3,641,252,364	4,392,185,769	5,373,767,748	6,036,533,105
Voted ³	3,766,470,408	3,477,710,768	3,556,958,796	3,547,805,424	3,570,788,585	3,495,746,791
Total	4,707,767,345	5,121,113,058	7,198,211,160	7,939,991,193	8,944,556,333	9,532,279,896

Budgetary performance summary (dollars)

Core responsibilities and internal services	2017-18 actual spending ⁴ (authorities used)	2018-19 actual spending ⁴ (authorities used)	2019-20 actual spending ⁴ (authorities used)	2019-20 Main Estimates	2019-20 total authorities available for use	2019-20 planned spending	2020-21 planned spending	2021-22 planned spending
Tax	3,145,344,608	2,959,502,477	3,279,915,517	3,156,308,891	3,402,005,929	3,156,308,891	3,264,289,968	3,300,816,836
Benefits ⁵	479,298,608	1,128,379,061	3,140,851,352	499,962,083	3,147,959,679	499,962,083	3,929,115,162	4,889,329,806
Taxpayers' Ombudsperson ⁶	3,210,404	3,097,900	3,804,534	3,471,070	4,006,679	3,471,070	3,780,057	3,622,239
Internal services ⁷	1,079,913,725	1,030,133,620	773,639,757	781,810,643	935,189,895	781,810,643	742,806,006	750,787,452
Total	4,707,767,345	5,121,113,058	7,198,211,160	4,441,552,687	7,489,162,182	4,441,552,687	7,939,991,193	8,944,556,333
Budget implementation (for information)	N/A	N/A	N/A	60,873,499	16,309,517	N/A	N/A	N/A
Total including budget implementation	4,707,767,345	5,121,113,058	7,198,211,160	4,502,426,186	7,505,471,699	4,441,552,687	7,939,991,193	8,944,556,333
Minus: spendable non-tax revenue under Section 60 of the Canada Revenue Agency Act	(166,387,494)	(182,105,000)	(189,819,164)	(178,954,430)	(189,819,164)	(178,954,430)	(174,160,452)	(172,627,776)
Plus: Cost of services received without charge	598,489,629	625,096,288	645,178,998	N/A	N/A	564,195,407	614,456,805	616,139,267
Net Cost	5,139,869,480	5,564,104,346	7,653,570,994	N/A	N/A	4,826,793,664	8,380,287,546	9,388,067,824

The majority of the increase in the overall budget can be attributed to statutory appropriations, which include spending associated with the climate action incentive (CAI) payment starting in fiscal year 2018–19 (see endnote 5). The CRA is responsible for administering the fuel charge in jurisdictions that do not meet the federal carbon pricing benchmark. This includes delivering the CAI payment, which returns the majority of the direct proceeds from the fuel charge to individuals and families of the province in which the proceeds are raised.

Actual spending under the voted appropriations for the 2017–18 to 2019–20 fiscal years also includes technical adjustments such as the 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 for employees represented by the Union of Taxation Employees-Public Service Alliance of Canada. In 2019–20, the increase in spending over prior years can largely be attributed to new funding to implement and administer measures announced in Budget 2019 and to growth in funding for federal budget and policy measures announced in prior years as well as collective bargaining adjustments.

The 2019–20 total authorities available for use increased by \$3.0 billion, or 69%, over planned spending. Of this amount, \$2.6 billion is related to the statutory CAI payment. Other increases are attributed to the technical in-year adjustments mentioned previously, funding for Budget 2019 measures and the federal fuel charge, as well as collective bargaining adjustments (for more details, please see “Authorities approved after Main Estimates” in the [supplementary information tables](#)). Of the 2019–20 total authorities, \$307 million remained unspent at year-end. The majority of this amount, \$287 million can be carried forward to 2020–21 under the statutory two-year spending authority. Not spending the full amount formed part of the CRA’s strategy to manage changes in the funding profile of major project investments and to address unfunded operating pressures. Also, the spending was curtailed in several programs toward the end of the fiscal year because of the impact of the COVID-19 pandemic on the CRA’s operating environment. The CRA will carry forward these funds and redirect them to help offset emerging tax and benefit pressures.

2019–20 budgetary actual gross spending summary (dollars)

Core responsibilities and internal services	2019–20 actual gross spending	2019–20 actual gross spending (for specified purpose accounts)	2019–20 actual revenues netted against expenditures ⁸	2019–20 actual net spending (authorities used)
Tax	3,583,972,407	-	304,056,890	3,279,915,517
Benefits	3,141,564,080	-	712,728	3,140,851,352
Taxpayers’ Ombudsperson ⁶	3,804,534	-	-	3,804,534
Internal services	858,363,908	-	84,724,151	773,639,757
Total	7,587,704,929	-	389,493,769	7,198,211,160

Human resources summary (FTEs)

Core responsibilities and internal services	2017–18 actual FTEs	2018–19 actual FTEs	2019–20 actual FTEs	2019–20 planned FTEs	2020–21 planned FTEs	2021–22 planned FTEs
Tax	30,399	31,789	34,267	33,774	34,319	34,404
Benefits	1,253	1,135	1,302	1,627	1,433	1,422
Taxpayers' Ombudsperson ⁶	25	29	38	31	33	32
Internal services	8,088	8,122	6,146	6,364	6,005	6,001
Total	39,765	41,075	41,753	41,796	41,790	41,859

The increase in FTEs in 2019–20 is attributed to new funding the CRA received to implement and administer measures announced in the 2019 Federal Budget and growth in funding for federal budget and policy measures announced in prior years. These measures include the federal carbon pollution pricing system. A portion of the decrease in internal services FTEs is due to assigning direct internal service costs to the programs starting in 2019–20 (mainly within the tax core responsibility).

Financial statements highlights

Agency activities

Condensed statement of operations (unaudited) for the year ended March 31, 2020 (dollars)

Financial information	2019–20 planned results	2019–20 actual results	2018–19 actual results	Difference (2019–20 actual results minus 2019–20 planned results)	Difference (2019–20 actual results minus 2018–19 actual results)
Total expenses	5,316,052,496	5,536,739,554	5,115,835,982	220,687,058	420,903,572
Total non-tax revenues	542,751,297	577,423,527	535,788,724	34,672,230	41,634,803
Net cost of operations before government funding and transfers	4,773,301,199	4,959,316,027	4,580,047,258	186,014,828	379,268,769

The CRA's 2019–20 net cost of operations before government funding and transfers amounted to \$4,959.3 million, an increase of \$379.3 million from the \$4,580.0 million net cost of operations before government funding and transfers in 2018–19.

Personnel expenses (salaries, other allowances and benefits) represent 76% of total expenses and are the CRA's primary costs. The remaining 24% of expenses are comprised of other costs such as information technology and accommodation expenses.

Personnel costs have increased by \$433.2 million in 2019–20, including salary expenses (\$260.6 million) and other allowances and benefits (\$172.6 million). The increase is mainly explained by expenses resulting from increase in the number of employees, economic salary increases and salary increments. Additionally, Phoenix damages were awarded to employees as part of the new Professional Institute of the Public Service of Canada (PIPSC) collective agreement (\$11.6 million) and tentative Public Service Alliance of Canada (PSAC) collective agreement (estimated at \$76.9 million). Furthermore, the cost of the employer's contribution to the health and dental insurance plans has increased due to the overall increase in the CRA's salaries as well as the change in the plans' rate (9.2% in 2019–20 compared to 8.5% in 2018–19) provided by the Treasury Board Secretariat of Canada (\$32.7 million).

Non-personnel expenses have decreased by \$12.3 million in 2019–20. This net variance mainly results from a decrease in advertising, interest, amortization and other services and expenses.

Condensed statement of financial position (unaudited) as of March 31, 2020 (dollars)

Financial information	2019–20	2018–19	Difference (2019–20 minus 2018–19)
Total net liabilities	1,453,830,594	1,184,140,108	269,690,486
Total net financial assets	346,198,516	384,744,472	(38,545,956)
CRA net debt	1,107,632,078	799,395,636	308,236,442
Total non-financial assets	440,483,431	433,699,081	6,784,350
CRA net financial position	667,148,647	365,696,555	301,452,092

Liabilities have increased by \$269.7 million in 2019–20. This was mainly attributable to the increase in the current year provision for salary accruals to reflect expired collective agreements (\$202.4 million) and Phoenix damages awarded to employees as part of the tentative PSAC collective agreement (\$76.9 million). Additionally, Phoenix damages related to the new PIPSC collective agreement increased the vacation leave payable to employees (\$11.6 million). The overall increase was offset by a decrease in the accounts payable to external vendors (\$33.7 million), which was partly due to the COVID-19 pandemic. As critical services were prioritized and buildings had limited or no access, purchases completed in March were reduced compared to previous years.

The decrease of \$38.5 million in financial assets reflects a decrease in the due from the consolidated revenue fund resulting mainly from the decrease in the accounts payable to

external vendors. The due from the consolidated revenue fund 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, 2020 (millions of dollars)

Financial information	2019–20	2018–19	Difference (2019–20 minus 2018–19)
Total administered revenues and pension contributions	467,216	457,219	9,997
Total net administered expenses and recoveries	(40,762)	(37,388)	(3,374)
Revenues paid or payable directly to a province	(373)	(433)	60
Changes in administered assets and liabilities	2,550	(112)	2,662
Net cash deposited in the Consolidated Revenue Fund of the Government of Canada	428,631	419,286	9,345

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 \$467,216 million in 2019–20, an increase of \$9,997 million or 2.2% from 2018–19. This increase is partially due to sustained economic growth offset in part by lower tax revenue estimates caused by tax payment deferrals to September 30, 2020. The introduction of the fuel charge on April 1, 2019 under the Greenhouse Gas Pollution Pricing Act also contributed to the increase in revenues.

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 \$40,762 million in 2019–20, an increase of \$3,374 million or 9.0% from 2018–19. The increase primarily reflects higher climate action incentive payments which rose due to significant enhancements to the benefit, along with the inclusion of Alberta in the credit for tax year 2019 under the Greenhouse Gas Pollution Pricing Act. The increase also

reflects higher Canada child benefits due to indexation, higher Canada workers' benefits due to an increase in maximum benefit amounts, more and higher grants under the refundable investment tax credits to corporations and higher provision for doubtful account expense for GST and T1. This increase was offset by a large reduction in interest from corporations.

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

Financial information	2019–20	2018–19	Difference (2019–20 minus 2018–19)
Total administered assets	124,421	131,971	(7,550)
Administered liabilities	60,988	65,988	(5,000)
Net amount due to the Consolidated Revenue Fund	63,433	65,983	(2,550)
Total liabilities	124,421	131,971	(7,550)

Total administered assets amounted to \$124,421 million as at March 31, 2020, a decrease of \$7,550 million or 5.7% from 2018–19. The decrease stems from the payment extension relief measures as announced in the Canada's COVID-19 Economic Response Plan offset in part by an increase in disputed arrears.

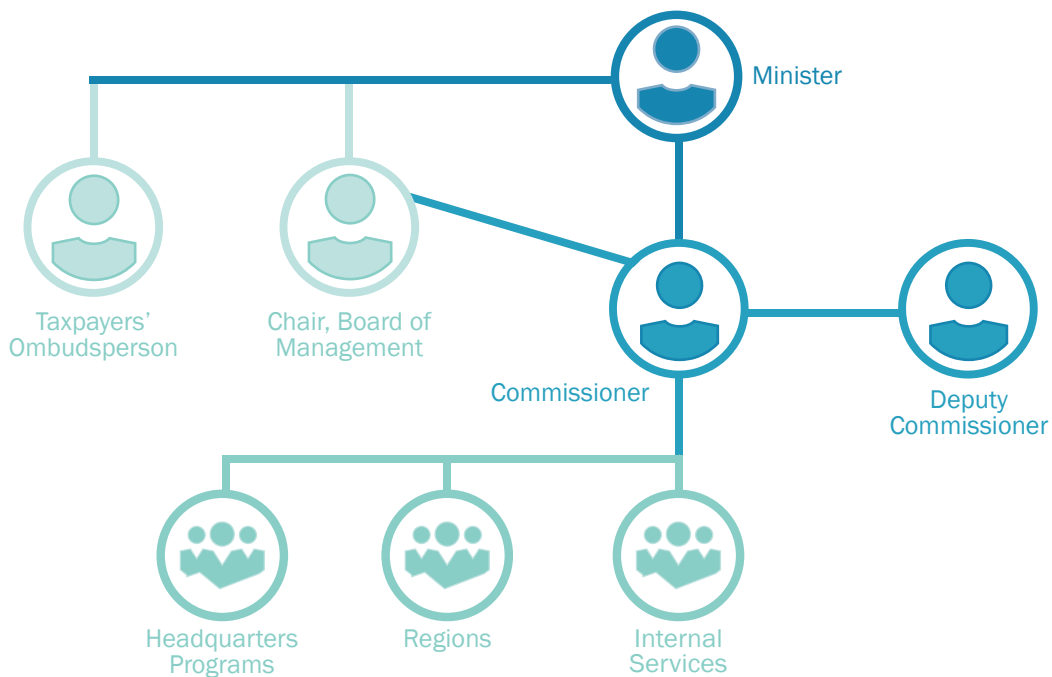
Administered liabilities amounted to \$60,988 million as at March 31, 2020, a decrease of \$5 million or 7.6% from 2018–19. The decrease reflects the reduction in the number of tax returns assessed, due to the filing extension relief measures announced in the Canada's COVID-19 Economic Response Plan.

Endnotes

- 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. It does not reflect amounts the CRA recovered for providing services to Employment and Social Development Canada to administer the Canada Pension Plan and the Employment Insurance Act.
- 2 Statutory describes appropriations or expenditures which are authorized by Parliament through legislation other than an appropriation act.
- 3 Voted describes appropriations or expenditures for which parliamentary authority is sought through an appropriation bill.
- 4 Actual spending is on a modified cash basis and reflects 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](#).
- 5 Includes the following statutory payments: CAI payment (planned spending: \$0 in 2019–20, \$3.4 billion in 2020–21, and \$4.4 billion in 2021–22), (actual spending: \$2.6 billion in 2019–20, \$663.8 million in 2018–19, and \$0 in 2017–18); Children's special allowance payments (planned spending: \$337 million in 2019–20, \$361 million in 2020–21 and 2021–22), (actual spending: \$351.6 million in 2019–20; \$338.7 million in 2018–19, and \$333.6 million in 2017–18); Distribution of Fuel and Excess Emission Charges (planned spending: \$0 in 2019–20, 2020–21, and 2021–22), (actual spending: \$5.6 million in 2019–20, \$0 in 2018–19 and 2017–18).
- 6 Since the Taxpayers' Ombudsperson operates at arm's-length from the CRA, this report does not reflect the activities of that office.
- 7 A portion of the decrease in internal services spending is due to attributing of direct internal service costs to the programs starting in 2019–20 (primarily within the tax core responsibility).
- 8 Actual revenues netted against expenditures represent amounts the CRA recovered to provide services to Employment and Social Development Canada to administer the Canada Pension Plan and the Employment Insurance Act.

Additional information

Organizational contact information



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Organizational profile

Minister

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

Institutional head

Bob Hamilton

Chair, Board of Management

Suzanne Gouin

Ministerial profile

National Revenue

Enabling instrument

Canada Revenue Agency Act

Year of commencement

1999

For more information about the CRA and its governance, visit Canada.ca.

Supplementary information tables

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

- Authorities approved after Main Estimates
- Board of Management attendance record for 2019–20 and compensation rates
- CRA sustainable development strategy
- Definitions
- Details on project spending
- Details on transfer payment programs of \$5 million or more
- Endnotes
- Hyperlinks
- Gender-based analysis plus
- Raison d'être, mandate and role
- Response to parliamentary committees and external audit

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 2019–20, 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

- [Expenditures by vote](#)
- [Financial statements](#)
- [Government of Canada spending and activities](#)
- [Report on Federal Tax Expenditures](#)
- [Service standards](#)
- [Supporting information on the Program Inventory](#)