



Canada Revenue
Agency

Agence du revenu
du Canada

2020–21 DEPARTMENTAL RESULTS REPORT

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Message from the Minister

In October 2021, the Prime Minister announced Canada's new Cabinet. I had the honour of being re-appointed as Minister of National Revenue. Since 2015, we have made significant strides to make the tax system fairer and simpler, so that middle class families and small businesses are able to keep more of what they earn, while asking the highest earners among us to pay their fair share. I am proud to continue the work to ensure that the Canada Revenue Agency (CRA) is a trusted, fair and helpful agency that meets Canadians' needs and expectations, and maintains the integrity of Canada's tax and benefits administration. I am committed to making sure that the CRA treats Canadians as valued clients and effectively combats tax evasion and aggressive tax avoidance.

Throughout this past fiscal year, the CRA supported Canadians and businesses facing hardship as a result of the pandemic by delivering, with speed and agility, programs that supported Canada's COVID-19 Economic Response Plan. Given the task to develop programs to quickly distribute emergency financial aid to millions of Canadians and businesses, the CRA demonstrated its leadership and resolve in managing ten new benefits and subsidies, while delivering a 2020–21 tax season that was particularly challenging.

Trust in the CRA is rooted in the fair administration of tax and benefits programs for all. During 2020–21, while the pandemic affected many aspects of CRA operations, the CRA continued to deliver results on our government's historic investments directed at cracking down on tax evasion and combatting aggressive tax avoidance. By using its business intelligence, the CRA identified emerging risks and challenges and advanced tax certainty for large businesses. Multinational enterprises and offshore transactions continued to be subject to the targeted application of higher quality data and analysis tools.

These advancements would not have been possible without the exceptional contribution of the CRA's professional and dedicated employees. Since the beginning of the pandemic, I have witnessed the extraordinary work that CRA employees do every day to serve Canadians and put the most pressing needs of our clients first. I could not be prouder of the crucial assistance the CRA has provided and continues to provide to Canadians to carry them through in a time of need.

It is my pleasure to present the 2020–21 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 (CRA) Board of Management (the Board), I am pleased to recommend the 2020–21 Departmental Results Report to the Minister of National Revenue for tabling in Parliament.

The World Health Organization declared COVID-19 a pandemic in March 2020. The Board held its first COVID-19 update meeting the first week of April 2020 followed by regular weekly and then bi-weekly meetings with the CRA's management to offer support and discuss urgent matters. Throughout 2020–21, the Board, in partnership with the CRA, worked tirelessly to ensure Canadians continued to receive a world-class service that they have come to expect of the CRA.

During 2020–21, the Board remained focused on achieving the following five joint strategic priorities, while also working with the CRA management to resume its regular operations that were paused due to the pandemic:

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

The Board held 12 ad hoc meetings focused on COVID-19 impacts on the CRA and its employees over the course of the fiscal year. Board members recognized the tremendous pressures faced by the CRA, as it was called to administer many emergency relief benefits, in addition to providing routine tax-filing and benefit services to Canadians. I am proud of our accomplishments this year, especially with most of the CRA workforce having to adapt to a new virtual way of working, while also dealing with the impact of the pandemic in their personal lives. The CRA successfully delivered on the Government of Canada's emergency relief measures, processing approximately 64.1 million applications and paying approximately \$148.1 billion in benefits and subsidies for the ten relief measures.¹

The pandemic proved that the CRA is innovative and agile, and that key initiatives, such as the People First philosophy, are essential to its future and its services to Canadians. The CRA was able to securely connect most of its workforce remotely and resume its business operations with incredible velocity, all the while administering new benefit programs during tax filing season to support Canadians through the pandemic. The Board ensured that the CRA concentrated first and foremost on the well-being of its employees while also ensuring minimum disruption to services.

The Board worked with equal agility and velocity and met virtually exclusively throughout the year. It adapted its work plans and governance to ensure on-going

oversight and that key decisions were taken, while also balancing the need to minimize pressures on the CRA management and employees, who were working around the clock to manage the CRA operations.

The Chair of the Audit Committee worked closely with the CRA's Chief Audit Executive to develop a detailed COVID-19 risk impact analysis report to monitor and highlight top risks to the CRA. While the Board received weekly updates on the CRA's risks and mitigation strategies, it also received daily updates on the CRA operations from the CRA's Incident Management Committee, comprised of senior CRA executives. The launch of various emergency relief benefits by the Government placed a significant responsibility on the CRA's shoulders, especially its already busy call centres during the 2020 tax filing season. I am exceptionally proud of the CRA employees and management who worked tirelessly and to those who took on new workloads to support the call centres, as the CRA faced historic call volumes.

The Board oversaw the CRA pivot from a business continuity plan to a business resumption plan, and was particularly mindful of the need for the CRA to continue to assist vulnerable Canadians during the pandemic. For example, the CRA worked with partners, including Indigenous Services Canada, to make it easier for individuals to access benefits, by offering the CRA's Community Voluntary Income Tax Program (CVITP) virtually, through various community organizations.

The Board in partnership with CRA executives held its annual joint strategic development meeting virtually in June 2020 to discuss the future of the CRA, strategic priorities, and the CRA's aspirations and vision for 2030.

Under my leadership, the Board evaluated its effectiveness by means of the annual Board evaluation, reviewed the Board quarterly performance dashboard including its Governance Manual, and provided opportunities for Board members to strengthen their competencies by participating in Director Development events.

I am proud that over the past year the Board further strengthened its partnership with the Commissioner and the CRA management team while setting the strategic direction and vision for the CRA. I am thankful to the CRA employees who continue to demonstrate their dedication and resiliency in serving Canadians. The Board will continue to partner with and oversee the CRA as we move to a future full of opportunities.

Suzanne Gouin

Chair, Board of Management

Endnote

1 This includes the Canada Emergency Response Benefit (CERB); Canada Emergency Student Benefit (CESB); Canada Emergency Wage Subsidy (CEWS); Canada Emergency Rent Subsidy (CERS); Canada Recovery Benefit (CRB); Canada Recovery Caregiving Benefit (CRCB); Canada Recovery Sickness Benefit (CRSB); Temporary Wage Subsidy (TWS) and two one-time payments: an increase to the Canada Child Benefit (CCB) and a supplementary Goods and Services Tax/Harmonized Sales Tax (GST/HST) credit payment.



Message from the Commissioner

The unprecedented challenges of this past year required the Canada Revenue Agency (CRA) to shift its priorities to support the Government of Canada's relief measures to help Canadians cope with the COVID-19 pandemic. I am proud of the extraordinary effort of CRA employees and their dedication to the success of CRA programs and services while continuing to modernize its service offerings. Drawing on its People First philosophy, the CRA worked hard to live up to its commitment to empathetic, client-centred service experiences for Canadians.

The 2020–21 Departmental Results Report highlights how the CRA adapted to make it easier for Canadians to interact with it, access benefits and COVID-19 relief measures, and comply with their tax obligations. This report also identifies areas where results and commitments were not achieved. Despite the challenges presented by the pandemic, which caused delays in the implementation of some of the commitments the CRA had planned to deliver during 2020–21, it managed to meet many of its performance targets.

The CRA increased its investment in technology in 2020–21. It developed and implemented digital solutions to simplify access to services and minimize clients' administrative burden. To adapt to the COVID-19 pandemic, the CRA quickly pivoted to virtual outreach to effectively engage its partners and clients. Steps taken in recent years to modernize its information technology infrastructure and investments in digital services enabled the CRA to continue to provide information on filing a return and applying for benefits or credits, including for COVID-19. The CRA improved its presence on Canada.ca to make information easier to find and understand, including content about Canada's COVID-19 response and relief measures.

In 2020–21, the CRA further reduced the administrative burden on compliant large businesses. It concentrated on high risk, high dollar audit adjustments and closed lower risk cases at an earlier stage. The CRA also reduced its core collection and compliance activities so individuals and businesses could focus on the COVID-19 pandemic. Collections and compliance resources helped other areas of the CRA to administer benefits and contributed to its ability to address increased call volumes. Due to this pause in activities, the CRA's collection and compliance results were down substantially in 2020–21. Beginning in January 2021, the CRA resumed all core activities, with some resuming at reduced levels.

Despite the pandemic, the CRA implemented various planned measures to further protect Canada's tax base. In 2020–21, the CRA exchanged data with international partners to identify high net worth individuals, such as those claiming non-residency, who were avoiding paying domestic income tax. The CRA also improved its knowledge of compliance risks of new and emerging sectors of the digital economy, including cryptocurrencies. These activities position the CRA well as it continues to target non-compliance.

Canada's tax and benefit administration functions because Canadians place their trust in the CRA, a responsibility that it takes very seriously. In 2020–21, the CRA enhanced its technologies, processes, and controls to protect sensitive information from internal and external threats. For example, it implemented two factor authentication for internal and external users accessing the CRA systems. Its enterprise risk management program also enabled the CRA to address potential risks during the pandemic and adapt to new objectives more quickly.

In 2020–21, innovation at the CRA accelerated to effectively respond to the COVID-19 pandemic. The CRA launched its Innovation Accelerator to encourage employees to come forward with new ideas to address important challenges. It also experimented with emerging technologies, and Charlie the Chatbot 2.0 helped respond to clients' questions about Canada's COVID-19 response and relief measures.

In 2020–21, the CRA increased its investment in technology, by developing and implementing digital solutions to simplify access to CRA services and minimize clients' administrative burden.

As always, the CRA's employees ensure the success of its programs and services. Faced with ongoing uncertainty, CRA employees elevated their efforts in 2020–21. Ensuring that their work environment was healthy, inclusive, and respectful remained a priority. While there is more to do, in 2020–21, the CRA developed and began implementing the CRA Employment Equity, Diversity and Inclusion Action Plan following wide consultations with stakeholder groups to gain a range of perspectives about diversity, inclusion, and racism at the CRA. The CRA began to implement mandatory training on unconscious bias for members of staffing boards for Executive and Management groups, and increase the representation of Indigenous Peoples and visible minority groups on staffing boards.

I want to express my sincere appreciation to CRA employees for the exceptional work they do and for what they were able to accomplish for Canadians throughout 2020–21. Their flexibility and efficiency enabled the CRA to adapt quickly to new working realities while continuing to provide high quality services to Canadians. I am proud that the CRA has been named one of Canada's Top 100 Employers for the fourth year in a row, one of the Top 100 Employers for Canadians Over 40, and a top employer for young people. This is a testament to CRA employees, whose dedication ensures the success of all of the CRA's programs and services.

Bob Hamilton






Commissioner of the Canada Revenue Agency



Contents

Message from the Minister	iii
Foreword from the Chair	iv
Message from the Commissioner	vi
Results at a glance	10
Core responsibilities	19
Results	32
Providing a seamless service experience	32
Maintaining fairness in Canada's tax and benefits administration	40
Strengthening trust, transparency and accountability	46
Enabling innovation	52
Empowering the CRA's people to excel	56
Board of Management results	62
Analysis of trends in spending and human resources	67
Corporate information	75
Appendix: definitions	80

Throughout this report, areas of focus for the CRA are highlighted by the icons described in the following table.

	<p>This icon identifies CRA service improvements. Improving service to Canadians is a core priority. The CRA strives to always provide a positive experience, regardless of the nature of a client’s interaction with the CRA.</p>
	<p>This icon identifies areas of experimentation and innovation. The CRA is committed to maintaining an environment where employees feel they can introduce innovative ideas and to experiment with new ways to address outstanding issues and provide taxpayers and benefit recipients the best possible service.</p>
	<p>This icon identifies areas of interest with regard to Gender-based Analysis Plus (GBA Plus). Gender equality, diversity, and inclusion are key priorities for the Government of Canada. The CRA is committed to GBA Plus as part of good program analysis and informed decision-making. Applying GBA Plus ensures outcomes improve for all Canadians, including the most vulnerable.</p>
	<p>This icon identifies results related to social responsibility and sustainable development. The CRA supports initiatives that contribute to local communities and is committed to modifying its operations in ways that improve its environmental impact.</p>
	<p>This icon identifies the Taxpayer Bill of Rights (TBR). The TBR is a vital part of the CRA’s service transformation to be client-centric, fairer, and more supportive.</p>



Results at a glance

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 clients with the support and information they need to understand and fulfill their tax obligations, by taking compliance and enforcement actions when necessary to uphold the integrity of the system, and by offering avenues for redress when clients disagree with an assessment or decision.

Benefits

Clients 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.

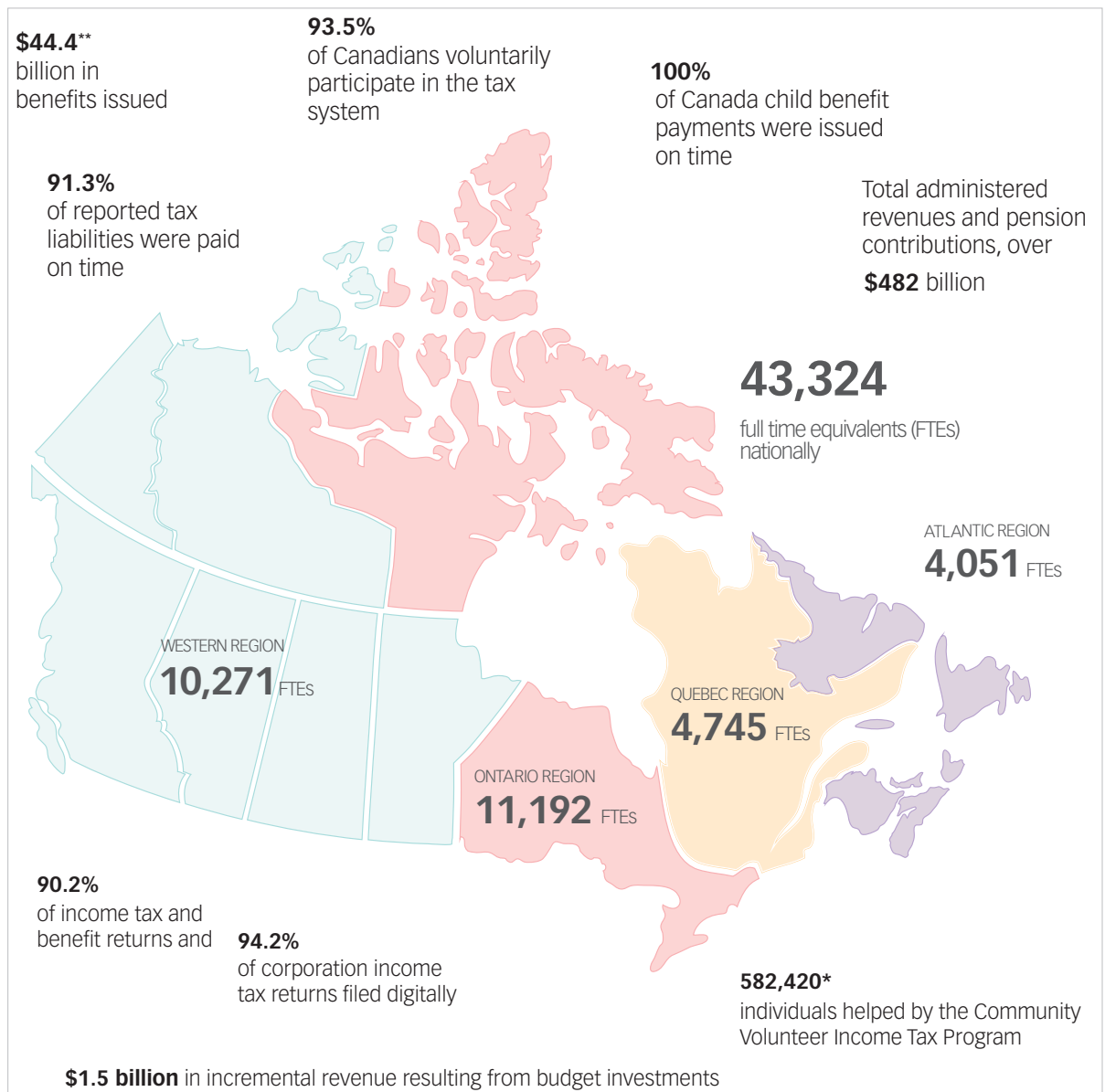
Performance Summary

In the 2020–21 fiscal year (April 1, 2020 – March 31, 2021), the CRA identified five strategic priorities to help achieve its core responsibilities:

- 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

In pursuing these priorities, the CRA achieved the following key results:

- met or mostly met 67% of external service standards targets (target 90%)
- sent a total of 366,174 letters to Canadians who had not filed their 2018 taxes to inform them of the benefits and credits they were eligible for
- enabled clients to view more of their tax information on the My Business Account online portal
- continued to offer personalized services and outreach virtually during the COVID-19 pandemic:
 - the Benefits Outreach Program conducted 3,431 virtual outreach activities, including 65 with Indigenous communities
 - the Liaison Officer Service contacted 160,000 businesses and held 502 virtual group seminars



* May 16, 2020, to May 15, 2021

** Includes COVID-19 economic response plan top-up amounts for the GST/HST credit and the Canada child benefit.

- implemented measures to strengthen the protection of personal information, including the enhancement of the Enterprise Fraud Management Solution to proactively monitor user actions on CRA systems
- responded quickly to the summer 2020 cyber incidents, experienced by the CRA and the Government of Canada, by taking action to uphold the integrity and security of taxpayer information and accounts. The CRA also works with its government counterparts, including the Canadian Centre for Cyber Security and the Treasury Board of Canada Secretariat to continue to respond to attacks on CRA's online systems

- 85.8% of individual income taxes were paid on time
- The CRA issued over \$44.4 billion in federal, provincial, and territorial benefits
- The CRA administered over \$482 billion in revenues and pension contributions

- approved a three year innovation plan and also committed \$10 million to an Innovation Fund to support experimentation over the next three years
- worked to support the government's reconciliation mandate by implementing a strategy for the recruitment, inclusion and retention of Indigenous peoples

In carrying out its core responsibilities, the CRA used 14 indicators to measure its progress in achieving its departmental results. It set targets for 13 of these indicators:

- six met their target
- six did not meet their target
- data was unavailable for one indicator

In working toward these results, the CRA's actual spending was \$9,983,977,939 and its actual full-time equivalents were 43,324.

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

COVID-19

Administering emergency measures

On March 11, 2020, the World Health Organization declared the COVID-19 pandemic. On March 12, 2020 the CRA activated its Incident Management Committee and on March 15, 2020, the CRA activated its National COVID-19 Business Continuity Plan to ensure that it could continue to support Canadians with the delivery of critical services¹ during the pandemic. Decisions were taken from the perspective of ensuring business continuity as well as the support and safety of the CRA's workforce, but also to manage the CRA's contribution to the broader Government of Canada response, especially as it related to helping Canadian individuals and businesses cope with the economic impacts of the pandemic.

The CRA demonstrated its capacity and agility by rapidly launching new programs and modernizing its service offerings. For example, it implemented the Canada Emergency Rent Subsidy (CERS) in November 2020, within 6 weeks of its announcement by the Deputy Prime Minister and Minister of Finance.

Benefits administered by the CRA helped to reduce the financial burden on Canadians generated by the pandemic. In addition, measures such as extensions to the CRA's filing and payment deadlines helped provide flexibility to Canadians experiencing hardship. The CRA played a key role in ensuring changes to existing programs were compassionate and implemented in a timely manner.

The activation of the National Business Continuity Plan and the work from home directive for employees, impacted the delivery of the CRA's programs and services. Most tax compliance programs and corporate functions were initially suspended as the CRA focused on the administration of the new and supplementary benefits and the delivery of critical services. As the internal and external environment evolved, the business continuity plan was updated to reactivate certain services and modify work restrictions for employees. However, most CRA employees continued to operate in a virtual environment.

The CRA successfully delivered on the Government of Canada's ten emergency relief measures, processing approximately 64.1 million applications and paying approximately \$148.1 billion in benefits and subsidies.³

The tables below show the benefits and subsidies that the CRA administered in 2020–21, as part of the Government of Canada's Economic Response Plan.² Additional COVID-19 measures, as they relate to the achievement of the CRA's priorities and objectives are reported in the Results section.

Table 1: Benefits introduced for individuals in 2020–21 and 2019–20 benefits continued into 2020–21

Benefit	Description	Outcomes
Benefits introduced in 2020–21		
Canada Recovery Benefit (CRB)	The CRB became effective September 27, 2020. The CRB provided income support to employed and self-employed individuals who experienced a 50% reduction in average weekly income due to COVID-19 and were not entitled to Employment Insurance benefits.	As of March 31, 2021, the CRA had received 14.1 million applications for the CRB, with a total of \$14.1 billion in benefits delivered.
Canada Recovery Caregiving Benefit (CRCB)	The CRCB became effective on September 27, 2020. The CRCB provided income support to employed and self-employed individuals who were unable to work because they had to care for a child under 12 years old or a family member who needed supervised care.	As of March 31, 2021, the CRA had received over 3.8 million applications for the CRCB, with a total of \$1.9 billion in benefits delivered.
Canada Recovery Sickness Benefit (CRSB)	The CRSB became effective on September 27, 2020. CRSB provided income support to employed and self-employed individuals who were unable to work because they were sick or needed to self-isolate due to COVID-19, or had an underlying health condition that put them at greater risk of getting COVID-19.	As of March 31, 2021, the CRA had received over 0.80 million applications for the CRSB, with a total of \$0.40 billion in benefits delivered.

Benefit	Description	Outcomes
Supplementary GST/HST credit payment	A one-time supplementary Goods and Services Tax/Harmonized Sales Tax (GST/HST) credit payment was issued on April 9, 2020, to provide additional income support for low-income individuals.	As of May 31, 2020, 13 million one-time special GST/HST credit payments totalling \$5.4 billion were delivered.
Increase to the Canada Child Benefit (CCB) payment	A one-time increase to the CCB payment was provided on May 20, 2020, of up to \$300 per child for the July 2019 to June 2020 benefit year to provide additional support for families with children.	As of May 31, 2020, 3.8 million one-time CCB payments totalling \$2.0 billion were delivered.
Benefits introduced in 2019–20 and continued into 2020–21		
Canada Emergency Response Benefit (CERB)	The CERB was announced on March 25, 2020, and provided financial support to employed and self-employed Canadians who were directly affected by COVID-19. The CERB ended September 27, 2020.	As of March 31, 2021, the CRA had received over 22.7 million applications for the CERB, with a total of \$45.3 billion in benefits delivered.
Canada Emergency Student Benefit (CESB)	The CESB was announced on March 18, 2020, and provided financial support to post-secondary students, and recent post-secondary and high school graduates who were unable to find work due to COVID-19. The CESB closed to applications on September 30, 2020.	As of October 4, 2020, the CRA had received over 2.1 million applications for the CESB, with a total of \$2.9 billion in benefits delivered.

In addition to administering these benefits, the CRA gave information to Employment and Social Development Canada (ESDC) on individuals eligible for the Disability Tax Credit (DTC) in the 2020 tax year. This helped to support ESDC to deliver a one-time tax-free payment of up to \$600 to eligible individuals with disabilities.

Table 2: Subsidies for businesses introduced in 2020–21 and 2019–20 subsidies continued into 2020–21

Subsidy	Description	Outcomes
Subsidy introduced in 2020–21		
Canada Emergency Rent Subsidy (CERS)	The CERS was announced on October 9, 2020. It covers part of Canadian businesses, non-profit organizations, or charities commercial rent or property expenses.	As of March 31, 2021, the CRA had approved 0.66 million applications for the CERS, with a total of \$2.6 billion in benefits delivered.

Subsidy	Description	Outcomes
Subsidies introduced in 2019-20 and carried into 2020–21		
Canada Emergency Wage Subsidy (CEWS)	The CEWS was introduced on March 27, 2020, for an initial period of twelve weeks to help businesses support employees and protect jobs. Subsequently, adjustments were made to expand the reach of the program.	As of March 31, 2021, the CRA had approved 3.1 million applications with a total of \$73.2 billion in payments, assisting over 440 thousand businesses support employers and protect jobs.
Temporary Wage Subsidy (TWS)	<p>The TWS was introduced on March 25, 2020, and provides savings to employers by reducing the amount of income tax remittances to the CRA on workers' wages for the period March 18 to June 19, 2020.</p> <p>The 10% TWS self-identification form for employers was released as a fillable online form and in the My Business Account portal on July 27, 2020.</p>	As of March 31, 2021, 58,000 forms have been processed with a total of over \$266 million in credit.

The CRA is committed to maintaining a balance between making emergency funds accessible to businesses who urgently need this support, and preserving the fairness and integrity of the tax system, while administering the rules adopted by Parliament. The CRA does its due diligence and ensures those receiving emergency response benefits are in fact eligible for them. The CEWS comprehensive audit program, for example, consists of many compliance activities, including automatic and manual pre-payment verification, post payment audits, a claimant registry and repayment opportunities.

The CRA worked with businesses and stakeholder organizations as the CRA's response to the COVID-19 pandemic evolved. For example, in 2020–21, the CRA:

- hosted or participated in 47 interactive question and answer sessions for small and medium businesses, employers and stakeholder organizations to provide updates and clarification on the COVID-19 relief measures and to seek feedback on the measures and their delivery. These sessions reached over 19,000 participants and engaged over 16,500 unique organizations
- published guidance to help applicants apply for benefits. The CRA had more frequent informal discussions with stakeholders to ensure any concerns would be addressed in a timely manner
- worked with financial institutions and the Office of the Superintendent in Bankruptcy to suspend and resume certain collections and compliance activities to minimize the financial burden on Canadians
- participated in a Canadian Federation of Independent Business webinar to provide clarity on the CERS subsidy
- worked with community organizations and volunteers participating in the Community Volunteer Income Tax Program to implement and host virtual tax preparation clinics for vulnerable individuals to help them file their taxes and access the benefits and credits they were eligible for
- recognized electronic signatures to reduce the need for taxpayers and tax preparers to meet in person

The CRA administers provincial and territorial tax programs, benefits, and credits for taxpayers across most Canadian jurisdictions. The most notable exception is Quebec, which administers their provincial tax programs in parallel with the CRA. The risk of miscommunication between the CRA's federal, provincial and territorial partners increased considerably given how rapidly the COVID-19 situation was evolving.

In response, the CRA:

- increased the frequency of formal meetings to make sure the CRA's provincial and territorial partners were informed of its plans before decisions were made
- worked closely with its partners in Quebec to ensure that the relief measures announced in the COVID-19 Economic Response Plan were aligned with similar measures being announced by the Government of Quebec. This included coordinating responses, aligning perspectives between organizations, and clarifying ambiguities before announcements were made
- worked with the Government of Alberta, which administers the corporate income tax program, to coordinate relief measures for the corporate sector
- provided provinces and territories with data on the CRA's COVID-19 relief measures and regular updates on measures being implemented to the benefit and credit programs, such as the introduction of various contingency measures aimed at ensuring individuals were not negatively impacted by an extension to the income tax return filing deadline

The CRA also offered support to provinces and territories in administering modifications to their existing programs. As examples, the CRA supported the implementation of these additional measures:

- British Columbia extended certain time limits for tax credits, including the film and television, book publishing and interactive digital media tax credits, by six months
- Saskatchewan reduced its small business tax rate from 2% to 0%, beginning October 1, 2020; and will slowly increase the rate throughout pandemic recovery to 1% beginning July 1, 2022, and then back to its current rate of 2% beginning July 1, 2023
- Nova Scotia provided a one-time extension of the filing deadline for time limits with respect to the research and development tax credit. The time limit was extended by six months
- Ontario extended the time periods for the timing of eligible labour expenditures for the book publishing tax credit. It temporarily allowed an additional 24 months to meet the minimum spending requirements threshold for eligible expenditures incurred during the 2020 and 2021 tax years for the Ontario production services tax credit, the Ontario film and television tax credit, and the Ontario interactive media tax credit. It also extended the period for the Ontario research and development tax credit and introduced the regional opportunities investment tax credit.

The CRA also expanded its secure electronic exchange of documents with international partners to share guidance and best practices on tax administration responses to COVID-19, including the implementation of fiscal measures and ensuring business continuity. It also collaborated with international partners on emerging trends related to the pandemic and shared best practices in managing the impacts of the pandemic.

Impact on operations

The activation of the National Business Continuity Plan to address the COVID-19 pandemic significantly changed the CRA's work environment. By activating the plan and focusing on the delivery of critical services, the work of thousands of employees who were providing public-facing and enabling services to Canadians and internal stakeholders was either suspended or changed. In response, the CRA adjusted the way it delivered the programs and services on which Canadians depended.

Approximately 95% of employees who were performing critical services were working from home. The shift to work-from-home posed a risk to service delivery as employees were no longer able to receive or send mail or faxes to taxpayers and many call centre agents were no longer able to respond to taxpayer questions.

To address these risks and continue to deliver critical services, as well as deal with the additional workload associated with the new COVID-19 benefits, the CRA quickly expanded remote work capabilities and deployed technologies and equipment so that employees had the tools necessary to continue providing client-centric service and innovate in response to the pandemic.

Call centres are an important piece of the service delivery experience for many Canadians. Call centres were already receiving a high volume of calls when the Government announced its COVID-19 Economic Response Plan. The pandemic declaration, the numerous announcements about changes to CRA services and the new relief measures increased the volume of calls made to CRA call centres. This put a strain on call centre infrastructure and agents. The CRA implemented two key solutions to mitigate the risk to business continuity:

- supplemented the existing call centre technology infrastructure to handle the increased volume of calls and to enable an increased number of simultaneous agents that could be supported by the systems
- reassigned employees who were not delivering critical services to act as temporary call centre agents in support of the new emergency relief measures. In response to a national call in March 2020, approximately 7,000 employees agreed to change functions to ensure that Canadians and businesses could continue to be supported. Of these, nearly 4,000 employees were reassigned as temporary call centre agents in the following weeks and months

The CRA continued to demonstrate its commitment to its People First philosophy by placing the health, safety and security of its workforce as a primary strategic objective. The work from home directive, issued early in the pandemic, was instituted to respect public health guidelines to reduce the risk of exposing employees, volunteers and taxpayers to COVID-19. The CRA also developed a tracking tool to track employees who tested positive for COVID-19 or had been in contact with someone who tested positive and ensured that sound protocols were in place for employees who needed to go to the office.

In response to a national call, approximately 7,000 employees agreed to change functions and act as temporary call centre agents to support the new emergency relief measures and to ensure continued support to Canadians.

The CRA continually monitored the productivity and mental health concerns of employees and their managers. It developed additional resources and reminded employees of the services available to support their well-being. The CRA kept employees informed about the pandemic disruption, sharing timelines, plans and updates as they were available. Greater detail on the actions taken by the CRA to support its managers and employees during 2020–21 is found in the section Empowering the CRA's people to excel.

Business resumption

Beginning in April 2020, the CRA started preparations to transition towards resuming full business operations. The National Business Resumption Plan was announced on June 29, 2020, which mapped out the initial steps to resume operations. The plan took a phased approach, guided by four business resumption principles: health and safety; fair treatment of clients; service as a priority; and, communication and transparency. Throughout 2020–21, the CRA monitored the evolution of COVID-19 and adjusted the plan, as necessary, to respond to changing public health requirements.

Under the Plan, in 2020–21, the CRA's employees continued to focus on the new emergency measures while other tax programs that had yet to be activated at full strength would be resumed in a phased manner. In 2020–21, core compliance and collections activities resumed in a strategic, empathetic and people-first manner. The CRA collections approach placed a stronger emphasis on empathizing with the individual circumstances of debtors, recognizing that Canadians have been impacted in many ways by COVID-19. The full scope of collection activities only gradually resumed in January 2021, and by mid-February, all collection activities had resumed while continuing with a people first, empathetic approach.

Conclusion

To support Canadians and businesses facing hardship as a result of the pandemic, in 2020–21, the CRA demonstrated its agility by mobilizing its employees and allocating resources to administering new programs and programs launched in 2019–20, while continuing to provide critical services to Canadians. The CRA's work in recent years to transform into a client-centric, digital organization positioned it well to respond and support Canadians. However, the magnitude of the response to COVID-19 and the need to adapt to the changing public health and economic circumstances had a significant impact on operations. The CRA empowered its employees by providing them with the technology and tools to enable them to work remotely, while supporting their well-being.



Endnotes

- 1 Critical services are services that if compromised, in terms of availability or integrity, would result in a high degree of injury to the health, safety, security or economic well-being of Canadians, or to the effective functioning of the Government of Canada. As the external situation evolved, the CRA reviewed and adjusted critical service priorities and associated strategies as needed.
- 2 The total dollar amounts paid, as reported for the benefits and subsidies in the following tables, are based on applications received and processed. As a result, except for the Canada Emergency Student Benefit and the Supplementary GST/HST credit payments, they may differ from the information presented in the CRA's audited financial statements for Administered Activities.
- 3 This includes the Canada Emergency Response Benefit (CERB); Canada Emergency Student Benefit (CESB); Canada Emergency Wage Subsidy (CEWS); Canada Emergency Rent Subsidy (CERS); Canada Recovery Benefit (CRB); Canada Recovery Caregiving Benefit (CRCB); Canada Recovery Sickness Benefit (CRSB); Temporary Wage Subsidy (TWS) and two one-time payments: an increase to the Canada Child Benefit (CCB) and a supplementary Goods and Services Tax/ Harmonized Sales Tax (GST/HST) credit payment.



Core responsibilities

Tax

Description: The CRA's core responsibility for tax is to ensure that Canada's self-assessment tax system is sustained by providing clients with the support and information they need to understand and fulfill their tax obligations. The CRA also takes compliance and enforcement actions when necessary to uphold the integrity of the system. When clients disagree with an assessment or decision we have made, the CRA offers avenues for redress.

Departmental result	Indicator	2018–19 result	2019–20 result	2020–21 target	2020–21 result
Canadians voluntarily comply with their tax obligations, non-compliance is addressed, and Canadians have trust in the CRA	Percentage of individual tax returns filed on time	91%	91%	90%	85.8% ¹
	Percentage of businesses registered for GST/HST	N/A	N/A	TBD ²	88.7%
	Percentage of reported tax liabilities paid on time	N/A ³	91.7%	91.2%	91.3%
	Percentage of external service standards targets that are met or mostly met ⁴	83%	87%	90%	67% ⁵
	Service satisfaction index ⁶	N/A	N/A	At least 8.1 ⁷	8.1
	Public perception index: Trust	N/A	N/A	At least 7.8 ⁸	7.9
	Percentage of Canadians who participate in the tax system	N/A ⁹	93.6%	92.8%	93.5%
	Ratio of collectible tax debt to total net receipts (cash accounting)	N/A ¹⁰	18.7%	19.6% or below	21.4% ¹¹
	Number of individuals helped by the Community Volunteer Income Tax Program	N/A ¹²	407,408 ¹³	873,000	582,420 ¹⁴
	Incremental revenue resulting from budget investments	\$1.99B	\$2.09B	\$1.7B	\$1.5B ¹⁵
	Incremental debt collected (resolved) resulting from Budget 2016 investments	\$1.9B	\$2.0B ¹⁶	\$7.4B	\$N/A ¹⁷

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

	2020-21 Main Estimates	2020-21 Planned spending	2020-21 Total authorities available for use ¹⁸	2020-21 Actual spending ¹⁹ (authorities used)	2020-21 Difference (actual minus planned)
\$	3,264,289,968	3,264,289,968	4,125,750,377	3,888,255,191	623,965,223
FTE ²⁰		34,319		35,418	1,099

Benefits

Description: The CRA's core responsibility for benefits is to ensure that clients 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	2018-19 result	2019-20 result	2020-21 target	2020-21 result
Canadians receive their rightful benefits in a timely manner.	Percentage of Canada child benefit (CCB) payments issued to recipients on time	100%	100%	100%	100%
	Percentage of respondents satisfied with overall benefits experience	N/A ²¹	N/A ²²	75%	87%
	Percentage of taxpayers (benefit recipients) who filed a return as a result of targeted CRA intervention	7.9%	9.5%	10%	9.0% ²³

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

	2020-21 Main Estimates	2020-21 Planned spending	2020-21 Total authorities available for use ^{24,25}	2020-21 Actual spending ^{26,27} (authorities used)	2020-21 Difference (actual minus planned)
\$	3,929,115,162	3,929,115,162	5,165,705,122	5,147,281,794	1,218,166,632
FTE ²⁸		1,433		1,463	30

Financial, human resources and performance information for the CRA's Program Inventory is available in [GC InfoBase](#)²⁹.

Internal services

Description: Internal services are those groups of related activities and resources that the federal government considers to be services in support of programs and/or required to meet corporate obligations of an organization. Internal services refer to the

activities and resources of ten distinct service categories that support program delivery in the organization, regardless of the internal services model in an agency or department. These services are: acquisition management services, communications services, financial management services, human resources management services, information management services, information technology services, legal services, materiel management services, management and oversight services, and real property management services.

Budgetary financial resources (dollars)

	2020-21 Main Estimates	2020-21 Planned spending	2020-21 Total authorities available for use ³⁰	2020-21 Actual spending ³¹ (authorities used)	2020-21 Difference (actual minus planned)
\$	742,806,006	742,806,006	1,175,287,965	943,846,313	201,040,307
FTE ³²		6,005		6,410	405

Key Risks

The CRA continuously monitors its internal and external environments for events that could impact the achievement of its priorities and objectives. The CRA's enterprise risk management program is agile and well-established. Enterprise risk management creates an environment where intelligent risk-taking can contribute to 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.

As a result of the COVID-19 pandemic, the CRA increased the frequency of its updates on enterprise risks, as well as its reporting to senior management and the Board of Management. Through the 2020–21 year, a Risk and Control Dashboard was developed to address potential risks to the CRA during the pandemic and to help the CRA adapt to new objectives at a faster pace than ever before and during a period of great uncertainty. This internal tool guided regular discussions on the corporate risks and on appropriate actions to reduce the risks when the CRA prioritized essential services during COVID-19. The CRA has since started enterprise risk assessment updates through the re-designed quarterly Corporate Risk Profile reporting process, which incorporates important lessons-learned from the pandemic.

The table below highlights some of the key risks that influenced the CRA's ability to meet its objectives. 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.

Risks	Mitigating strategy and effectiveness	Link to the CRA's core responsibilities	Link to CRA priorities, mandate letter commitments or government-wide priorities
<p>Tax debt</p> <p>There is a risk that the growth of the tax debt will outpace the growth of revenues.</p>	<ul style="list-style-type: none"> Reduce the CRA's risk exposure to tax debt by improving its ability to collect outstanding tax debts through various initiatives and strategies 	Tax	<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>

Risks	Mitigating strategy and effectiveness	Link to the CRA's core responsibilities	Link to CRA priorities, mandate letter commitments or government-wide priorities
<p>Cybersecurity</p> <p>There is a risk that cyber threats will compromise CRA IT systems, services, and taxpayer information.</p>	<ul style="list-style-type: none"> • Continue to implement the Data Security Initiative to further reduce the risk of data being shared with unauthorized parties • Advance 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 to detect threats • Prevent unintentional or malicious data loss through the Data Loss Prevention Project • Require multi-factor authentication to prevent fraudulent account access via the CRA login services 	<p>Tax, benefits and internal services</p>	<p>CRA priorities: Providing a seamless service experience</p> <p>Strengthening trust, transparency, and accountability</p> <p>Mandate letter commitment: Improve the protection of taxpayer information against external and internal threats</p> <p>Government-wide priorities: Government of Canada Strategic Plan for Information Management and Information Technology 2020 to 2023</p> <p>Government of Canada Digital Operations Strategic Plan: 2021-2024</p>
<p>Protection of taxpayer information</p> <p>There is a risk that the CRA will unintentionally release, lose or compromise taxpayer information.</p>	<ul style="list-style-type: none"> • Use of software that supports the detection, analytics, and management of internal network traffic • Use of controls to initiate, record, and manage user identities and related access permissions • Use encryption software on computers and removable media, and secure access and tracking during information transportation 	<p>Tax and benefits</p>	<p>CRA priority: Strengthening trust, transparency, and accountability</p> <p>Mandate letter commitment: Improve the protection of taxpayer information against external and internal threats</p> <p>Government-wide priority: Budget 2018 included \$30 million over 5 years to enhance security measures that protect the confidentiality of sensitive information.</p>

Risks	Mitigating strategy and effectiveness	Link to the CRA's core responsibilities	Link to CRA priorities, mandate letter commitments or government-wide priorities
<p>Service experience</p> <p>There is a risk that the CRA's services and client interactions will not meet the expectations of those it serves, both internally and externally.</p>	<ul style="list-style-type: none"> • Implement initiatives to address external client service, including Budget 2018 and 2019 commitments • Integrate client experience considerations in all stages of interactions, from testing user experience in the design phase to monitoring service satisfaction indicators • Use empathetic, service-oriented, and People First principles to guide all client interactions and improve services • Administer multiple emergency and recovery benefits on behalf of the Government of Canada to support individuals and businesses facing hardship due to COVID-19 	<p>Tax, benefits and internal services</p>	<p>CRA priority: Providing a seamless service experience</p> <p>Mandate letter commitments: Continue to modernize the CRA and make it client-based. Work with the Minister of Digital Government on additional steps as required to meaningfully improve the satisfaction of Canadians with the quality, timeliness and accuracy of services they receive from the CRA.</p> <p>Government-wide priorities: Government of Canada Digital Operations Strategic Plan: 2021-2024. Budget 2018 and 2019 contained commitments to ensure that CRA services are fairer, more helpful, and easier to use; Government of Canada Service Strategy.</p>
<p>Reputation management</p> <p>There is a risk that the CRA's public image will be impacted by ineffective, uncoordinated and unresponsive communications with taxpayers, businesses, benefit recipients, tax intermediaries and other stakeholders.</p>	<ul style="list-style-type: none"> • Implement findings of Public Opinion Research and consultation, and proactively engage stakeholders • Leverage usability testing, content optimization, and data analytics, to improve the CRA's web pages 	<p>Tax and benefits</p>	<p>CRA priority: Strengthening trust, transparency, and accountability</p> <p>Mandate letter commitments: Continue your work to modernize the CRA and make it client-based, including to ensure correspondence and other communications are straightforward and easy to read.</p> <p>Work with the private sector and community organizations to identify innovative ways to help Canadians access COVID-19-related benefits and navigate their tax returns</p>

Risks	Mitigating strategy and effectiveness	Link to the CRA's core responsibilities	Link to CRA priorities, mandate letter commitments or government-wide priorities
<p>Employee health, well-being, and safety</p> <p>There is a risk that employees may become disengaged and less productive if they do not feel that the CRA has adequately demonstrated through its actions, that addressing workplace and workforce well-being is a priority for senior management.</p>	<ul style="list-style-type: none"> • The Employee Assistance Program is available to employees 24 hours a day, 7 days a week to provide support for employees' mental well-being • Implement accommodation needs for those working from home • Consult regularly with the National Health and Safety Committee, which includes employer and employee representatives • Implement additional pandemic safety measures, such as providing cloth masks to employees who must report to CRA worksites and increased site cleaning 	<p>Internal services</p>	<p>CRA priority: Empowering our people to excel</p> <p>Government-wide priorities: Federal Public Service Workplace Mental Health Strategy; the Joint Task Force on Mental Health; Beyond2020; and Bill C-65 [An Act to amend the Canada Labour Code (harassment and violence)]</p>

Developing relationships with external partners

The CRA has formed a partnership with the Organization for Economic Co-operation and Development (OECD) Forum on Tax Administration (FTA). In collaboration with the OECD FTA, the CRA developed a reputational risk management maturity model featured in the July 2020 report, *Enhancing Reputational Risk Management*, published on the OECD's Forum on Tax Administration communities of Interest Series website. The model can help tax administrations gain insight into the maturity of their reputational risk management practices. The report also provides information on two tools developed by the CRA to help tax administrations actively protect against significant sources of reputational risk.

Inspired by the CRA's work on reputational risk management, the Internal Revenue Service of the United States began work on a pilot in 2020 for an Enterprise Risk Management (ERM) Maturity Model. The model was refined in 2021 through collaboration with colleagues in the OECD FTA Enterprise Risk Management Community of Interest (COI), including the CRA. The ERM Maturity Model, published by the OECD in February 2021, provides tax administrations with a new diagnostic tool to self-assess their capacity and capability to manage operational risks across their organizations. The ERM Maturity Model pilot provided the CRA with an opportunity to review its risk management function and benchmark it against 27 other tax administrations. Overall, the findings have shown that the CRA's ERM Maturity Model is a leading and established model in comparison to its peers. The results of the CRA's self-assessment are encouraging as they reflect the strength and maturity of the Agency's enterprise risk management function.



Gender-based Analysis Plus (GBA Plus)

Gender-based Analysis Plus (GBA Plus) is a tool for understanding how multiple factors, such as race, ethnicity, sexuality, gender, religion, mental and physical disability, sexual orientation, education, geography, income, language, culture, and age, shape health, social, and economic outcomes for people, as well as access to programs and services. At the Canada Revenue Agency, GBA Plus

helps inform the design and implementation of the CRA's policies, programs and other initiatives so that they are inclusive and responsive to the different needs of people, and so that progress is made in eliminating inequalities in Canada.

Recognizing that ensuring inclusive programming is a social responsibility, the CRA is committed to playing a leadership role in the area of GBA Plus. The GBA Plus Centre of Expertise (CoE) at the CRA is working with branches to raise awareness of GBA Plus requirements. To support the Government of Canada's priority for a more robust GBA Plus analysis, the CRA developed the GBA Plus Action Plan 2019–22 organized around five key goals:

- increase CRA awareness
- collaborate with key partners
- increase application of GBA Plus
- increase GBA Plus capacity and improve quality
- improve performance measurement and data quality

The overall aim of the plan is to close existing gaps and ensure that GBA Plus is integrated more rigorously and consistently across the organization. This will help inform decision-making and ensure CRA programs do not inadvertently negatively impact clients served. To fulfill the commitment of implementing GBA Plus across the organization, in 2020–21, the CRA undertook GBA Plus assessments of its policies, programs, and services to ensure that they were developed with equality, diversity and inclusion in mind.

Additionally, the CRA participates in the Gender Balance Network led by the Organisation for Economic Co-operation and Development. This is an international network that provides information and examples of addressing disparities and closing the gender gap, particularly in leadership positions where historically women have been underrepresented compared to men.

Experimentation



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 2020–21, 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.

T1 processing educational nudge campaign experiment

The CRA employed an educational nudge campaign that used information letters to educate taxpayers about claims and deductions made on their 2019 tax returns. The objective was to elicit a response from the recipients of the educational letters that would lead them to voluntarily and correctly request adjustments to their tax returns. The campaign targeted taxpayers who had a 2018 claim denied or adjusted by the Processing Review program and who made a claim for the same field on their 2019 return. Randomized Controlled Trials were used to evaluate the effectiveness of the educational letters, which demonstrated that the campaign had a somewhat positive effect with a small proportion (fewer than 1%) making voluntary adjustments to their 2019 returns. Future nudge campaigns will be enhanced with first, a greater understanding of similarities and differences in the target population, and second, with larger sample sizes.

Mitigating excess online traffic in the roll-out of the Canada Emergency Response Benefit

In preparation for the launch of the Canada Emergency Response Benefit (CERB) in March 2020, there was a concern that the CRA's system would not have sufficient capacity to handle what was expected to be unusually high online traffic from applicants seeking to enroll in the CERB. To manage the volume of online traffic, behavioural economics techniques were used to help applicants enter a manageable queue based on their month of birth. The CRA's communications efforts emphasized this ordered approach to queuing for the CERB, and the website was designed to lead an applicant to select the suggested day to apply. This helped distribute the volume of applicants over time and meant that the CRA's system would not be overloaded due to high volumes of applicants rushing to apply. The CRA's data analysis confirmed that the attempt to distribute applicants according to their month of birth succeeded in the crucial initial ramp-up period of applications when the system was most at risk, resulting in the effective and expedited delivery of the benefit.

Using machine learning to identify offshore non-compliance

This project experimented with machine-learning methods and information extracted from the CRA's historical data to develop new methods for assessing non-compliance related to offshore financial assets and income of T1 filers. The CRA's modelling experimentations focused on various sampling strategies, decision tree models and model averaging techniques. This experimentation took historical data of high income earners with foreign income/assets to use within the CRA's models to identify patterns associated with compliance and non-compliance behaviours. This proof of concept experimentation identified important factors needed to assess non-compliance risk.

2030 Agenda for Sustainable Development



The CRA is working with its partners and stakeholders to advance the United Nations [2030 Agenda for Sustainable Development](#)³³ through concrete contributions to two of the 17 Sustainable Development Goals (SDGs):

- Goal 1 – to end poverty in all its forms everywhere
- Goal 16 –to promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Aligned to the central, transformative promise of the 2030 Agenda to leave no one behind and its sustainable development goals, the CRA works to ensure that vulnerable segments of the Canadian population (Indigenous peoples, newcomers and refugees, seniors, youth, persons with disabilities, housing insecure, and individuals with a modest income) receive the benefits and credits for which they are eligible.

The CRA contributes to Goal 1 by delivering benefit programs and tax credits for the federal government and most provincial and territorial governments. It also administers programs to help ensure that vulnerable Canadians have the information and support they need to access the benefits and credits to which they are entitled. For example, the following contribute directly to poverty reduction efforts:

- [Canada Child Benefit](#)³⁴ (CCB) gives more money to families who need it most by providing tax free support to low and middle-income families to help with the cost of raising children
- [Community Volunteer Income Tax Program](#)³⁵ (CVITP) works in collaboration with community organizations, supporting free volunteer-based tax preparation clinics for individuals with a modest income and simple tax situation. These clinics help eligible individuals file their tax returns to access the benefits and credits designed to support them. The CVITP works to reduce the barriers

that prevent individuals from filing a return, including the cost of engaging tax preparation assistance, limited financial and technological literacy, the perception that filing is complicated, and not wanting to make an error on a tax return

- [Northern Service Centres](#)³⁶ support individuals and businesses in the Yukon, Northwest Territories and Nunavut. In 2020-21, due to COVID-19, the Service Centre employees supported individuals and community organizations virtually by:
 - directing clients to free tax clinics
 - answering questions and distributing information related to benefits and credits individuals should receive
 - assisting clients with CRA communications (e.g., letters from the CRA), promoting and supporting the CVITP
 - helping clients access CRA's digital services, including obtaining an access code for My Account, registering for My Account, and submitting documents online
- Residents of the Territories (with the 867 area code) can also call the dedicated individual and benefit enquiries or the business enquiries telephone line for access to agents who can assist with tax and benefit related questions. These dedicated phone lines connect residents with experts in northern tax issues
- File My Return service is a free, secure, and easy to use service that allows individuals with a low or fixed income to use an automated phone service to auto-file their income tax and benefit return. Recently, the CRA expanded the eligibility criteria to allow individuals with low amounts of employment or interest income to use the service. Each year, the CRA looks at ways to improve and enhance automated tax filing services for Canadians

The CRA contributes to Goal 16, through policies and practices that demonstrate a commitment to inclusiveness and transparency and accountability, including, for example:

- continuing its transformation journey to becoming a trusted, fair and helpful organization that places people at the center of everything it does
- contributing to the federal Open Government initiative and proactively releasing data and information, except that which must be withheld for privacy, confidentiality and security reasons
- leveraging clients' feedback and insights to identify and better understand service challenges, and develop recommendations that will inform projects to improve their experiences when interacting with the CRA
- adopting the principles of privacy-by-design and upholding personal privacy rights in accordance with legislation and policy, including the management of internal privacy breaches

Social Responsibility

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 some of the social responsibility activities in which the CRA and its employees participated in 2020-21:

- promoting Mental Health Awareness Week (May 4 - 10, 2020) to help celebrate, protect and promote mental health
- promoting the Bell Let's Talk Campaign (January 4 - 28, 2021) to raise awareness and combat stigma surrounding mental illness in Canada

- partnering with organizations to recycle materials. Those organizations include Staples (writing instruments), Terracycle Canada (writing instruments, plastic cards, coffee pods), Computers for Schools (office supplies, electronics, electrical equipment), and Call2Recycle and Raw Materials Company (batteries)
- 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



Taxpayer Bill of Rights

The Taxpayer Bill of Rights (TBR) describes and defines 16 rights and builds upon the CRA's corporate values of professionalism, respect, integrity, and collaboration. It describes the treatment taxpayers are entitled to when you deal with the CRA. The Taxpayer Bill of Rights also sets out the CRA's commitment to small business to ensure their interactions are conducted as efficiently and effectively as possible.

The CRA integrates the 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. These rights describe the treatment taxpayers are entitled to when dealing with the CRA.

Rights 5 and 6, 9 to 11, and 13 to 15 (identified with an asterisk below) are service rights to govern the CRA's relationship with taxpayers. A service right is influenced by general concepts such as fairness, transparency, and courtesy. 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.

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



Endnotes

- 1 Due to the COVID-19 pandemic, the usual April 30 filing due date was deferred until June 1, 2020. In addition, late-filing penalties and arrears interest were not being charged as long as the return was filed by September 30, 2020, which could be attributable to the filing delays observed for tax year 2019.
- 2 As the methodology for this indicator was recently amended, previous year results are not comparable and a new target will be set after the baseline has been established in 2021–22.
- 3 The methodology changed in 2019–20 to combine individuals and corporations. Previous year results are not comparable.
- 4 Mostly met refers to results that are within 5% of the target value.
- 5 Of the 33 external service standards 22 were met or mostly met. For the 11 results that did not meet their target in 2020-21, the COVID-19 pandemic was the main contributing factor. Business disruptions caused periods of reduced capacity in many programs and tax centers during the height of tax season. Timelines were further delayed due to the limited capacity of receiving and sending mail through the postal system, and the CRA focused on delivering critical services to Canadians. Further, the creation of new economic relief benefits and increased fraud management issues drastically increased the number and length of calls to the CRA.
- 6 Prior to 2020–21, this indicator measured Canadians' service experience with the CRA. Beginning in 2020–21, the CRA sought to improve this indicator to measure Canadians' satisfaction with services, as satisfaction has been empirically shown to be a predictor of trust and, in turn, compliance. New survey questions were introduced but the methodology for calculating the revised indicator had not yet been fully established. Since then, the methodology has been finalized and is reflected in the result. This indicator's name (Service Satisfaction Index) and methodology will be officially updated for the 2022-23 period.
- 7 A new baseline of 8.1 was established in 2020–21 following an amendment to the methodology for this indicator. As a result, previous year results are not comparable.
- 8 A new baseline of 7.8 was established in 2020–21 following an amendment to the methodology for this indicator. As a result, previous year results are not comparable.
- 9 This indicator was introduced in 2019–20, so previous year results are not available.
- 10 This indicator was introduced in 2019–20 so previous year results are not available.
- 11 The CRA did not attain this target because it halted collection activities in mid-March 2020 due to COVID-19. The full scope of collection activities only gradually resumed in January 2021, and by mid-February, all collection activities had resumed while continuing with a people first, empathetic approach.
- 12 This indicator was introduced in 2019–20, so previous year results are not comparable.
- 13 Reflects total individuals helped between May 16, 2019 and May 15, 2020.
- 14 Reflects total individuals helped between May 16, 2020 and May 15, 2021. In response to the physical distancing barriers introduced by COVID-19 that compromised the ability to run in-person clinics, the CRA introduced virtual clinics to continue to provide support for Canada's financially vulnerable populations. As a result, the CRA has seen an increase in the number of individuals helped since 2019-20, but remains below the target due to the lack of in person clinics.
- 15 The decrease in the results from 2019-20 is directly related to the impact of the COVID-19 pandemic on compliance activities. Some core compliance activities were suspended early in the fiscal year due to the pandemic. Furthermore, resources were redirected to work on emergency relief workloads and to focus on COVID-19 benefit distributions.
- 16 The 2019–20 target was \$2.07 billion.
- 17 As a result of the COVID-19 pandemic, the CRA experienced business disruptions that affected the program's ability to achieve this target. No result is available because collection activities only resumed at the end of 2020–21 and there was not enough time to achieve this fiscal year's target.
- 18 Total authorities available for use includes severance payments, parental benefits, vacation credits and the carry-forward of unused funds from 2019–20 where, pursuant to section 60(1) of the Canada Revenue Agency Act, the CRA has up to two fiscal years to utilize parliamentary appropriations once approved. This funding is received during the fiscal year and is therefore not reflected in planned spending.
- 19 Modified cash basis, based on parliamentary appropriations used. For an explanation of how actual spending relates to results in the CRA Financial Statements – Agency Activities, see Note 3 on parliamentary appropriations.
- 20 Includes FTEs associated with fulfilling the CRA's administrative responsibilities in support of Canada Pension Plan and Employment Insurance legislation.
- 21 This indicator was introduced in 2020–21, so previous year results are not available.
- 22 This indicator was introduced in 2020–21, so previous year results are not available.
- 23 Due to the COVID-19 pandemic, the CRA issued additional letters to encourage Canadians to file their tax returns and receive the benefits they may be entitled to. Although our response rate (%) was slightly lower than the target, we reached out to almost twice the number of taxpayers, and we increased the actual number of Canadians who filed as a result of our intervention. The Agency continues to analyze results and incorporate findings into future letter campaigns.
- 24 Total authorities available for use includes severance payments, parental benefits, vacation credits and the carry-forward of unused funds from 2019–20 where, pursuant to section 60(1) of the Canada Revenue Agency Act, the CRA has up to two fiscal years to utilize parliamentary appropriations once approved. This funding is received during the fiscal year and is therefore not reflected in planned spending.
- 25 Total authorities available for use and actual spending include the following statutory payments: Climate Action Incentive payment (\$4.5 billion), Children's Special Allowance payments (\$381.8 million), Distribution of Fuel and Excess Emission Charges (\$18.5 million).
- 26 Total authorities available for use and actual spending include the following statutory payments: Climate Action Incentive payment (\$4.5 billion), Children's Special Allowance payments (\$381.8 million), Distribution of Fuel and Excess Emission Charges (\$18.5 million).
- 27 Modified cash basis, based on parliamentary appropriations used. For an explanation of how actual spending relates to results in the CRA Financial Statements – Agency Activities, see Note 3 on parliamentary appropriations.
- 28 Includes FTEs associated with fulfilling the CRA's administrative responsibilities in support of Canada Pension Plan and Employment Insurance legislation.
- 29 GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html>
- 30 Total authorities available for use includes severance payments, parental benefits, vacation credits and the carry-forward of unused funds from 2019–20 where,

pursuant to section 60(1) of the Canada Revenue Agency Act, the CRA has up to two fiscal years to utilize parliamentary appropriations once approved. This funding is received during the fiscal year and is therefore not reflected in planned spending.

- 31 Modified cash basis, based on Parliamentary appropriations used. For an explanation of how actual spending relates to results in the CRA Financial Statements – Agency Activities, see Note 3 on parliamentary appropriations.
- 32 Includes FTEs associated with fulfilling the CRA's administrative responsibilities in support of Canada Pension Plan and Employment Insurance legislation.
- 33 2030 Agenda for Sustainable Development, <https://www.canada.ca/en/employment-social-development/programs/agenda-2030.html>
- 34 Canada Child Benefit (CCB), <https://www.canada.ca/en/revenue-agency/services/child-family-benefits/canada-child-benefit-overview.html>
- 35 Community Volunteer Income Tax Program, <https://www.canada.ca/en/revenue-agency/services/tax/individuals/community-volunteer-income-tax-program.html>
- 36 Northern Service Centres, <https://www.canada.ca/en/revenue-agency/corporate/contact-information/northern.html>



Results

Providing a seamless service experience

The CRA is committed to service. Improving service to Canadians is a core priority. The CRA strives to always provide a positive experience, regardless of the nature of a client's interaction with the CRA. Beyond its core mandate, the CRA's work in recent years to transform itself into a client-centric, digital¹ organization positioned it well to respond to the pandemic and support Canadians in 2020–21.



In 2020–21, the CRA's efforts to provide a seamless service experience focused on a rapid launch of the new COVID-19 relief benefits to deliver on the Government of Canada's Economic Response Plan. The mobilization of resources to design, test with Canadians, then launch the new relief measures meant that the delivery of some activities had to be adjusted, including suspending non-critical programs. The CRA continued to deliver critical services during this time, such as processing requests made by clients that resulted in issuing refunds or tax credits or benefits.

Although the CRA continued to work toward implementing planned measures to improve the client service experience, it did not fully achieve its 2020–21 commitments. Some initiatives were put on hold or delayed as resources were redirected to support COVID-19 relief measures.

In 2020–21, the CRA consulted with Canadians to better understand their needs and expectations, made it easier for them to interact with the CRA and targeted education and outreach activities to vulnerable populations. These activities helped to ensure that Canadians were aware of their benefit eligibility and reporting obligations.

In 2020–21, the CRA focused on the following objectives for this priority:

- provide its clients with access to easy-to-understand information
- interact with clients in ways that are integrated, tailored, digital and accessible, while leaving no one behind
- reduce the compliance burden of its clients

The following sections describe the CRA's progress in achieving these objectives and meeting the commitments it made to Canadians in its plans for 2020–21.

Provide CRA clients with access to easy-to-understand information



Clients need access to accurate, easy to find and understandable information so that they have information on benefits for which they are eligible and their reporting obligations. In 2020–21, the CRA's efforts in this regard were focused on providing information to Canadians about COVID-19 relief benefit entitlements and reporting obligations. In addition, the CRA continued to improve its web content on Canada.ca and proactively produced and disseminated targeted educational and outreach products for specific client segments. In particular, the CRA made additional information available to clients on several online portals.

Service improvements to the Disability Tax Credit



In 2020–21, the CRA made progress toward implementing the recommendations from the 2019 First Annual Report of the Disability Advisory Committee: Enabling access to disability tax measures. Ninety percent of the recommendations are either complete or at different stages of progression with stakeholder government departments and within the CRA.

Service improvements implemented in 2020–21 include:

- a designated call line, with specially trained staff, to deal with more complex questions
- a “Navigator” role, launched in April 2021. Navigators approach each file with a People First philosophy to assist the client in navigating the Disability Tax Credit (DTC) application process to resolve issues or complaints within the structure of the Income Tax Act. The Navigator also aids in preventing these issues from re-occurring by working collaboratively with numerous stakeholders and by performing proactive internal activities to maintain the CRA service excellence and increase the public’s trust. The Navigator takes ownership of a DTC file and serves as a liaison between the CRA and the client or their authorized or legal representative
- a digital application of Form T2201—the Disability Tax Credit Certificate—to address the advisory committee recommendations on simplification, clarity and consistency. Testing is underway and the digital form is expected to be launched in 2021–22

The CRA also made progress in responding to the 10 recommendations of the 2020 Second Annual Report of the Disability Advisory Committee, focusing on the Registered Disability Savings Plan, concerns among Indigenous persons, life-sustaining therapies, disability supports deduction and work-related disability tax measures.

Lean principles were applied to enhance the Disability Tax Credit enhanced phone line. The workflow was mapped to visualize how complex calls are routed to the enhanced line which provided a common understanding of the process and insights into gaps that existed.

The CRA used client feedback data and usability testing to refine its online content. This approach was also used for online content for each of the COVID-19 relief measures prior to launch, to find any issues that would impair Canadian’s ability to find and understand answers to their questions related to the COVID-19 benefits and subsidies.

In 2020–21, the CRA:

- released educational webinars and updated content on Canada.ca to help businesses and employers understand the COVID-19 relief measures, and their Tax Year-End (TYE) filing obligations. For example in July 2020, the CRA published web content on Canada.ca on the 10% Temporary Wage Subsidy for Employers.
- collected client feedback from a number of sources, including web analytics, social media and other communication channels, on the accessibility and usability of its online content. Priority content was usability tested with Canadians before launch to ensure it could be easily found, understood and had a high degree of task success. A usability analytics tool was also employed to help inform design decisions on how to improve the quality of online information. This tool was applied to the development of new content related to COVID-19 relief measures. It was also applied to

three projects to make it easier to find and understand common questions about taxes and benefits on Canada.ca. These projects helped to mitigate the anticipated increased call centre volumes concerning a more complex 2020 tax filing season


- launched the “Be Scam Smart” advertising campaign to address the rise of tax and COVID-19 scams and help Canadians better identify potential scams and understand the CRA’s collection methods
- developed educational products, targeted to vulnerable segments of the Canadian population, on how to access the benefits and credits for which they are eligible, and their reporting obligations. These educational products included:
 - videos in 10 languages for newcomers that were distributed through social media, the CRA’s YouTube channel and Canada.ca
 - an outreach toolkit, developed in partnership with Indigenous Services Canada, to help build awareness and educate Indigenous peoples about emergency benefits as well as the Canada Child Benefit (CCB) and Goods and Services Tax Credit (GSTC)
 - expanded information on several CRA web portals, which minimized the administration burden and made it easier for clients to comply with reporting obligations
- updated the Represent a Client online portal to allow clients’ representatives to update client information and provide estate documents, such as wills and death certificates electronically




In 2020–21, the CRA continued to offer personalized services and outreach during the COVID-19 pandemic. Given public health restrictions throughout Canada, the CRA delivered programs and services, which had typically been delivered in-person, virtually either through the telephone, video-conferences, and other methods. For example:

- The Benefits Outreach Program continued to provide information to organizations and communities over the phone and via WebEx, rather than in person, to help individuals better understand their tax obligations and obtain the benefits and credits for which they may be eligible. In response to the ongoing COVID-19 pandemic, all Benefits Outreach Program activities for the 2020–21 year were conducted virtually. The Benefits Outreach Program conducted 3,431 virtual outreach activities, including 65 with Indigenous communities
- The Liaison Officer service continued to provide information to the small business and self-employed community over the phone and through videoconference, rather than in-person, to help them better understand their tax obligations and offer support and raise awareness on the federal government’s COVID-19 relief measures. In 2020–21, the Liaison Officer service:
 - contacted over 160,000 businesses
 - conducted 1,085 virtual visits
 - held 3 promotional events
 - held 502 virtual group seminars of which 372 were COVID-related
- The CRA continued to support community organizations and volunteers participating in the Community Volunteer Income Tax Program (CVITP) and the Income Tax Assistance program in Quebec to implement and host 427 virtual clinics to assist eligible clients file their income tax and benefit returns. In total, between May 16, 2020 and May 15, 2021, 582,420 individuals were helped through the CVITP²

- In accordance with its plan to help Canadians in the territories meet their tax obligations and receive benefits, the CRA expanded the Benefits Outreach Program, the CVITP and the CRA Liaison Officer service:
 - through the Benefit Outreach Program over 340 virtual outreach activities were conducted in the territories (Yukon, the Northwest Territories, and Nunavut), including virtual outreach to over 20 Indigenous communities. Additionally, for the period January 1, 2021 to April 3, 2021, there were approximately 40 CVITP organizations in the territories
 - through the Liaison Officer Program, 12 virtual visits were conducted and 60 seminars held, with 1,019 attendants
- The CRA launched the Individual Tax Filing Assistance Initiative (ITFAI) in July 2020 to complement the CVITP. CRA employees contacted taxpayers who had not filed their 2019 and/or 2020 tax return(s) and who may not have access to or be aware of the virtual CVITP services. Over 1,700 individuals were referred to a CVITP tax clinic by a CRA ITFAI agent. The initiative has helped lead to nearly 1,000 returns for the 2019 and 2020 tax year










Commitment completed



Commitment not completed

Taking stock of the CRA’s commitments to Canadians

Status	2020–21 Departmental Plan commitments	Results
	Enable clients to view more of their tax information on the My Business Account online portal by: <ul style="list-style-type: none"> • increasing by two years the breadth of the information displayed, to seven years • enhancing the “View expected and filed returns” and “View rebate status” services to display details regardless of the document’s status 	 As of October 2020, the accounting information displayed on the My Business Account online portal increased from 5 to 7 years. As of the Spring 2020, a taxpayer can view the details of a Goods and Services Tax/Harmonized Sales Tax (GST/HST) return or GST/HST rebate in My Business Account regardless of document status, and not just when it is in a finalized state.
	Reduce the potential risk of interruptions to clients’ benefits payments and credits by updating CRA letters and envelopes to highlight the need for clients’ action	Due to COVID-19 the CRA put the project on hold and stopped sending out review letters.
	Make it easier for clients to apply for the disability tax credit based on feedback from clients and medical practitioners	As a result of a reassignment of resources to COVID-19 related priorities, the launch of the new digital application for medical practitioners was delayed until October 2021.
	Enable clients’ representatives to update client information and provide estate documents (for example, wills, death certificates) in the Represent a Client online portal	 The Represent a Client online portal was updated to allow client representatives to submit estate documents to the CRA electronically rather than just by mail.


Status	2020–21 Departmental Plan commitments	Results
	Use feedback from the clients to refine—and begin testing new prototypes of—clients' most commonly accessed CRA apps, forms and webpages	The client feedback data, including web analytics, social media and other communication channels, about the accessibility and usability of its online content was applied to three content optimization projects—making it easier for people to quickly find and understand common questions about their taxes and benefits. Online content support for each of the COVID measures was also usability tested with Canadians prior to launch, to find any issues that would impair their ability to find and understand answers to their questions related to these benefits and subsidies. The content and design of the pages were refined based on this evidence before they were made public.


Interact with clients in ways that are integrated, tailored, digital and accessible, while leaving no one behind

The CRA is committed to engaging with its clients to obtain a better understanding of their needs and expectations to help inform service improvements. In 2020–21, it invested in technology and accelerated the use of digital solutions to improve access to information and services.

During 2020–21, the SR&ED Tax Incentive Program and the Film and Media Tax Credit (FMTC) Program provided \$4.7 billion in investment tax credits to almost 18,000 businesses and \$2.8 billion in film and media tax credits to 3,300 companies.

The CRA used research, usability testing, client insights and design thinking to identify challenges encountered by clients and to better understand their needs when accessing and using the CRA's information and services. It leveraged clients' feedback and insights to identify and develop tailored solutions to encourage clients to comply with reporting requirements.


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For example, the End-of-Life Tax Journey Project was established, focusing on improving the experience of executors and tax professionals as they navigate the process to fulfill a deceased client's final tax obligations. The CRA completed its research and engagement activities through telephone interviews and virtual workshops with tax professionals and past executors to understand the client experience, including challenges, needs and expectations. This information is being used to design, build, usability test and refine an improved process.
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As part of the Scientific Research and Experimental Development (SR&ED) Program Strategy introduced in 2020, the CRA began a transformation focused on client service and efficient operations. When the COVID-19 emergency health measures were announced, the CRA ensured that businesses received critical financial support through the use of the SR&ED Tax Incentive Program and the Film and Media Tax Credit (FMTC) Program. To accelerate the processing of the SR&ED and FMTC claims, employees were quickly transitioned to virtual work; claims were fast-tracked for first-time claimants, small and medium-sized businesses, and film and media corporations; and more services were provided to educate and help claimants access the credits. During 2020–21, these two programs provided \$4.7 billion in investment tax credits to almost 18,000 businesses, and \$2.8 billion in film and media tax credits to 3,300 companies. Much of this support was provided during the first several months of the pandemic.

The COVID-19 pandemic accelerated the implementation of key SR&ED transformation initiatives to contribute to enhancing a claimants’ overall experience with the SR&ED program, including:

- piloted a new virtual service with over 600 businesses
- providing tailored non-audit interventions such as service visits
- developed an enhanced online self-assessment and learning tool (eSALT) to help businesses understand whether their research and development work is eligible for the SR&ED tax incentives before they file a claim. This increases the likelihood that claimants will submit successful claims, if requirements are met, while reducing the administrative burden and processing delays

 To simplify access to information and services and minimize the administrative burden on its clients, the CRA implemented an automatic callback service to provide a select number of callers an alternative to having to wait on hold to speak with an agent on the business, individual tax and benefit enquiries lines.

Consistent with its People First philosophy, the CRA has committed to the adoption of the client experience approach,³ a methodology to transform how it designs and delivers its programs and services. In implementing its client-centred approach, the CRA consulted diverse groups of employees across the organization to actively engage them in discussions on how the CRA can better serve its clients and to identify their learning needs in applying the client experience approach.



In March 2021, the CRA released foundational training material and published the first set of standardized client experience tools to give employees the ability to apply the client experience approach to projects and initiatives that involve or impact clients.







During 2020–21, CRA also conducted an Empathy in Service Awareness campaign to help employees learn about the importance of empathy to advance service as well as provide tools to enable employees be more empathetic.

The Government of Canada has indicated its support for the development of a strategy and roadmap to achieve a future-state seamless client service delivery model for the CRA. The 2020 Fall Economic Statement provided funding to develop the strategy and roadmap, which will advance the seamless client experience vision at the CRA. The CRA continues to implement the People First philosophy and the client experience approach to improve services for Canadians.

The CRA and other federal government departments, including Canadian Heritage and Employment and Social Development Canada, shared information related to Indigenous languages to better understand the whole-of-government priorities on the legislation, as well as further refine action plan items to support the implementation of the Indigenous Languages Act. Due to the pandemic, non-COVID related consultations with Indigenous communities were curtailed. Consultations planned for 2020–21 have been delayed to 2021–22.

Taking stock of the CRA’s commitments to Canadians

Status	2020–21 Departmental Plan commitments	Results
	Streamline the payment experience for business clients by integrating the ability to make a payment through their non-CRA products, such as tax preparation software	 The CRA streamlined the payment experience for business clients by providing the ability to use a CRA application programming interface (API) that allows them to pull account payment information from the CRA. This information provides the user with the payment amount along with other payment information required to ensure the payment is submitted properly. This helps to reduce the misallocation of payments as the payment information is pulled directly from the CRA through the API software.

Status	2020–21 Departmental Plan commitments	Results
	<p>Update the three online portals, My Account, My Business Account and Represent a Client, to:</p> <ul style="list-style-type: none"> enable more clients who are being audited, and their representatives, to view appropriate audit information related to their account confirm to clients that the CRA received documents they have sent to us electronically through the Submit Documents service 	<p>The CRA completed its review of accessibility requirements and identified areas for system changes. System changes have been delayed due to COVID-19.</p>
	<p>Use client insights and design thinking to identify challenges that clients experience in their interactions with the CRA and barriers to better client service</p>	<p>The CRA leveraged clients' feedback and insights to identify and better understand service challenges.</p> <p>The CRA undertook research and consultations with executors and tax professionals to understand the End-of-Life Tax Journey.</p>
	<p>Educate individuals about the benefits for which they may be eligible by mailing out an additional 200,000 letters</p>	<p>The CRA issued a total of 366,174 letters to Canadians, including CERB recipients, who had not submitted their 2019 or 2018 taxes to inform them of the benefits and credits for which they are eligible.</p>
	<p>Offer a call-back option to callers to our business enquiries telephone line</p>	<p> The CRA implemented an automated callback service to provide some callers an alternative to having to wait on hold to speak with an agent.</p> <p>This deliverable was successfully implemented on the business enquiries line in December 2020 and the Individual and Benefit enquiries lines in January 2021. In 2020–21, the number of callers who took advantage of the automated callback service included:</p> <ul style="list-style-type: none"> 160,500 on the Business Enquiries line between December 2020 and March 2021 225,586 on the Individual Tax Enquiries line between January 2021 and March 2021 45,555 on the Benefits Enquiries line between January 2021 and March 2021
	<p>Analyze past objections decisions and share lessons learned with the assessing, verification and audit teams to identify changes that would prevent disputes from occurring in the first place</p>	<p>Quarterly statistical reports, identifying outcomes of disputes, continued to be provided to all assessing, compliance and verification programs. The reports were reviewed for potential enhancements. Lessons learned from objections and appeals decisions related to international tax matters, in particular transfer pricing, were also shared with audit teams.</p>

Reduce the compliance burden of the CRA’s clients



The CRA uses technology and business innovations to simplify tools and processes and reduce compliance burden, as well as outreach and education strategies to address gaps in clients’ awareness of their reporting obligations. Making it easier to file an income tax return increases the likelihood that clients will complete their return.

During 2020–21, the CRA:

- included an additional tax year to the Auto-fill my return service, which automatically fills in parts of an income tax and benefit return with information that the CRA has available at the time of filing the return
- reduced the compliance burden for compliant large business taxpayers by concentrating on high-risk high dollar audit adjustments and closing cases that are lower risk at an earlier stage
- created new forms, which were simpler and more streamlined, to support employers and Canadians working from home
- held interactive stakeholder sessions which reached nearly 5,000 participants from 3,800 organizations – including sessions to address unique public service pressures, to simplify the approach to claiming home office expenses
- helped businesses to comply by sending out approximately 7,000 letters to corporations that may have omitted a T2SCH50 Shareholder Information form from their 2018 and/or 2019 income tax returns or submitted an incomplete one. The letters helped to increase awareness of the importance of submitting accurate and complete schedules, and served as a request to provide or update missing or incorrect information
- started Canada Emergency Wage Subsidy audits before the end of the taxation year, an approach that provides taxpayers with earlier tax certainty
- collaborated with Revenu Québec on a working group which is focused on improving the customer experience, simplifying tax compliance and providing better digital services

Taking stock of the CRA’s commitments to Canadians

Status	2020–21 Departmental Plan commitments	Results
<input type="checkbox"/>	Get clients’ (payers and recipients) perspectives through public opinion research and stakeholder consultations to better understand the challenges they experience when they report fees-for-services	In September 2020, the Public Opinion Research (phase 1) was completed. Although planned for 2020–21, the stakeholder consultations (phase 2) were delayed due to COVID-19.
<input type="checkbox"/>	Launch initiatives to improve employers’ understanding of their remitting and reporting obligations	New initiatives to improve employers’ understanding of their remitting and reporting obligations were planned. Due to COVID-19 priorities, these initiatives have been delayed.

Maintaining fairness in Canada's tax and benefits administration

The CRA applies the law equitably to maintain fairness in how it administers Canada's tax and benefits system and to strengthen Canadians' trust in the system. Non-compliance takes many forms: it may be the result of errors, a misunderstanding of rules or a lack of appropriate information. The CRA seeks to ensure that compliance is supported through education and outreach so that clients understand their obligations and claim the right benefits and credits. Understanding how and why taxpayers sometimes fail to comply is critical to preserving the fairness of Canada's tax system.

Some clients intentionally try to avoid complying with Canada's tax laws. In these circumstances, the CRA strives to identify and address intentional non-compliance to ensure that all clients pay their share. CRA adapts its intervention to the circumstances, while remaining professional, transparent and honest in the treatment of its clients.

The CRA engages its domestic and international partners to better understand and address areas of common concern and to achieve effective and fair tax administration across jurisdictions. In addition, the CRA uses various data sources and analytical approaches to maximize the ability to detect and deter the most serious instances of non-compliance, and take responsible compliance actions where necessary. It strives to ensure that non-compliance is detected and addressed, using sound risk management to guide reviews, audits, criminal investigations and debt collection.

During 2020–21, the CRA reduced its core collection and compliance activities so that individuals and businesses could focus on the COVID-19 pandemic and not be faced with compliance efforts by the CRA. Similarly, collections efforts on new tax debt were suspended and flexible payment arrangements were made available to clients. As a result, the CRA did not achieve its commitment to resolve the remaining \$1.9 billion in tax debt (of the original \$7.4 billion over five years) committed to by the CRA as a result of Budget 2016 investments.

CRA resources were redirected to assist Canadians and businesses applying for Government of Canada emergency benefits and subsidies. The adaptability of the CRA's collection and compliance resources was instrumental in its ability to address the increase in calls from taxpayers who required information on the emergency benefits, details on their files or assistance in reducing the financial burden of existing CRA actions. CRA employees verified and validated applicants' eligibility to receive the emergency benefits and subsidies, including reviewing applications to identify and address fraudulent claims and cases of identity theft. The CRA deferred actions that could pose a burden on clients, including suspending collections activities on all debts, except for high-risk cases.

The fiscal impacts of the CRA's business compliance and individual compliance activities were down by 88% and 43%, respectively, on a year-over-year basis. The work that was completed in core compliance programs focused on resolving cases where refunds were issued to taxpayers.

The CRA also focused on higher dollar audits first, audits close to completion and prioritized actions that were beneficial to the taxpayer or where taxpayers indicated an urgency to advancing their audit. Despite the redirection of resources, the fiscal impact from the CRA's audit activities reached 95%, amounting to \$12.1 billion, of the 2019–20 amount. Reviews were also completed to educate clients and assist them in meeting their T2 and GST/HST reporting and filing obligations.

Understandably, redirection of resources to assist in delivering the Government's emergency measures impacted results for the CRA's collection and compliance programs in 2020–2021:

- the tax debt, year over year (March 2021 vs March 2020), increased 10.5%, while the number of debtors increased 7.3%. Collections results at the Tax Service Offices and Debt Management Call Centres were down more than 16% in 2020–21 in comparison to 2019–20
- payment arrangements were expanded to allow for greater flexibility during unprecedented times

The CRA followed through on its commitments to further protect Canada's tax base by:

- continuing to use data and business intelligence and advanced data analytics
- increasing its understanding of the compliance risks of emerging technologies
- collaborating with domestic and international tax administrations by sharing best practices, data and business intelligence, and working together on emerging tax avoidance and tax evasion issues
- addressing aggressive tax evasion and tax avoidance

The CRA increased its data gathering, analytics and investigations capacity to gather information about non-compliant taxpayers.

During 2020–21, the CRA focused on the following objectives under this priority:

- enhancing its ability to detect and deter non-compliance
- strengthening collaboration with other tax administrations
- improving how it manages the tax debt

Enhancing the CRA's ability to detect and deter non-compliance

The CRA directs its audit and investigation resources to the areas of highest risk to identify non-compliance. Wilful acts of non-compliance, such as failing to comply with tax obligations related to registering, filing and reporting, aggressive tax avoidance, tax evasion and tax fraud can place the integrity of Canada's tax system at risk. Anti-avoidance rules and tax loopholes are systematically reviewed to ensure that everyone pays taxes in accordance with Canada's tax laws.

Under the Common Reporting Standard, the CRA continued to work with international partners to identify individuals in the high net worth client population who are avoiding paying domestic income tax.

In 2020–21, the CRA focused on developing better data and business intelligence and using more advanced analytics to improve its understanding of taxpayers and to better identify aggressively non-compliant taxpayers for audit. The CRA also worked to improve its knowledge and understanding of the compliance risks associated with new technologies and e-commerce.

The CRA increased its sources for data and business intelligence⁴ to improve its risk assessments and its ability to identify the most appropriate level of compliance intervention. In 2020–21, the CRA:

- developed tools to better identify small and medium enterprises (SME) that were avoiding their tax obligations, and to enhance its ability to understand the impacts of COVID-19 on SMEs so it

can choose the appropriate interaction based on risk

- leveraged Common Reporting Standard (CRS)⁵ financial data received from partner jurisdictions to enhance automated, third-party data-matching and supplement its existing risk assessment processes
- improved data mining capabilities by adding more data sources to aid with in-depth compliance analysis
- shared data through exchange-of-information protocols with treaty partners and increased the use of third-party data through existing CRA tools, such as Unnamed Persons Requirements
- conducted a project for the review of algorithms by auditors to validate that they were appropriately identifying risks that warranted audit action
- increased the availability of real-time data, including text through machine learning, with a view towards targeting compliance actions to the appropriate level of intervention

The CRA expanded its capacity to gather information about non-compliant taxpayers by increasing its data-gathering, analytics, and investigations capacity by:

- establishing a data analytics research working group to focus on COVID-19 fraud related issues, share research projects, leverage data analytics, and develop tools and analysis to help identify non-compliance
- creating a business intelligence team to increase capacity for collecting information, analyzing data, identifying suspicious activities, and supporting criminal investigations. The business intelligence team allowed the CRA to identify significant benefit and subsidy fraud in a more timely fashion, using the latest tools
- completing revisions to the T1134 Information Return Relating to Controlled and Non-Controlled Foreign Affiliates to take into account the latest legislative amendments. The form design addresses both the CRA's critical business needs and the tax community's concerns on compliance burden by requiring a more comprehensive disclosure of transactions and events affecting the foreign affiliates while providing administrative convenience where appropriate

Non-compliance in the high net worth client (HNW) client population remained a CRA priority throughout 2020–21. The CRA continued to work with international partners to exchange data to identify HNW individuals, including those who claim to be non-residents when CRA risk indicators appear to contradict these claims, who are avoiding paying domestic income tax. Under the Common Reporting Standard (CRS), Canada has activated exchange relationships with over 90 international partners to receive financial account information regarding Canadian tax residents that hold financial accounts offshore. In 2020–21, the CRA identified more than 110 new HNW individuals and their related entities and completed nearly 200 HNW audits of individuals and their related entities, such as corporations and trusts.

The CRA is committed to enhancing its understanding of digital tax compliance through jurisdictional research on emerging technologies and digital platforms, and developing strategies to identify and address non-compliance that involves the digital economy. During 2020–21, the CRA increased its knowledge of the compliance risks posed by new and emerging sectors of the digital economy, including cryptocurrencies. In 2020–21, the CRA:

- finalized its Platform Economy⁶ Compliance Strategy, which outlines the CRA's vision to better use third-party data and other ways to improve how it detects and addresses GST/HST and income tax non-compliance within the digital economy

- continued to improve its understanding of the implications of cryptocurrencies on compliance and service to better position itself to respond to concerns about their potential use to evade taxes and aid in criminal behaviours

The CRA also:

- improved how it traces cryptocurrency transactions through the use of surveillance software to establish a comprehensive picture of a taxpayers' cryptocurrency activities
- obtained an unnamed persons requirement on a large Canadian Cryptocurrency Exchange, the information from which will be used to verify compliance with the Income Tax Act (ITA) and/or Excise Tax Act (ETA)

The CRA continued to support the work of the Organisation for Economic Co-operation and Development (OECD) Forum on Tax Administration's (FTA) Comparative Risk Assessment Initiative by examining how other tax administrations view and assess transfer pricing risks in areas that lead to the most disputes.

In 2020–21, the CRA:

- participated in forum discussions on transfer pricing dispute resolution and mechanisms for dispute prevention and resolution with respect to the OECD's digital economy work
- provided input and best practices through the FTA Mutual Agreement Procedures (MAP) Forum and Working Party 6 (WP6). This contributed to the publication of the Guidance on the transfer pricing implications of the COVID-19 pandemic, in December 2020
- led efforts to streamline the process for developing advanced pricing agreements, for example, to give early tax certainty to compliant taxpayers

Taking stock of the CRA's commitments to Canadians

Status	2020–21 Departmental Plan commitments	Results
✓	Continue audit efforts to address high-risk issues within the real estate sector in the Greater Toronto and Greater Vancouver areas, using CRA's new real estate audit teams	The CRA's fiscal impact commitment for the first two years of the funding was \$24.36 million. Despite the impact of the pandemic on audit efforts, the CRA was able to meet 61% of that commitment resulting in a fiscal impact of close to \$15 million.
✓	Develop a dedicated compliance strategy to better detect and address non-compliance in digital commerce for both income tax and goods and services tax/ harmonized sales tax	In November 2020, the CRA finalized a comprehensive compliance strategy to better detect and address GST/HST and income tax non-compliance within the platform economy.
✓	Refine, add, and automate algorithms to improve the risk assessment of high net worth individuals and their related economic entities	Close to 30 algorithms were created and released into production to improve the risk assessment of high net worth individuals and their related economic entities.

Strengthening collaboration with other tax administrations

The CRA operates in a global environment, with an evolving international economy, increased business integration across borders, electronic commerce, new technologies and changing demographics, all of which present compliance challenges. In the context of

the global economy, effective and fair tax administration is best achieved when countries collaborate so those who seek to avoid or evade their obligations have fewer opportunities to do so. International engagement helps ensure the integrity and fairness of Canada's tax system and improve the efficiency and effectiveness of its administration.

During 2020–21, the CRA continued to engage with domestic and international tax administrations through a number of international forums to better understand compliance risks, share best practices, data and business intelligence, and to work together on emerging tax avoidance and tax evasion issues.

In 2020–21, the CRA:

- conducted research and consulted within Canada and with tax administrations in the United States, Australia, New Zealand and the United Kingdom to identify best practices in their administration of whistleblower programs and regulatory regimes. Research and consultations both confirmed that the CRA is at the forefront of paid whistleblower programs and highlighted the potential for the CRA to increase the protection of informants
- led efforts to strengthen tax administration capacity in developing countries through the OECD FTA, a forum chaired by the CRA Commissioner since August of 2020. Through this forum, the CRA continued to advance the FTA's work on transparency, tax certainty, base erosion and profit shifting, and digital transformation
- developed a new version of the Knowledge Sharing Platform, a global online tool for tax administrations to encourage G20 countries and international tax organizations to share tax knowledge and expertise to enhance tax capacity-building efforts, particularly in developing countries. These upgrades increased the platform's stability and information security, and provide support for future growth and enhanced features. Tax organizations from around the world have been leveraging the online platform to support their learning needs
- participated in the second phase of the International Compliance Assurance Programme (ICAP), a multilateral risk assessment and assurance process that uses country-by-country reporting and related information to facilitate multilateral engagements between multinational enterprise groups and participating tax administrations. The ICAP collaboration among tax administrators from the start of a risk assessment exercise helps to avoid potential time consuming and costly dispute resolution processes, and offers multinational enterprises and tax administrations a faster, clearer route to reduced tax risk

The CRA contributed to international cooperation and capacity building related to tax crime investigations by:

- working with tax enforcement authorities from Australia, the Netherlands, the United Kingdom, and the United States to formulate best practices to combat tax crimes through participation on the Joint Chiefs of Global Tax Enforcement. These authorities are focused on combating transnational tax crime and enablers of global tax evasion by sharing data, intelligence and technology
- contributing to initiatives of the OECD and the Financial Action Task Force (FATF) that are focused on combatting tax crimes, including tax evasion and money laundering
- contributing to Canada's fourth follow-up report to the FATF, wherein Canada demonstrates the steps taken to enhance compliance with FATF recommendations and seeks re-ratings on various recommendations from Canada's Mutual Evaluation Report. The FATF conducts in-depth peer reviews of each member country on an ongoing basis to assess levels of implementation of the FATF recommendations, providing an in-depth description and analysis of each country's system for combatting money laundering and terrorist financing. Canada is seeking to obtain higher compliance ratings for the implementation and effectiveness of such measures

The CRA led the Joint International Taskforce on Shared Intelligence and Collaboration (JITSIC) project on HNW individuals. In addition, the CRA developed and delivered a presentation to the JITSIC Network with the United Kingdom on HNW identification, risk assessment, and residency issues.

Canada was an active contributor to the OECD base erosion and profit shifting (BEPS) project, including participation from the CRA. The OECD work addresses the problem of certain multinational enterprises (MNEs) and individuals inappropriately shifting profits between jurisdictions and using other international tax avoidance schemes. Among other initiatives, the project advocated for stronger mandatory disclosure rules and spontaneous exchange of tax rulings of interest to other jurisdictions which presented potential BEPS risks. In 2020–21 the BEPS action plans were leveraged and with the support of the CRA, public consultations on proposals to enhance Canada’s income tax mandatory disclosure rules were launched with Budget 2021. The CRA also, as part of the BEPS project, continues to receive and exchange tax rulings, to enhance the evaluation of tax risks present in the structures and arrangements of multinationals present in Canada. Canada and the CRA have continued the collaboration started with the BEPS project through the OECD’s subsequent work to address the digitalization of the economy. This work centres on two pillars to usher in a new regime for the taxation of multinationals and is progressing with the support of the G20 and OECD. The CRA participated via various OECD working parties as well as through other fora.

In 2020–21, the CRA worked with other tax administrations to respond to emerging tax avoidance and evasion issues in the Canadian context. For example, the CRA continues to actively collaborate with Revenu Québec to address offshore tax risks. The CRA increased the sharing of information, partnered with Revenu Québec on a number of joint compliance projects, and continued to intensify its efforts in the area of transfer pricing, collections, and aggressive tax planning.

Taking stock of the CRA’s commitments to Canadians

Status	2020–21 Departmental Plan commitments	Results
	Provide early tax comfort to multinational enterprises by facilitating transparent, open and co-operative multilateral engagements between them and other tax administrations in completing the OECD’s International Compliance Assurance Programme (ICAP) 2.0 Pilot	Due to COVID-19, two of the three ICAP 2.0 risk assessments that involved Canada were completed.

Improving how the CRA manages the tax debt

The CRA collects tax debts, as well as other types of government debt, assessed through federal, provincial and territorial laws. Collecting outstanding tax owing and other debts is critical to protecting Canada’s tax base and providing governments across Canada with the revenue needed to support the Government of Canada’s programs and priorities.

In 2020–21, the CRA continued to evolve its collections strategies to more effectively enforce Canada’s tax laws to help ensure that every taxpayer pays their fair share. The CRA implemented several pilot projects to gather business intelligence to develop more efficient collection processes. The CRA has developed specialized groups of collectors to assist segments of the population with particular service needs, and used taxpayer history to determine the most likely collection action to resolve accounts as quickly as possible. Furthermore, two initiatives are in progress to improve the assignment of accounts to collectors. One initiative aims to develop program business rules to assign the “right account, to the right officer, at the right time.” The other segments and assigns accounts with common characteristics to groups of collectors with specific expertise to provide consistent resolutions and improve services.

The CRA strives to help clients who owe it money. To support and educate clients, the CRA updated its online content outlining the services available to those who owe money and provided detailed step-by-step instructions on making payment arrangements.

In 2020–21, to improve the effectiveness of the CRA's Debt Management Call Centres, the CRA used client feedback to develop a new service standard, which took effect April 1, 2021. This is a timeliness service standard for tax and government programs collections payment arrangements, and enquiries from businesses and individuals. The standard is to respond to each call within five minutes or less once the caller opts to speak to an agent. The CRA's target is to meet this service standard 90% of the time. This standard supports the CRA's efforts to assist taxpayers in meeting their payment obligations by ensuring they are served in a timely manner when contacting the Debt Management Call Centre.

Taking stock of the CRA's commitments to Canadians

Status	2020–21 Departmental Plan commitments	Results
	Resolve the remaining \$1.9 billion in tax debt (of the original \$7.4 billion) committed to by the CRA as a result of Budget 2016 investments	This commitment was not attained because collection activities were halted in mid-March 2020 due to COVID-19. The full scope of collection activities only gradually resumed in January 2021.
	Develop a timeliness service standard for responding to telephone enquiries received on the Debt Management Call Centre toll-free phone lines	The timeliness service standard was developed by its target date of March 2021.

Strengthening trust, transparency and accountability

Maintaining public confidence in the integrity of the tax system is of paramount importance to the CRA. As one of the largest holders of personal information in the Government of Canada, Canadians place their trust in the CRA to protect their information from unauthorized access or disclosure. This trust inspires positive compliance behaviours that contribute to protecting Canada's revenue base. To keep this trust the CRA treats privacy and security as critical aspects of its business, from fostering a culture of integrity to leveraging systems and tools to prevent, monitor, detect and manage potential incidents.

The CRA operates in an environment of increasing threats to the security of personal and financial information. Furthermore, in 2020–21 COVID-19 posed additional risks to the health, safety and security of the CRA's workforce, and to the protection of taxpayer information. The CRA responded quickly by issuing a work from home directive in accordance with public health guidance and establishing safety protocols to reduce employees' risk of exposure. It also issued temporary exemptions to some security requirements so that it could continue to deliver critical services, while assuring that controls for the protection of taxpayer information remained in place and that risk could be managed.

In 2020–21, the CRA continued to strengthen security and privacy by increasing awareness among employees of their responsibilities and enhancing its technologies, processes and controls to protect sensitive information from internal and external threats. For example, it implemented additional authentication measures with a two factor authentication for CRA internal users and external partners accessing the CRA's internal systems. This serves as an extra layer of security by requiring users to provide a unique piece of identification in addition to a user-id and password. The CRA also adopted the principles of privacy by design and strengthened its Privacy Management Framework.

The CRA also furthered trust by being transparent and accountable about the measures it takes to protect personal information, and by informing Canadians about the level of service they can expect to receive. In 2020–21, the CRA further demonstrated its commitment to increased transparency and accountability by proactively releasing COVID-19-related data and information on the Open Government Portal. As part of its accountability to Canadians, the CRA reported on emerging tax evasion and fraud schemes, its progress on implementing recommendations from the 2019 Disability Advisory Committee annual report, and its progress in promoting sustainable development.

In 2020–21, the CRA fulfilled all but one of its commitments for the strengthen trust, transparency and accountability priority. However, it experienced a delay in publishing the results of its Client Experience Index, a metric of how clients perceive their experiences with the CRA.

In 2020–21, the CRA focused on the following objectives related to this priority:

- strengthening its security posture
- proactively responding to clients' privacy concerns
- increasing transparency
- promoting sustainable development

The following sections describe the progress the CRA has made on achieving these objectives and its commitments to Canadians in its plans for 2020–21.

Strengthening the CRA's security posture

In 2020–21, the CRA continued to invest in security awareness training and in modernizing processes to prevent, monitor, detect, and manage potential threats to the security of employee and taxpayer personal and financial information.

Identity theft and account security are becoming a larger global issue. Institutions in both the private and public sectors are being targeted with malicious attacks and attempts at infiltration. The CRA has become an increasingly attractive target since the pandemic began, given our key role in administering COVID-19 economic relief programs. By offering Canadians greater digital service options to deal with the CRA at the time and place of their choosing, the CRA's systems are housing, processing and transmitting growing volumes of sensitive personal information.

In the summer of 2020, the CRA and the Government of Canada experienced cyber incidents. In those incidents, stolen credentials were obtained through a variety of means from sources external to the CRA. The CRA rapidly countered these attacks to uphold the integrity and security of taxpayer information and accounts.

In today's increasingly digital world, organizations must constantly take steps to safeguard sensitive information against constantly evolving threats. In late 2020, the CRA elevated the Agency Security Officer role to become a Deputy Assistant Commissioner. The Agency Security Officer is responsible for the overall CRA Security Program, including cybersecurity, account security, and physical security, among other functions.

The protection of taxpayer information is of the utmost importance for the CRA. This is why we have stringent and ongoing measures in place to analyze, identify and mitigate against potential threats and to neutralize threats when they occur. The CRA also leverages its relationships with other government departments, law enforcement, the Canadian Anti-Fraud Center and the provinces and territories to ensure horizontal collaboration and coordination needed to protect taxpayer accounts and personal information.


To help employees understand their security responsibilities, the CRA:

- implemented security awareness campaigns on working remotely, fraud prevention, business continuity management, cybersecurity and categorization of information
- made resources available on the internal website that detailed security considerations while working remotely, and provided support and guidance in response to the COVID-19 pandemic
- initiated analysis and development of national learning paths for various security positions

The CRA increased monitoring and introduced enhanced controls to prevent, detect and manage potential threats to its personal information holdings. In 2020–21, the CRA:

- completed the Protection of Personal Information Vulnerability Review, taking into account the potential impact of COVID-19, to identify and understand potential weaknesses in the processes and procedures for the protection of personal information. The review identified opportunities to strengthen controls around the protection of personal information, including the mandatory use of security categorizations on documents and emails
- completed Phase 1 of the Data Security Initiative which enhanced security controls around how sensitive information is stored, used and transmitted over the network
- enhanced its monitoring of information leaving the CRA in electronic format. Examples of improvements include the mandatory use of security categorizations on documents and emails and enforced encryption for all removable devices. These controls strengthen the CRA's cyber-security defenses and better protect client data from unauthorized access, alteration or loss
- implemented new and updated fraud detection models to better detect potentially fraudulent employee transactions and the misuse of information. This included expanding the Enterprise Fraud Management Solution network to capture and monitor employees actions when answering enquires about individual or business accounts

Taking stock of the CRA's commitments to Canadians

Status	2020–21 Departmental Plan commitments	Results
	Expand the proactive monitoring of user actions on CRA systems while ensuring employees have the accesses they need to serve their clients	As of January 2021, the Enterprise Fraud Management Solution (EFMS) network capture and monitoring capability was expanded to the Business Intelligence environment to enhance the proactive monitoring of user actions on CRA systems.

Proactively responding to clients' privacy concerns

Safeguarding the privacy of Canadian's personal information and effectively managing privacy breaches is critical for maintaining public confidence in the integrity of the tax system. In 2020–21, the CRA continued to manage privacy rights and internal privacy breaches, and increased awareness within the CRA of the importance of privacy for its clients.

In 2020–21, the CRA:

- continued to uphold personal privacy rights in accordance with legislation and policy, including the management of internal privacy breaches. More specifically, the CRA:
 - ensured privacy implications were considered as part of privacy assessment processes, and as a result, three privacy assessments were completed during the fiscal year

- responded to 4,023 Privacy Act requests while ensuring that information was protected in accordance with legislation
- developed privacy breach procedures and worked with key CRA stakeholders to effectively manage breaches as soon as they occurred
- reported five material breaches to the Treasury Board Secretariat and the Office of the Privacy Commissioner
- adopted the principles of privacy by design. Going forward, privacy considerations will be incorporated by default into the development, operation and management of all programs, processes, solutions and technologies involving personal information
- strengthened privacy governance in July 2020 by establishing a Privacy Council that meets quarterly and is chaired by the Chief Privacy Officer. The Council's mandate is to facilitate a horizontal approach to privacy governance, identify privacy risks and outline mitigation strategies for the CRA. The Council met twice during 2020–21
- completed its five-year review of privacy-related corporate policy instruments leading to a strengthened Privacy Management Framework with the launch in March 2021 of updates to corporate policy instruments, enhanced procedures to effectively manage privacy breaches, and updates to the Privacy Practices Toolkit to incorporate new policies and procedures
- To increase awareness about the importance of privacy for its clients, the CRA:
 - enhanced the CRA-wide privacy and access to information training and awareness strategy
 - participated in a Data Privacy Day presentation by the Canada Research Chair in Internet and E-commerce Law at the University of Ottawa, with over 4,000 CRA employees attending the event
 - provided training to employees in the International Association of Privacy Professionals' in preparation for the information privacy manager certification

Taking stock of the CRA's commitments to Canadians

Status	2020–21 Departmental Plan commitments	Results
✓	Implement a CRA-wide protocol for responding to external privacy breaches	In March 2021, the CRA released procedures for handling privacy breaches. These procedures support the CRA Privacy Management Framework and contribute to a horizontal approach when responding to privacy breaches by outlining roles and responsibilities and steps to take to manage privacy breaches as quickly and efficiently as possible.
✓	Establish internal privacy governance structures	In July 2020, the CRA's Privacy Council was inaugurated with membership consisting of nine key senior officers, including the Chief Privacy Officer as the Chair.
✓	Update the CRA's web content related to the handling of personal information	In March 2021, a revised Privacy Notice was posted to Canada.ca informing Canadians about what the CRA is doing to protect their information and privacy.
✓	Review, update and create new internal privacy policy instruments and tools	In March 2021, internal policy instruments and tools were released, including: <ul style="list-style-type: none"> • Updates to the corporate policy instruments • New procedures to effectively manage privacy breaches

Status	2020–21 Departmental Plan commitments	Results
	Develop a CRA-wide privacy training and awareness plan	The CRA's privacy commitment to Canadians is to appropriately manage and proactively protect personal information through collaboration across the CRA and the adoption of privacy by design principles. The plan outlines the actions required to achieve this commitment.
	Build on ongoing activities to promote videos on fraud and scam awareness by increasing the frequency and scope of proactive outreach across the country, using media, social media, and stakeholder associations	In addition to regular weekly content posted to the CRA official social media accounts, during Fraud Prevention Month (March 2021) the CRA increased the frequency of posts, along with the promotion of videos through features, such as Facebook stories and Twitter tweets.

Increasing transparency

In 2020–21, the CRA continued to demonstrate its commitment to increased transparency and accountability, by contributing to the federal Open Government initiative and proactively releasing data and information, except that which must be withheld for privacy, confidentiality and security reasons. In April 2020, the Government of Canada committed to proactively releasing COVID-19-related data and information on the Open Government Portal.

The CRA responded quickly to support the transparency and accountability of the Government's COVID-19 emergency measures by releasing high-value emergency data, providing information to the public, and engaging with the public and stakeholders when delivering emergency benefits and subsidies. Specifically, the CRA:

- released the Canada Emergency Wage Subsidy (CEWS) and the Canada Emergency Student Benefit (CESB) datasets on the Open Government Portal
- posted information and statistics on a suite of COVID-19 recovery benefits and subsidies on Canada.ca, including the Canada Recovery Benefit (CRB), Canada Recovery Sickness Benefit (CRSB), Canada Recovery Caregiving Benefit (CRCB) and the Canada Emergency Rent Subsidy (CERS)
- expanded the accountability of the CEWS subsidy by creating the CEWS Registry, allowing the search for employers that received or will receive the CEWS

The CRA collaborated with Employment and Social Development Canada (ESDC) to contribute to their release of Canada Emergency Response Benefit (CERB) datasets. The release combined the CRA's components administered by both organizations. It also participated in federal interdepartmental working groups to help with the coordinated public release of data and information related to CERB.

In accordance with its plans, in 2020–21 the CRA demonstrated its commitment to transparency and accountability and posted a revised Privacy Notice on Canada.ca describing CRA's privacy responsibilities and practices to help Canadians learn more about what the CRA is doing to protect their sensitive personal information and privacy. It also posted service standards, performance targets and results on Canada.ca to inform Canadians of the level of service they can expect and the extent to which the CRA has achieved these standards.

The CRA increased the efficiency of its review and consultation process for corporate policy instruments to help ensure that they are up-to-date so that employees have the direction they need to do their jobs while supporting the CRA's accountabilities. It instituted a quarterly process to improve the monitoring of the status of corporate policy instrument reviews. This process enables the CRA to identify, well in advance, corporate policy instruments that are due for review and update.

During 2020–21, the CRA continued to inform Canadians, through its website and through national and/or regional newswires and the CRA electronic mailing lists, about emerging tax evasion and tax fraud schemes. The CRA publicized 21 enforcement notifications, and 86% of the enforcement notifications were posted on the CRA website within a week of the enforcement action. By publicizing enforcement actions in a timely manner, the CRA raises public awareness and understanding of compliance actions and results, and of the risks and consequences of non-compliance.

To process criminal investigation cases more quickly, the CRA modernized its software and hardware at the Digital Imaging Centre in Prince Edward Island to be able to scan large amounts of seized documents in a more thorough and timely fashion. By accelerating the processing of documents for disclosure to the Public Prosecution Service of Canada, the CRA helps to ensure that the accused are tried within a reasonable timeframe. It also obtained a new disclosure tool which provides greater search capability within disclosure packages.

Taking stock of the CRA’s commitments to Canadians

Status	2020–21 Departmental Plan commitments	Results
	Publish a baseline measure, developed with industry experts, of how clients perceive their experiences with the CRA, to enable us to improve the service experience of clients	The CRA partnered with industry experts to establish the CRA’s first Client Experience Index, an internationally recognized metric for clients’ perceptions of how well an organization delivers experiences that are likely to create and sustain loyalty. The index was measured for a second time in 2020. However, as a result of COVID-19, publishing the results were delayed.
	Enhance the timeliness of the CRA’s responses to clients’ letters to the Minister of National Revenue and CRA executives by implementing a more efficient tracking tool	In December 2020, the CRA implemented a tracking tool to enhance the timeliness of responses to the Minister of National Revenue and CRA executives.



Promoting sustainable development



Part of CRA’s accountability to clients is carrying out tasks in a sustainable manner. As an employer of a large number of employees, the CRA recognizes the impact it has in the communities in which its employees live and work. To that end, the CRA is committed to adopting low-carbon mobility solutions, including the modernization of its vehicle fleet, ensuring principles of green procurement are built into purchasing decision, and taking action to understand climate change impacts that could potentially affect its assets, services and operation across the country.

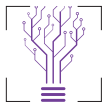
The CRA’s actions in response to the United Nations’ 2030 Agenda for Sustainable Development and the United Nations’ Sustainable Development goals are described in the [Departmental Sustainable Development Strategy 2020 to 2023](#)⁷.

Taking stock of the CRA's commitments to Canadians

Status	2020–21 Departmental Plan commitments	Results
✓	Implement a new sustainable development strategy to green CRA's operations and drive its environmental sustainability agenda through to the end of 2023	 <p>On June 3, 2020, the CRA's Departmental Sustainable Development Strategy 2020 to 2023⁸ (DSDS) was tabled in Parliament in support of the Federal Sustainable Development Strategy. The 2020 to 2023 DSDS includes commitments to reduce greenhouse gas emissions, procure environmentally-friendly products and services, promote sustainable travel and practices, and reduce the use of paper.</p>
✓	Reduce greenhouse gas emissions by purchasing 75% of new light-duty unmodified administrative fleet vehicle as zero-emission vehicles or hybrids where operationally feasible	 <p>100% of the vehicles purchased in the 2020–21 fiscal year were zero-emission or hybrid vehicles.</p>

Enabling innovation

The CRA is committed to a culture of innovation, experimentation and intelligent risk taking. Innovation at the CRA is about continuously improving the way services are provided to Canadians by generating new ideas, improving processes, developing new technology and finding efficient service approaches to adapt to current challenges and changing circumstances.



In December 2020, the CRA approved a three-year Innovation Plan to provide structured support for innovation, to identify the best ideas with the highest potential. The intent is to invest in new ideas and opportunities for transformation and ultimately improve CRA outcomes by directly supporting innovations and ideas that are worth adopting into existing implementation processes. The CRA also committed \$10 million to an Innovation Fund to support experimentation over the next three years. The underlying objectives of the Innovation Fund are to:

- build evidence for an idea before full-scale implementation
- enable the CRA to explore ideas and run experiments to see what works in the CRA context
- change the CRA's culture so that changes can happen anywhere in the organization

In 2020–21, innovation at the CRA was accelerated to effectively respond to the COVID-19 pandemic. The CRA made significant advancements, especially in digital services, behavioural insights, advanced analytics and new information technologies. The CRA aligned work on innovation, service and digital to reduce silos and encouraged service-driven and innovative approaches to transformation projects.

Although the CRA did make progress on its commitment to experiment with machine learning models to improve service to clients and the detection of non-compliance, completion of the two pilots using machine learning models were delayed.

While the CRA explored and exploited opportunities for innovation, it also continued to apply the Lean Methodology, the client-experience approach and other client-centric approaches to support transformation and continuous improvement in the delivery of its programs and services.

In 2020–21, the CRA focused on the following objectives related to this priority:

- fostering innovative mindsets and approaches
- enhancing its operations through continuous improvement
- exploring innovative technologies and analytical methods

The following sections describe the progress the CRA made on achieving these objectives and its commitments to Canadians in its plans for 2020–21.

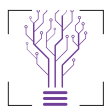
Foster innovative mindsets and approaches

In 2020–21, the CRA fostered an environment where employees at all levels think critically about how they do their work, learn from each other, leverage lessons learned from past experiences and embrace challenges and setbacks with creativity and imagination. In the 2020 Public Service Employee Survey 71% of the CRA employees indicated that they were encouraged to be innovative or to take initiative in their work. Sixty-nine percent indicated that they felt that they would be supported if they proposed a new idea. To continue to improve on these results, the CRA took a number of steps to engage employees more broadly to evolve innovation in the CRA and invest in new ideas.

The CRA is investing \$10 million in innovation and experimentation over the next three years to encourage employees to explore and experiment with new ways to drive positive change.

In 2020–21, the CRA introduced opportunities for employees to learn from each other with the goal to increase intelligent risk taking and learning from past mistakes. To do this, the CRA:

- held the first CRA Innovation Conference for CRA employees – Investing in our Future. CRA employees benefitted from hearing about innovation perspectives from leaders in the innovation community both from within the CRA and externally. The virtual conference had almost 800 attendees from 73 different cities across the country
- highlighted innovative people and activities through showcases and spotlights on CRA employees on the internal website, two of which have received the highest traffic visits of any career spotlights posted on the website




In March 2021, as part of its three-year innovation plan the CRA launched the Innovation Accelerator as a means to encourage employees to come forward with new ideas to address important challenges the CRA is facing. If an idea is selected, it would receive funding through the Innovation Fund to run experiments to test the efficacy of the concepts and to inform full-scale implementation decisions. This approach prioritizes modest investments to solve business problems that have potentially larger impacts and positive transformation outcomes.

The CRA fostered collaborative relationships and partnerships with other Government of Canada departments, other levels of government, academia and the private sector to enable two-way learning and sharing of innovative approaches on common issues. As a recognized leader in the artificial intelligence (AI) governance space within the Government of Canada, the CRA provided feedback, guidance and lessons learned to other Government of Canada and provincial departments, including Transport Canada, the Canada Border Services Agency (CBSA) and the Government of British Columbia.

As a member of the Tax Gap community of practice of the OECD, the CRA engaged with international colleagues in the development of the methodologies adopted for the Excise Tax Gap report.

Taking stock of the CRA's commitments to Canadians

Status	2020–21 Departmental Plan commitments	Results
	Implement a plan to operationalize innovation within the CRA's culture and processes	In February 2021, the CRA launched the three-year Innovation Fund, with dedicated funding for experiments of up to \$10 million for the next three years (2021–22 to 2023–24).

Enhance CRA operations through continuous improvement

In 2020–21, the CRA continued to foster a culture of continuous improvement across the organization, including the use of the Lean methodology⁹ to generate recommendations to improve business processes and procedures.

The CRA applied the Lean principles to several business areas with a goal to improve service delivery by streamlining business processes and procedures, and identifying gaps and areas for improvement. For example, Lean principles were applied to the Business Enquiries Contact Centres process to develop and update procedures for employees. Improvements were identified and are being implemented, and early indications show they are having positive impacts on the process effectiveness and employee satisfaction.

Taking stock of the CRA's commitments to Canadians

Status	2020–21 Departmental Plan commitments	Results
	Promote the use of Lean principles across the organization by creating an agency-wide community of practice	The CRA leveraged and expanded on an existing Community of Practice (COP) to share best practices, lessons learned, training material. A sub-group undertook an assessment and research to develop recommendations and an action plan to formalize the Community of Practice's raison d'être.
	Apply Lean principles to six key business processes to optimize resources and improve outcomes for clients	The CRA applied Lean principles to six business processes to streamline, identify gaps and areas for improvement.

Explore innovative technologies and analytical methods

The CRA recognizes the importance of innovative technologies and how they can help to transform the way in which it delivers its programs and services and how it communicates with Canadians.

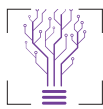
The CRA appointed the first Digital Transformation Officer to lead the digital transformation and implementation of a comprehensive, integrated approach to digitalization to help the CRA to become a truly digital tax and benefits administration. In October 2020, the CRA launched the Digital Business Strategy 2020–2022 – a major milestone to advancing digital initiatives and providing better services to Canadians, and the Digital Implementation Plan in March 2021. In addition, the Digital Acceleration Fund was established in 2020 with an envelope of \$10 million over two years to allow the CRA to advance digital

initiatives in an expedited manner, with a focus on reducing reliance on paper, modernizing various processes, and supporting research and experimentation.



The CRA established the foundations to help ensure that technological developments, such as AI, are aligned with business priorities and are supported by appropriate governance structures, providing support to software designers and engineers before proceeding with development. In 2021, the CRA:

- launched the Directive on Artificial Intelligence and the Algorithmic Impact and Alignment Assessment (AIAA) tool. The Directive sets out the governance for AI and sets out roles and responsibilities to help ensure the responsible use of AI. The AIAA is a mandatory tool that serves as a central repository of all AI projects at the CRA, and which guides employees through assessments of their project’s alignment with business priorities and risk and mitigation strategies, including ethical considerations, during the development and production phases
- established the Emerging Technology Framework to support decentralized ideation and experimentation while providing centralized peer review, oversight and reporting to ensure that resources (human and financial) are applied according to priorities
- established an oversight structure for information technology research and experimentation which includes a horizontal peer review and recommendation body, the Emerging Technology Ambassador Innovation Council, and the Emerging Technology Innovation Board
- created the Emerging Technology Registry, a centralized source of information about emerging technology research and exploration, which supports development of the Emerging Technology Radar which is a point in time graphical depiction of all the technologies and trends being researched and the statuses of activities. This facilitates ongoing communications and monitoring of progress on plans and commitments
- continued to advance the third generation – Application Development Platform to provide CRA software engineers and developers with enhanced expertise, tools and processes, thereby enabling them to efficiently build better, secure digital solutions that can be delivered incrementally






The CRA continued to experiment with emerging technologies, including chatbots and machine learning models. The CRA released the second phase of Charlie the Chatbot 2.0 to respond to questions about Canada’s COVID-19 response, and benefits and subsidies. As a result, many Canadians were able to get information related to the COVID emergency relief measures through Charlie, helping to manage the overall intake within CRA call centres.

The CRA conducted pilots to experiment with machine learning to detect non-compliance and increase the efficiency of internal operations, including a project aimed at detecting non-compliance related to offshore financial assets of T1 filers. Another project was aimed at promoting greater horizontality for data use to generate synthetic data to replace real data, for use in processing, analysis, model building and data imputations.

Taking stock of the CRA’s commitments to Canadians

Status	2020–21 Departmental Plan commitments	Results
	Implement a plan for the CRA’s responsible use of AI, ensuring technological developments are aligned with business priorities and under appropriate governance	In January 2021, the CRA launched the Directive on Artificial Intelligence (AI) 2021, as part of the Information Management Policy Suite, which outlines roles and responsibilities as they relate to AI. Through the Directive, the use of the Algorithmic Impact and Alignment Assessment Tool (AIAA) became mandatory, to ensure that the CRA has a line of sight on AI projects happening across the CRA and alignment with business priorities and risk management.

Status	2020–21 Departmental Plan commitments	Results
	Experiment with improving service to clients and CRA's detection of non-compliance using machine learning models (for example, models to detect goods and services tax/harmonized sales tax non-compliance)	 Progress was made in applying machine learning models. However, completion of the two pilots using machine learning models has been delayed until 2022 due to the COVID-19 pandemic.
	Provide clients with reliable, accurate data by developing, testing and applying factors that help evaluate the quality of data before it is processed and released	The CRA's Data Quality Framework is applied to data assets throughout the data lifecycle. Various standard quantitative analysis techniques are applied to data before it is released to ensure accuracy, consistency and completeness. In addition, results are peer-reviewed and submitted, where required, for validation. Data assets are measured regularly to report data quality trends.

Empowering the CRA's people to excel

The CRA is committed to providing its employees with a healthy and empowering work environment and giving them the support they need to strengthen its service culture.

In 2020–21, COVID-19 restrictions not only changed the way programs and services were delivered to Canadians, but had a significant impact on how employees went about their daily work. The work from home directive meant that employees interacted virtually with their clients and each other, and accessed services, such as learning opportunities, virtually. The CRA continued to demonstrate its People First philosophy by providing employees with the tools and resources to help them transition to the new work environment. It also increased its focus on the physical and psychological well-being of its employees.

During 2020–21, the CRA empowered its people to excel by continuing to advance its plans to promote a safe and healthy workplace free from harassment, violence and discrimination. Furthermore, it continued to foster a culture of continuous learning and provided the training, tools and resources to enable employees to apply the People First philosophy in their interactions with clients and each other. The CRA continued to direct recruitment efforts to build a diverse workforce and recruit people with the required skillsets.

The CRA did not complete two commitments by the targeted delivery date under this priority. The first was a commitment for the national launch of the mobility bank. The initial testing phase was extended to ensure that the mobility bank was functioning as intended before proceeding to a national launch. The second commitment, to implement a comprehensive action plan to respond to regulatory requirements that expand the definition of violence to include harassment, was delayed as resources were redirected to the CRA's COVID-19 response.

In 2020–21 the CRA focused on the following objectives related to this priority:

- addressing current and future workforce transformation needs
- supporting safety, respect, well-being, diversity and inclusion

The following sections describe the progress the CRA made on achieving these objectives and its commitments to Canadians in its plans for 2020–21.

Addressing current and future workforce transformation needs

The CRA is committed to ensuring that it provides employees with a safe and healthy work environment, one which fosters a culture of learning, and to recruiting the talent it needs to support its transformation.

In 2020–21, the CRA:

- implemented a National Business Resumption Plan. Consistent with its People First philosophy, the plan provided a framework for the CRA to resume its activities in a way that supported the continuing and changing needs of its employees and clients
- made tools and resources available to managers and employees to support their physical and psychological well-being. The CRA conducted surveys and managers had regular check-ins with employees to gather feedback on the impact of COVID-19 on their work. As a result, the CRA introduced additional measures to address health and safety issues:
 - established the Learning and Well-being COVID-19 Working Group in May 2020, which developed an Employee Toolkit to provide information and resources on how to safely work on-site with COVID-19 restrictions
 - introduced a mandatory tool to track and monitor the number of employees who tested positive for COVID-19, were exhibiting symptoms of COVID-19, who were asked to self-isolate or who initiated a work refusal due to the risk of COVID-19
 - published a “Health and Safety Checklist” and a list of “Ergonomic Principles” in April 2020 to support employees as they performed their duties from home
 - developed tools and resources to support manager and employee well-being, including: Self-Care tips for managers and their teams during the COVID-19 pandemic; Contributing to a Harmonious Virtual Work Environment; and Communication Strategies for Virtual Teams

The CRA also continued to implement initiatives on its Healthy and Safe Workplace Action Plan. All but two of the 28 action items are in progress or completed. The two outstanding items are linked to changes to the Canada Labour Code and regulations and have dependencies on external stakeholders.

In 2020–21, the CRA continued to implement the character leadership model within the CRA. It trained executive-level board members from the CRA, as well as other government departments, on the character leadership model and interview process and applied the model to EX-01 and EX-02 staffing processes. As a recognized leader in the implementation of character leadership, the CRA assisted the Royal Canadian Mounted Police, Canada Border Services Agency, Financial Transactions and Reports Analysis Centre of Canada, and the Public Prosecution Service of Canada to implement their character leadership programs.

The CRA began to implement initiatives from its Employment Equity, Diversity and Inclusion Action Plan, including mandatory training on unconscious bias for members of Executive Group and Management Group staffing boards.

The CRA is committed to a culture that fosters continuous learning, which prioritizes learning to build the knowledge and skills to support its evolution to a culture of service. In 2020–21, the CRA continued to provide employees with the tools, resources and training to help them build and maintain the skills and competencies to support their career development and to adopt the CRA service culture. To support online learning, the CRA developed a virtual facilitation toolkit for the virtual training community and an internal train-the-trainer session for virtual facilitators.

In accordance with its 2020–21 plans, the CRA:

- provided training on empathy in client service, and published the first set of standardized client experience tools, including templates for creating personas and journey maps
- continued to implement the learning activities that were embedded in the CRA's Workforce Plan 2019–2020 to 2021–2022
- launched a new virtual orientation program that was delivered to 260 new employees
- continued to identify and address recruitment gaps and enhance talent acquisition through targeted virtual recruitment activities to attract people to meet operational needs. Recruitment targeted the areas of information technology, data science, and accounting

While there were fewer traditional recruitment outreach events in 2020–21, advancements in virtual hiring and the shift to virtual engagement, enabled the CRA to connect with target candidates and to proactively create recruitment outreach channels. The CRA strengthened partnerships with post-secondary institutions and participated in 91 virtual recruitment activities at post-secondary institutions; and also held two virtual CRA Career-Days.

In 2020–21, the CRA developed the CRA Employment Equity, Diversity and Inclusion Action Plan 2021 to 2022 through 2024 to 2025 as a result of a CRA-wide consultation process to gain perspective about diversity, inclusion, and racism at the CRA. The CRA also developed tools to raise awareness about diversity and inclusion including:

- an unconscious bias workshop for employees
- an Ally Guide and a Diversity and Inclusion Lens Handbook
- guidelines on why, when and how to acknowledge Indigenous peoples' lands during meetings and events

The CRA continued to diversify its workforce by considering diversity and inclusion in recruitment and staffing practices. The CRA:

- implemented mandatory training on unconscious bias for members of Executive Group and Management Group staffing boards
- provided hiring managers with more timely information about employment equity gaps in their area so they can make better informed hiring decisions.
- launched a leadership learning initiative to increase leadership capacity for high-potential employees in management feeder group positions. Fifty percent of the seats are reserved for three of the four employment equity groups: Indigenous peoples, visible minorities and persons with disabilities
- conducted an EX-01 targeted selection process for visible minority groups and Indigenous peoples, resulting in 861 applicants and 30 qualified candidates
- developed a comprehensive strategy for the recruitment, inclusion, and retention of persons with disabilities
- launched a new recruitment identity in the winter 2021 to better convey the CRA's commitment to a diverse and representative workforce. The new recruitment identity aims to better showcase the CRA as a diverse and inclusive employer and organization. Testimonials from CRA employees, sharing their stories of why they enjoy working for the CRA, highlight the diverse range of careers that the CRA offers, and the benefits of a career with the CRA. The new identity supports the

CRA's vision – to be trusted, fair and helpful by putting people first

- supported the government's reconciliation mandate by implementing a strategy for the recruitment, inclusion and retention of Indigenous Peoples. The result has been an increase in the representation of Indigenous Peoples in professional positions. The CRA continues to promote the Indigenous Student Employment Program (ISEP) as well as the Employment Opportunity for Students with Disabilities program. One of the impacts of COVID-19 was fewer recruitment events and a reduction of hires from the IESP

Taking stock of the CRA's commitments to Canadians

Status	2020–21 Departmental Plan commitments	Results
✓	Consolidate and present to internal stakeholders the findings of consultations with internal and external stakeholders to understand the learning landscape at the CRA, as well as identify opportunities and best practices in learning	In the summer of 2020, the CRA presented three "What we Heard" reports to senior management and all CRA employees. The reports capture the feedback gathered from employees and provided a baseline understanding of the learning experience at the CRA.
✓	Provide CRA employees with the training, guidance and tools to understand client needs, preferences and expectations and deliver a better client experience	To support its employees in applying the client experience approach, the CRA developed and published its first set of standardized tools on the CRA's internal site. Launched Empathy within CRA in-service workshops to help managers and employees learn how to better apply empathetic concepts in service.
✓	Develop an action plan and roadmap to prepare for the future of learning	Based on the findings from the "What we Heard" reports, recommendations for four areas for improvement were approved.
□	Create a national mobility bank to make it easier for employees to move laterally across the CRA	The launch date for the national mobility bank was delayed to June 2021.

Supporting safety, respect, well-being, diversity and inclusion

The CRA strives to create healthy workplaces by interacting with civility and respect by minimizing harassment, discrimination and violence; supporting employees' physical and psychological well-being; embracing diversity and inclusiveness; and making efforts to ensure people feel heard and valued. By promoting respectful behaviour, the CRA supports the well-being of all its employees.

In the spring of 2021, the CRA completed the implementation of the third and final phase of the 2016 to 2019 Respectful Workplace and Well-being Strategy and approved a new Well-being Strategy for 2020 to 2023. The new strategy has four well-being goals: support employees; strengthen leadership; foster healthy workplace interactions; and secure the foundation.

These goals align closely with the Public Service Workplace Mental Health Strategy by ensuring that employee mental health is supported and respected. To support this strategy, the CRA:

- developed tools to support a dialogue about well-being in the workplace, including "Preparing the Workforce: Well-being Worksite Checklist." The checklist provides guidance for managers on how to talk to employees who request to return to



CRA worksites for reasons related to mental health and well-being

- increased capacity and improved processes and tools to respond to changes to the Canada Labour Code (Bill C-65) and updates to the Workplace Harassment and Violence Prevention Regulations which came into effect on January 1, 2021

To support the changes, the CRA:

- reviewed its service delivery model and identified a new classified structure to provide dedicated resources to respond to changes to the Canada Labour Code and associated regulations
- improved processing timeliness, and developed tools to address challenges including a grievance checklist to ensure sufficiently detailed information is collected at grievance hearings where allegations of discrimination and/or harassment have been submitted
- formalized an interim process for the exchange of information and vetting of investigation reports on discipline, harassment, discrimination or workplace violence
- completed a five-year review of the Code of Integrity and Professional Conduct, and updated its Corporate Policy Instruments, and supporting tools, to align with the new regulations. The Directive on Conflict of Interest was approved on April 1, 2021

Taking stock of the CRA's commitments to Canadians

Status	2020–21 Departmental Plan commitments	Results
	Implement a comprehensive action plan to ensure the CRA's compliance with the new legal and regulatory requirements that expand the definition of violence to include harassment	COVID-19 priorities delayed action on the development of the Plan. In January 2021, the CRA developed and implemented an interim process. The new Workplace Harassment and Violence Prevention and Resolution Procedures were approved on June 7, 2021. Canada School of the Public Service training has been launched, and management engagement sessions are ongoing.
	Implement the third phase of the CRA's Respectful Workplace and Well-Being Strategy in support of the Federal Public Service Mental Health Strategy	The CRA completed the implementation of the third and final phase of the 2016 to 2019 Respectful Workplace and Well-being Strategy and approved a new Well-being Strategy for 2020 to 2023.

Endnotes



- 1 Meaning of Digital: The means of modifying, updating, or entirely shifting mindsets, processes, and business through the integration of modern technologies and practices.
- 2 “individuals” refers to the person whose return was filed. Therefore, if a couple filed together they would count as two individuals.
- 3 The client experience approach is a methodology to examine how a client views all interactions across all channels over time. Creating a positive experience involves analysing the entire client journey and continuously identifying improvement opportunities to create the best possible experience.
- 4 Business Intelligence refers to processes, technologies, tools and analytical methods needed to turn data into information, information into knowledge, and knowledge into plans that drive program activities and actions.
- 5 The Common Reporting Standard (CRS) is an international standard, developed by the Organization for Economic Cooperation and Development for the automatic exchange of information on “Financial Accounts” (such as bank, mutual fund and brokerage accounts, segregated fund contracts and certain annuity and insurance contracts) between CRS participating countries, which includes Canada.
- 6 The platform economy refers to economic and social activities facilitated by the use of technologies such as the Internet and mobile applications. Entities referred to as “platforms” use technology to connect buyers and consumers with sellers and service providers.
- 7 Departmental Sustainable Development Strategy 2020 to 2023, <https://www.canada.ca/en/revenue-agency/corporate/about-canada-revenue-agency-cra/sustainable-development/dsds-2020-23.html>
- 8 Departmental Sustainable Development Strategy 2020 to 2023, <https://www.canada.ca/en/revenue-agency/corporate/about-canada-revenue-agency-cra/sustainable-development/dsds-2020-23.html>
- 9 Lean is a methodology focused on creating a culture of continuous improvement within an organization, to create value for clients by systematically removing waste in processes and engaging employees at all levels to embrace problem solving and experimentation within their organization.



Board of Management results

The Board provided oversight in all areas of its statutory responsibilities and accomplished its objectives as outlined in the CRA's Corporate Business Plan (CBP) 2020–21 with perspectives to 2022–23.

Strategic direction

For the 2020–21 fiscal year, the Board and the CRA focused on its 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; and empowering the CRA's employees to excel. During the past year, the CRA's People First philosophy has been the guiding principle behind its day-to-day operations including the welfare and well-being of its employees.

Providing a seamless service experience

The CRA successfully delivered various emergency relief benefits to Canadians during the pandemic, on behalf of the Government of Canada. This was done while ensuring the safety and well-being of its employees and providing them with the necessary tools to continue to serve Canadians.

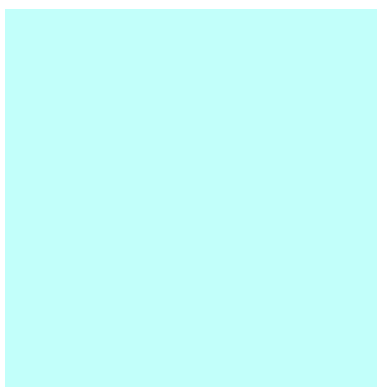
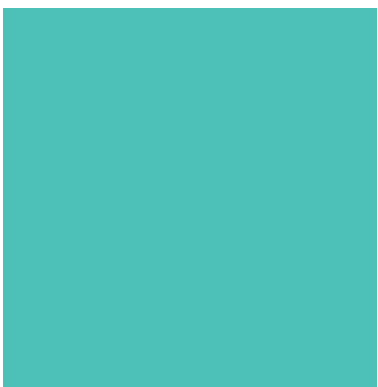
Through its Service Transformation Subcommittee (STS), the Board continued to oversee the CRA's services and associated risks and provided strategic direction and advice on service transformation. The STS reviewed and provided feedback on:

- various quarterly reports on the CRA's call centres, which included information on the quality and the quantity of calls handled by call centre agents
- reports from the CRA's Chief Service Officer on the external service standards and how they were being impacted by the pandemic
- the CRA's transition from a business continuity to a business resumption mode

Although the Board established the STS on a temporary basis to oversee the CRA's service transformation initiative, it continued the subcommittee to oversee CRA efforts to provide clients with seamless and empathetic service during the pandemic, and to guide the CRA's service transformation strategy.

The Board encouraged and provided oversight and direction for the CRA's efforts to move towards digitalization. The CRA created a digital transformation officer position in July 2020 to lead the digital transformation. To this end, the Board approved the CRA's Digital Business Strategy through which the CRA will invest \$10 million over two years to support and accelerate digital initiatives across the organization. One example of the result of digitalization is that, during the pandemic, the CRA was able to virtually offer the Community Volunteer Income Tax Program to the most vulnerable people in Canadian society.

Under the Board's oversight of major projects, the CRA completed and delivered a more robust benefits system. This will improve CRA's capacity for benefit program growth and service delivery.



The Board requested regular updates on the status of programs that were temporarily paused due to the pandemic. This pause created an inventory backlog in some programs. The Board, in partnership with the CRA management, continued to monitor the CRA's action plans on inventory reductions and the return to pre-pandemic service targets.

The cyber incidents in the summer of 2020 adversely affected the CRA's abilities to serve some Canadians and the Board stayed abreast of CRA's efforts to mitigate and resolve this situation, so that Canadians continue to trust the CRA with their information.

Maintaining fairness in Canada's tax and benefits administration

The Board oversaw and supported the CRA's efforts to maintain fairness in Canada's tax system through its oversight of CRA services and compliance efforts. The Board continued its compliance and collection activities in high risk sectors during the pandemic and took action against those not complying with Canada's tax laws.

To lessen the growth of tax debt, the Board continued to encourage the CRA to develop new debt collection strategies and processes with the use of business intelligence. The Board engaged in discussions with the Commissioner and other senior CRA executives to explore the efforts underway to combat tax avoidance and tax evasion.

The Board was informed on the CRA's engagement with other tax administrations and international organizations and their efforts to combat cross-border tax evasion. The Commissioner, in his role as the Chair of the Forum on Tax Administration (FTA) at the Organization for Economic Co-operation and Development's (OECD), played a key role in engaging in international taxation matters with his counterparts, strengthening the CRA's relationships with international tax administrations. The Commissioner apprised the Board of his work, which helps develop international tax standards, promotes collaboration amongst tax administrations to deter non-compliance, and fosters exchange of best practices.

Strengthening trust, transparency, and accountability and security

In 2020–21, the Board oversaw CRA's continued efforts to improve data quality and better integrate data across the CRA. It approved the information and data strategy and action plan.

The Board received a report on the vulnerability of personal information and the protection measures in place, or being enhanced, to safeguard the information held in CRA systems. It will also oversee the implementation of all the report recommendations. The CRA continued to enhance procedures to respond to privacy breaches, improve internal privacy policy instruments and tools, and develop a performance measurement framework for organizational privacy management.

The Board guided the development of the Guardian Program which will enhance continuous assurance from an insider-threat perspective. It reviewed implementation of the governance structure, controls and the concept of operations for the new program. The Board also provided strategic advice and direction on the elevation of the CRA's Agency Security Officer position to the Assistant Deputy Commissioner level.

The Board worked closely with the CRA's Chief Risk Officer, reviewed and provided advice on some of the key risks and opportunities for the CRA in 2020–21. Due to the pandemic and a fast changing environment during the year, the Board switched from annual to quarterly reviews of reports on the CRA's corporate risk profile and possible impacts of the risks on the CRA operations and employees and the CRA developed action plans to mitigate the risks.

As part of its corporate oversight responsibilities, the Board reviewed and approved various corporate policies and strategies during this fiscal. This ensured a strong governance foundation and robust risk mitigation, and helped the CRA align its business priorities with its corporate policy priorities.

Enabling innovation

The Board continued to encourage the CRA to boldly innovate and capitalize on lessons learned from doing business differently during the pandemic, either by changing processes or using digital and other emerging technologies. The Board supported the ethical use of artificial intelligence (AI) and provided advice on the need for a strong governance structure around the use of AI, resulting in the launch of the AI Directive.

Under the Board's oversight, the CRA finalized its Innovation Plan with dedicated funding of up to \$10 million for the next three years (2021–22 through 2023–24) to conduct experiments.

In line with the Board and CRA priority related to innovation, the CRA initiated assessments and consultations to identify opportunities to advance innovation in business intelligence. It created advanced analytics teams and a working group of data analysts from different areas in the CRA to share research projects and leverage data analytics. The CRA also continued to develop tools and analysis to identify non-compliance.

Empowering CRA's employees to excel

In 2020, for the fourth year in a row, the CRA was recognized as the preferred employer of choice and one of the top 100 employers in Canada. The pandemic proved the agility and the dedication of the CRA's employees when most of them had to switch to working remotely, and were called upon to deliver emergency relief benefits on behalf of the Government of Canada.

The Board stayed abreast of the CRA's efforts to ensure the well-being of its employees, and it oversaw CRA education and awareness initiatives to help its employees adapt to working remotely. The CRA's annual workforce plan was reviewed and approved by the Board, with a special focus on the following: the well-being of employees; the CRA's efforts towards making its workplace more diverse, inclusive and free of racism; and the future of workplace and learning.

Under the Board's Human Resources Committee's (HRC) oversight, the CRA started to define its future workplace vision and demonstrated leadership within the Government of Canada by helping set the direction for other departments and agencies. The CRA is working closely with Public Services and Procurement Canada (PSPC) and other partners to develop the implementation strategies to realize this vision.

The Board's HRC also oversaw the implementation of the CRA's diversity and inclusion strategy and character based leadership model.

The Board oversaw the CRA's efforts towards redesigning its staffing and performance management programs to attune them to the current and future work environment and make them more effective and efficient. The CRA undertook various online initiatives to help employees, managers, and executives to develop knowledge and skills. CRA staff redesigned courses for virtual delivery, developed learning tools and tested new technologies. Newly hired CRA employees attended a new virtual orientation session and the first virtual executives (EX) Forum was delivered in 2020.

In 2020–21, the CRA conducted four internal employee surveys to gauge how employees were coping and how the pandemic affected their work. These survey results propelled the exploration of the workplace of the future, assisted in online tools development and helped the CRA adjust its annual workforce plan.

The Board received updates on the CRA's succession plans to ensure it has the right leadership in place to lead its employees, now and into the future. This year also saw successful integration of character leadership assessment into all entry level executive staffing processes.

Overall, the survey results indicated that CRA employees felt their supervisors kept them up to date with relevant information. Under the Board oversight, the managers were encouraged to be mindful of their own well-being, and they were supported by an updated Guide on Virtual Work Arrangements to reflect the reality of the COVID-19 pandemic.

While much work has been done during this year to support CRA employees, the Board will continue to work with the CRA management in ensuring that its workforce reflects Canada's diverse population, has the tools it needs to succeed and serve Canadians, remains agile and can access continued learning. The Board and CRA management will also continue working to ensure that the CRA workplace is free of harassment and discrimination.

Conclusion

The Board in partnership with the CRA management accomplished its overall strategic objectives for 2020–21 and remains committed to:

- continuing to support the 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 Board governance and social responsibility to make its oversight role more effective and efficient

The Board is proud to have been recognized by the Governance Professionals of Canada for a second year in a row for excellence in governance innovation and resilience and for enterprise risk management oversight.

The Board thanks the Commissioner of Revenue, Mr. Bob Hamilton for his leadership, and is also grateful to the CRA management and employees for their strong support as it carries out its fiduciary obligations.

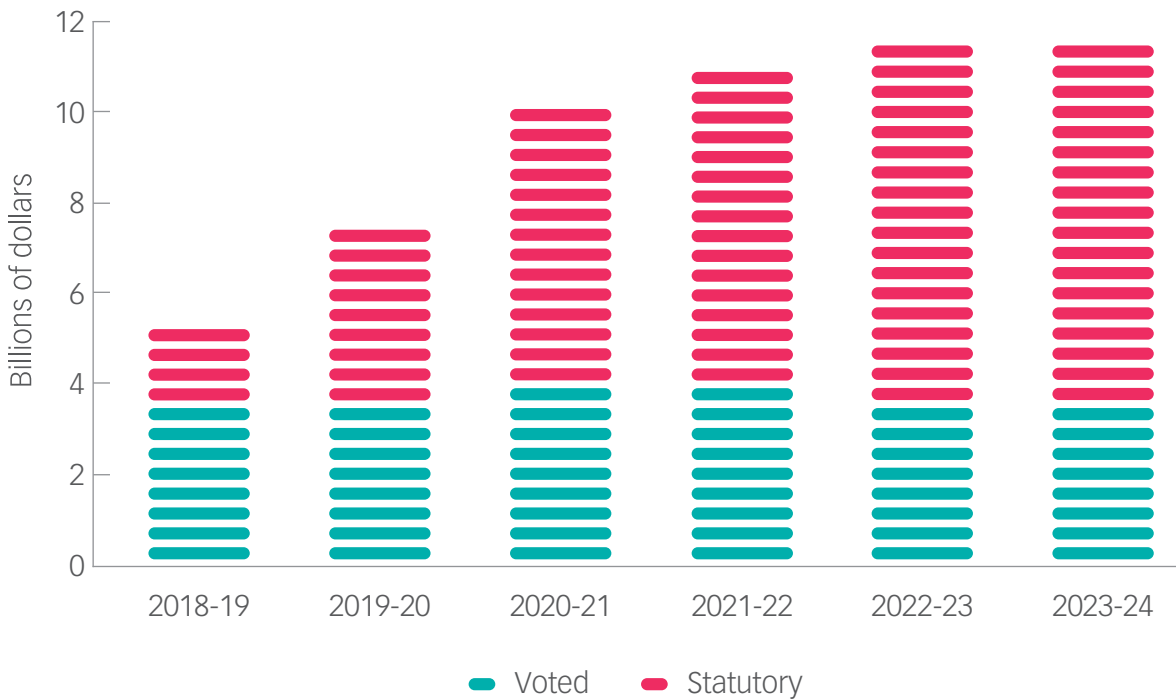
The Board particularly appreciates the CRA's commitment and effort during the pandemic and looks forward to seeing the momentum continue as the CRA strives to better serve Canadians, as a world-class tax and benefit administration.



Analysis of trends in spending and human resources

Actual expenditures

CRA spending trend¹



Spending Trend

	Actual Spending			Planned Spending		
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Statutory	1,643,402,290	3,641,252,364	6,002,927,402	7,018,221,892	7,849,934,734	7,841,130,338
Voted	3,477,710,768	3,556,958,796	3,981,070,537	3,747,575,165	3,658,535,407	3,645,318,048
Total	5,121,113,058	7,198,211,160	9,983,997,939	10,765,797,057	11,508,470,141	11,486,448,386

Budgetary performance summary for core responsibilities and internal services (dollars)

Core Responsibilities and Internal Services	2020-21 Main Estimates	2020-21 Planned spending	2021-22 Planned spending	2022-23 Planned spending	2020-21 Total authorities available for use	2018-19 Actual spending ² (authorities used)	2019-20 Actual spending ² (authorities used)	2020-21 Actual spending ² (authorities used)
Tax	3,264,289,968	3,264,289,968	3,464,102,333	3,378,454,177	4,125,750,377	2,959,502,477	3,279,915,517	3,888,255,191
Benefits ³	3,929,115,162	3,929,115,162	6,432,006,014	7,316,092,644	5,165,705,122	1,128,379,061	3,140,851,352	5,147,281,794
Taxpayers' Ombuds-person ⁴	3,780,057	3,780,057	3,875,779	3,882,560	4,879,891	3,097,900	3,804,534	4,614,641
Subtotal	7,197,185,187	7,197,185,187	9,899,984,126	10,698,429,381	9,296,335,390	4,090,979,438	6,424,571,403	9,040,151,626
Internal Services	742,806,006	742,806,006	865,812,931	810,040,760	1,175,287,965	1,030,133,620	773,639,757	943,846,313
Total	7,939,991,193	7,939,991,193	10,765,797,057	11,508,470,141	10,471,623,355	5,121,113,058	7,198,211,160	9,983,997,939

The majority of the increase in the CRA's overall budget is attributable to its statutory appropriations, particularly to spending associated with the Climate Action Incentive (CAI) payment (for more details, please see endnote 3 of the Budgetary performance summary table). The CRA is responsible for the administration of the fuel charge in jurisdictions that do not meet the federal carbon pricing benchmark. This includes the delivery of 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 CRA's voted appropriations for fiscal years 2018–19 to 2020–21 also includes technical adjustments such as the carry-forward from the previous year and funding for severance payments, parental benefits, and vacation credits. In 2020–21, a significant portion of the increase in spending is a result of retroactive payments associated with the collective bargaining adjustments for employees represented by the Public Service Alliance of Canada - Union of Taxation Employees (PSAC-UTE). The 2020–21 fiscal year also reflects higher spending related to the administration of measures associated with the Government's response to COVID-19 and growth in funding for federal budget and policy measures announced in prior years.

The 2020–21 total authorities available for use increased by \$2.5 billion, or 32%, over its planned spending. Of this amount, \$1.1 billion is related to the statutory CAI payment. Other increases are attributable to collective bargaining adjustments, COVID-19 related measures, and the aforementioned technical in-year adjustments (for more details, please see "Authorities approved after Main Estimates" in the supplementary information tables). Of the 2020–21 total authorities, \$488 million remained unexpended at year-end and is eligible to be carried forward by the CRA to 2021–22 under its statutory two-year spending authority. A portion of the unexpended amount is the result of CRA resources being temporarily redirected from core tax and benefits workload to deliver critical COVID-19 programs. This also included pausing many strategic investment projects at the beginning of the fiscal year. These funds will be carried forward and directed to emerging operational pressures as well as major investment projects in 2021–22.

2020–21 Budgetary actual gross spending summary (dollars)

Core Responsibilities and Internal Services	2020-21 Actual gross spending	2020-21 Actual revenues netted against expenditures	2020-21 Actual net spending (authorities used)
Tax	4,272,644,982	384,389,791	3,888,255,191
Benefits	5,148,343,776	1,061,982	5,147,281,794
Taxpayers' Ombudsperson ⁵	4,614,641		4,614,641
Subtotal	9,425,603,399	385,451,773	9,040,151,626
Internal services	1,032,583,287	88,736,974	943,846,313
Total	10,458,186,686	474,188,747	9,983,997,939

Actual revenues netted against expenditures represent amounts recovered by the CRA for the provision of services to Employment and Social Development Canada for the administration of the Canada Pension Plan and the Employment Insurance Act.

Actual human resources

Human resources summary for core responsibilities and internal services (full time equivalents)

Core Responsibilities and Internal Services	2018-19 Actual Full time equivalents	2019-20 Actual Full time equivalents	2020-21 Planned Full time equivalents	2020-21 Actual Full time equivalents	2021-22 Planned Full time equivalents	2022-23 Planned Full time equivalents
Tax	31,789	34,267	34,319	35,418	34,421	33,776
Benefits	1,135	1,302	1,433	1,463	1,572	1,461
Taxpayers' Ombudsperson	29	38	33	33	34	34
Subtotal	32,953	35,607	35,785	36,914	36,027	35,271
Internal services	8,122	6,146	6,005	6,410	6,499	6,223
Total	41,075	41,753	41,790	43,324	42,526	41,494

The increase in actual FTEs in 2020–21 is largely attributable to the administration of measures associated with the Government’s response to COVID-19 as well as growth in funding for federal budget and policy measures announced in prior years. Over the planning period, the reduction in FTEs from 42,526 in 2021–22 to 41,494 in 2022–23, is primarily the result of a decrease in funding for the federal carbon pollution pricing system and the taxation regime for cannabis.

A portion of the decrease in internal services FTEs is due to the attribution of direct internal service costs to the programs starting in 2019–20 (primarily within the tax core responsibility).

Expenditures by vote

For information on the CRA’s organizational voted and statutory expenditures, consult the [Public Accounts of Canada 2020–2021](#)⁶.

Government of Canada spending and activities

Information on the alignment of the CRA’s spending with the Government of Canada’s spending and activities is available in [GC InfoBase](#)⁷.

Supporting information on lower-level programs

Supporting information on lower-level programs is available in [GC InfoBase](#)⁸.

Financial statements and financial statements highlights

Agency Activities

Financial statements

The CRA’s financial statements (unaudited) for the year ended March 31, 2021, are available on the [CRA website](#)⁹.

Financial statements highlights

Condensed statement of operations (unaudited) for the year ended March 31, 2021 (dollars)					
Financial information	2020–21 Planned results	2020–21 Actual results	2019–20 Actual results	Difference (2020–21 Actual results minus 2020–21 Planned results)	Difference (2020–21 Actual results minus 2019–20 Actual results)
Total expenses	5,633,291,985	5,881,281,641	5,536,739,554	247,989,656	344,542,087
Total non-tax revenues	564,858,371	821,850,004	577,423,527	256,991,633	244,426,477

Condensed statement of operations (unaudited) for the year ended March 31, 2021 (dollars)					
Financial information	2020-21 Planned results	2020-21 Actual results	2019-20 Actual results	Difference (2020-21 Actual results minus 2020-21 Planned results)	Difference (2020-21 Actual results minus 2019-20 Actual results)
Net cost of operations before government funding and transfers	5,068,433,614	5,059,431,637	4,959,316,027	(9,001,977)	100,115,610

Future-Oriented Statement of Operations: [Departmental Plan - Canada.ca](#)¹⁰.

The Agency's net cost of operations before government funding and transfers in the 2020-21 fiscal year amounted to \$5,059.4 million, an increase of \$100.1 million from the \$4,959.3 million net cost of operations before government funding and transfers in the 2019-20 fiscal year.

Personnel expenses (salaries, other allowances and benefits) represent 77% of total expenses and are the Agency's primary costs. The remaining 23% of expenses are comprised of other costs such as information technology and accommodation expenses.

Personnel costs have increased by \$287.7 million in the 2020-21 fiscal year, including salary expenses (\$96.5 million) and other allowances and benefits (\$191.2 million). This is mainly explained by an increase in the number of employees, economic salary increases and salary increments. Additionally, a signing bonus and a one-time payment for the late implementation of the 2017 collective agreement were awarded to employees as part of the new Public Service Alliance of Canada (PSAC) - Union of Taxation Employees (UTE) collective agreement (\$32.2 million). Members of the Professional Institute of the Public Service of Canada (PIPSC) were also awarded additional damages for the late implementation of the 2014 collective agreement (estimated at \$12.1 million).

Non-personnel expenses have increased by \$56.8 million in the 2020-21 fiscal year. This net variance in most part results from an increase in information technology services (\$54.9 million) and equipment purchases (\$35.8 million) and a decrease in travel expenses (\$36.9 million), all mainly due to the Agency's response to COVID-19.

Non-tax revenues have increased by \$244.4 million in the 2020-21 fiscal year, attributable to the increase in costs recovered for the administration of COVID-19 programs (\$176.4 million) such as the Canada Emergency Response Benefit and for the administration of the Canada Pension Plan and Employment Insurance Act (\$84.7 million).

Condensed statement of financial position (unaudited) as of March 31, 2021 (dollars)			
Financial information	2020-21	2019-20	Difference (2020-21 minus 2019-20)
Total liabilities	1,273,792,914	1,453,830,594	(180,037,680)
Total financial assets	433,872,987	346,198,516	87,674,471
Agency net debt	839,919,927	1,107,632,078	(267,712,151)

Condensed statement of financial position (unaudited) as of March 31, 2021 (dollars)			
Financial information	2020-21	2019-20	Difference (2020-21 minus 2019-20)
Total non-financial assets	483,200,638	440,483,431	42,717,207
Agency net financial position	356,719,289	667,148,647	(310,429,358)

Liabilities have decreased by \$180.0 million in the 2020–21 fiscal year. This was mainly attributable to the payment of retroactive salary increases for the expired PSAC-UTE collective agreement (\$329.5 million), which reversed the previous years' salary accruals. The overall decrease was offset by an increase in vacation pay and compensatory leave liability (\$80.6 million), which resulted mainly from the increase in salaries and the number of employees as well as the increase in unused vacation banks since the start of COVID-19. Additionally, there was an increase in the amount payable to Treasury Board Secretariat for the final adjustment of the Agency's 2020–21 fiscal year employee benefit plan costs (\$122.8 million).

The increase of \$87.7 million in financial assets reflects the increase in the Due from the Consolidated Revenue Fund (CRF) resulting mainly from the increase in the amount payable to Treasury Board Secretariat for the final adjustment of the Agency's 2020–21 fiscal year employee benefit plan costs (\$122.8 million). The Due from the CRF account represents the net amount of cash that the Agency is entitled to draw without using further appropriations to discharge its liabilities.

Non-financial assets are comprised of 94% tangible capital assets. The net book value of tangible capital assets has increased by \$32.5 million in the 2020–21 fiscal year. The costs capitalized (\$88.7 million) have increased by \$24.7 million due to major projects of in-house developed software.

Administered activities

Condensed statement of administered revenues and pension contributions, statement of administered expenses and recoveries (unaudited), and statement of administered cash flows for the year ended March 31, 2021 (in millions of dollars)			
Financial information	2020-21	2019-20	Difference (2020-21 minus 2019-20)
Total administered revenues and pension contributions	482,409	467,216	15,193
Total net administered expenses and recoveries	(195,082)	(40,762)	(154,320)
Revenues paid or payable directly to a province	(454)	(373)	(81)
Changes in administered assets and liabilities	(14,759)	2,550	(17,309)

Condensed statement of administered revenues and pension contributions, statement of administered expenses and recoveries (unaudited), and statement of administered cash flows for the year ended March 31, 2021 (in millions of dollars)

Financial information	2020-21	2019-20	Difference (2020-21 minus 2019-20)
Net cash deposited in the Consolidated Revenue Fund of the Government of Canada	272,114	428,631	(156,517)

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. For the fiscal year 2020-21, total administered revenues amounted to \$482,409 million. This represented an increase of \$15,193 million or 3.3% from 2019-20. This increase is due to the economic recovery in the latter part of the fiscal year, and the various support measures adopted in Canada's COVID-19 Economic Response Plan for individuals and corporations.

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 old age security, employment insurance, and Canada recovery benefit. Total net administered expenses and recoveries amounted to \$195,082 million in 2020-21, an increase of \$154,320 million or 378.6% from 2019-20. The increase primarily reflects expenses administered in regards to Canada's COVID-19 Economic Response Plan to support the Canadian economy during the COVID-19 global pandemic.

Condensed statement of administered assets and liabilities (unaudited) as at March 31, 2021 (in millions of dollars)

Financial information	2020-21	2019-20	Difference (2019-20 minus 2018-19)
Total administered assets	150,603	124,421	26,182
Administered liabilities	72,411	60,988	11,423
Net amount due to the Consolidated Revenue Fund	78,192	63,433	14,759
Total liabilities	150,603	124,421	26,182

Total administered assets amounted to \$150,603 million as at March 31, 2021, an increase of \$26,182 million or 21.0% from 2019-20. The increase is primarily due to higher individuals accounts receivable as a result of higher revenues, as well as taxable COVID-19 benefit payments and the expiration of the payment extension relief measures as announced in the Canada's COVID-19 Economic Response Plan.

Administered liabilities amounted to \$72,411 million as at March 31, 2021, an increase of \$11,423 million or 18.7% from 2019-20. The increase reflects COVID-19 transfer payments issued in April-May 2021 that were payable on March 31, 2021, as well as lower amounts payable at the end of 2019-20 due to a reduction in amounts assessed in April-May 2020 due to filing deferral measures under Canada's COVID-19 Economic Response Plan.



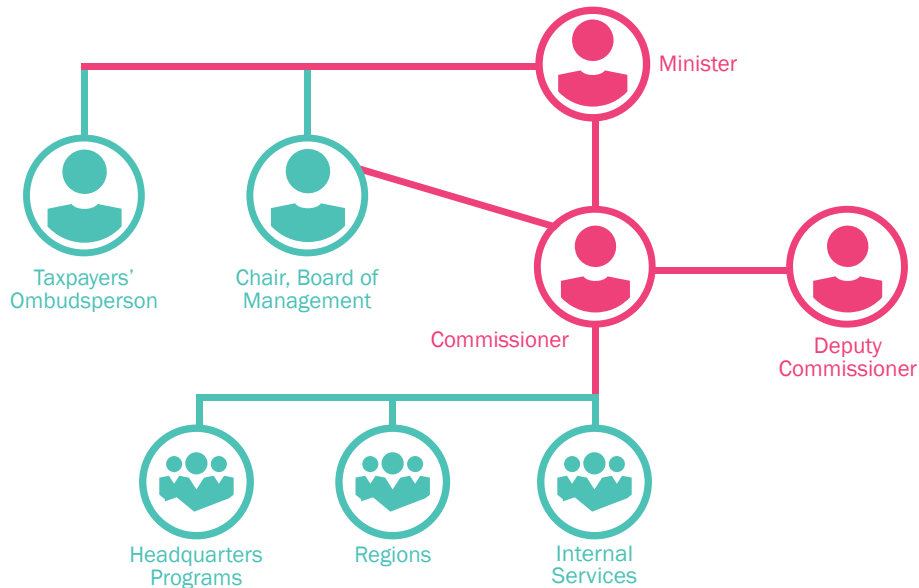
Endnotes

- 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, the distribution of fuel charge proceeds to the province or territory of origin (primarily through the Climate Action Incentive payment), as well as the implementation of initiatives to improve efficiency. It does not reflect amounts recovered by the CRA for the provision of services to Employment and Social Development Canada for the administration of the Canada Pension Plan and the Employment Insurance Act.
- 2 Modified cash basis, based on parliamentary appropriations used. For an explanation of how actual spending relates to results in the CRA Financial Statements – Agency Activities, see Note 3 on parliamentary appropriations.
- 3 Includes the following statutory payments: Climate Action Incentive payment (planned spending: \$3.4 billion in 2020–21, \$5.9 billion in 2021–22, and \$6.8 billion in 2022–23) (actual spending: \$4.5 billion in 2020–21, \$2.6 billion in 2019–20, and \$663.8 million in 2018–19); Children's Special Allowance payments (planned spending: \$361 million in 2020–21, and \$373 million in 2021–22 and 2022–23) (actual spending: \$381.8 million in 2020–21, \$351.6 million in 2019–20, and \$338.7 million in 2018–19); Fuel charge proceeds returned to provinces and territories (planned spending: \$0 in 2020–21, \$25 million in 2021–22, and \$30 million in 2022–23) (actual spending: \$18.5 million in 2020–21, \$5.6 million in 2019–20, and \$0 in 2018–19).
- 4 Since the Taxpayers' Ombudsperson operates at arm's-length from the CRA, this Departmental Results Report does not reflect the activities of that office.
- 5 Since the Taxpayers' Ombudsperson operates at arm's-length from the CRA, this Departmental Results Report does not reflect the activities of that office.
- 6 Public Accounts of Canada 2020–2021, <https://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html>
- 7 GC Infobase, <https://www.tbs-sct.gc.ca/cms-sgd/edb-bdd/index-eng.html>
- 8 GC Infobase, <https://www.tbs-sct.gc.ca/cms-sgd/edb-bdd/index-eng.html>
- 9 CRA Departmental Results Reports and financial statements, <https://www.canada.ca/en/revenue-agency/corporate/about-canada-revenue-agency-cra/departmental-performance-reports.html>
- 10 Departmental Plan, <https://www.canada.ca/en/revenue-agency/corporate/about-canada-revenue-agency-cra/departmental-plan.html>



Corporate information

Organizational profile



Appropriate minister: The Honourable Diane LeBouthillier, P.C., M.P.

Institutional head: Bob Hamilton

Chair, Board of Management: Suzanne Gouin

Ministerial portfolio: National Revenue

Enabling instrument: Canada Revenue Agency Act, S.C. 1999, c. 17

Year of commencement: 1999

Raison d'être, mandate and role

Information on the CRA's raison d'être, mandate and role is available on the [CRA website](#)¹.

For more information on the CRA's organizational mandate letter commitments, see the [Minister's mandate letter](#)² and [supplementary mandate letter](#)³.

Operating context

Information on the CRA's operating context is available on the [CRA website](#)⁴.

Reporting framework

The CRA's Departmental Results Framework and Program Inventory of record for 2020–21 are shown below.

Core responsibility	Departmental result	Program inventory	Indicator
Tax	Canadians voluntarily comply with their tax obligations, non-compliance is addressed, and Canadians have trust in the CRA	<ul style="list-style-type: none"> • Tax services and processing • Charities • Registered plans • Policy, rulings, and interpretations • Service complaints • Objections and appeals • Taxpayer relief • International and large business compliance and criminal investigations • Domestic compliance • Returns compliance • Collections 	Percentage of individual tax returns filed on time
			Percentage of businesses registered for GST/HST
			Percentage of reported tax liabilities paid on time
			Percentage of external service standards targets that are met or mostly met
			Public perception index: Service experience
			Public perception index: Trust
			Percentage of Canadians who participate in the tax system
			Ratio of collectible tax debt to total net receipts (cash accounting)
			Number of individuals helped by the Community Volunteer Income Tax Program
			Incremental revenue resulting from Budget investments
Incremental debt collected (resolved) resulting from Budget 2016 investments			

Core responsibility	Departmental result	Program inventory	Indicator
Benefits	Canadians receive their rightful benefits in a timely manner	Benefits	Percentage of Canada child benefit (CCB) payments issued to recipients on time
			Percentage of respondents satisfied with overall benefits experience
			Percentage of taxpayers (benefit recipients) who filed a return as a result of targeted CRA intervention

Supporting information on the program inventory

Financial, human resources and performance information for CRA's Program Inventory is available in [GC InfoBase](#)⁵.

Supplementary information tables

The following supplementary information tables are available on the [CRA website](#)⁶:

- Reporting on Green Procurement
- Authorities approved after Main Estimates (dollars)
- Details on transfer payment programs
- Gender-based Analysis Plus (GBA Plus)
- Response to parliamentary committees and external audits
- Board of Management attendance record for 2021 and compensation rates

Federal tax expenditures

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures each year in the [Report on Federal Tax Expenditures](#)⁷. This report also provides detailed background information on tax expenditures, including descriptions, objectives, historical information and references to related federal spending programs as well as evaluations and GBA Plus of tax expenditures.

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 2020–21, 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 CRA'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 CRA provides or administers in its management of human resources.

Organizational contact information

Connaught building

555 MacKenzie Avenue

Ottawa ON K1A 0L5

Telephone: 613-957-3688

Website: www.canada.ca/en/revenue-agency⁸

Endnotes

- 1 About the CRA, <https://www.canada.ca/en/revenue-agency/corporate/about-canada-revenue-agency-cra.html>
- 2 Minister of National Revenue Mandate Letter, <https://pm.gc.ca/en/mandate-letters/2019/12/13/archived-minister-national-revenue-mandate-letter>
- 3 Minister of National Revenue Supplementary Mandate Letter, <https://pm.gc.ca/en/mandate-letters/2021/01/15/archived-minister-national-revenue-supplementary-mandate-letter>
- 4 About the CRA, <https://www.canada.ca/en/revenue-agency/corporate/about-canada-revenue-agency-cra.html>
- 5 GC Infobase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#>
- 6 CRA Departmental Results Reports and supplementary information tables, <https://www.canada.ca/en/revenue-agency/corporate/about-canada-revenue-agency-cra/departmental-performance-reports.html>
- 7 Report on Federal Tax Expenditures, <https://www.canada.ca/en/department-finance/services/publications/federal-tax-expenditures.html>
- 8 CRA, <https://www.canada.ca/en/revenue-agency.html>





Appendix: definitions

- **Appropriation:** Any authority of Parliament to pay money out of the Consolidated Revenue Fund.
- **Business intelligence:** Refers to processes, technologies, tools and analytical methods needed to turn data into information, information into knowledge, and knowledge into plans that drive program activities and actions.
- **Client experience approach:** The client experience approach encompasses how a client views all interactions across all channels over time. Creating a positive experience involves analyzing the entire client journey and continuously identifying improvement opportunities to create the best possible experience.
- **Common Reporting Standard (CRS):** An international standard, developed by the Organization for Economic Cooperation and Development, for the automatic exchange of information on “Financial Accounts” (such as bank, mutual fund and brokerage accounts, segregated fund contracts and certain annuity and insurance contracts) between CRS participating countries, which includes Canada.
- **Core responsibility:** An enduring function or role performed by a department. The intentions of the department with respect to a core responsibility are reflected in one or more related departmental results that the department seeks to contribute to or influence.
- **Departmental Plan:** A report on the plans and expected performance of an appropriated department over a three-year period. Departmental Plans are usually tabled in Parliament each spring.
- **Departmental result:** A consequence or outcome that a department seeks to achieve. A departmental result is often outside the departments’ immediate control, but it should be influenced by program-level outcomes.
- **Departmental result indicator:** A quantitative measure of progress on a departmental result.
- **Departmental results framework:** A framework that connects the department’s core responsibilities to its departmental results and departmental result indicators.
- **Departmental Results Report:** A report on a department’s actual accomplishments against the plans, priorities and expected results set out in the corresponding Departmental Plan.
- **Experimentation:** The conducting of activities that seek to first explore, then test and compare the effects and impacts of policies and interventions. Experimentation activities help to inform evidence-based decision-making, and improve outcomes for Canadians, by learning what works, for whom and in what circumstances. Experimentation is related to, but distinct from innovation (the trying of new things), because it involves a rigorous comparison of results. For example, using a new website to communicate with Canadians can be an innovation; systematically testing the new website against existing outreach tools or an old website to see which one leads to more engagement, is experimentation.
- **Full time equivalent:** A measure of the consumption of people time – one person working full time (37.5 hours per week) for one year equals one FTE.
- **Gender-based Analysis Plus (GBA Plus):** An analytical process used to assess how diverse groups of women, men and gender-diverse people experience policies, programs and services based on multiple factors including race, ethnicity, religion, age, and mental or physical disability.

- **Performance:** Results achieved compared with intended objectives.
- **Performance indicator:** A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative against expected results.
- **Plan:** The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally, a plan will explain the logic behind the strategies chosen and tends to focus on actions that lead to the expected result.
- **Planned spending:** For Departmental Plans and Departmental Results Reports, planned spending refers to those amounts presented in Main Estimates. A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their Departmental Plans and Departmental Results Reports.
- **Platform economy:** Refers to economic and social activities facilitated by the use of technologies such as the Internet and mobile applications. Entities referred to as “platforms” use technology to connect buyers and consumers with sellers and service providers.
- **Program:** Individual or groups of services, activities or combinations thereof that are managed together within the department and focus on a specific set of outputs, outcomes or service levels.
- **Program inventory:** Identifies all the department’s programs and describes how resources are organized to contribute to the department’s core responsibilities and results.
- **Result:** A consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization’s influence.
- **Statutory expenditures:** Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.
- **Target:** A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.
- **Voted expenditures:** Expenditures that Parliament approves annually through an appropriation act. The vote wording becomes the governing conditions under which these expenditures may be made.