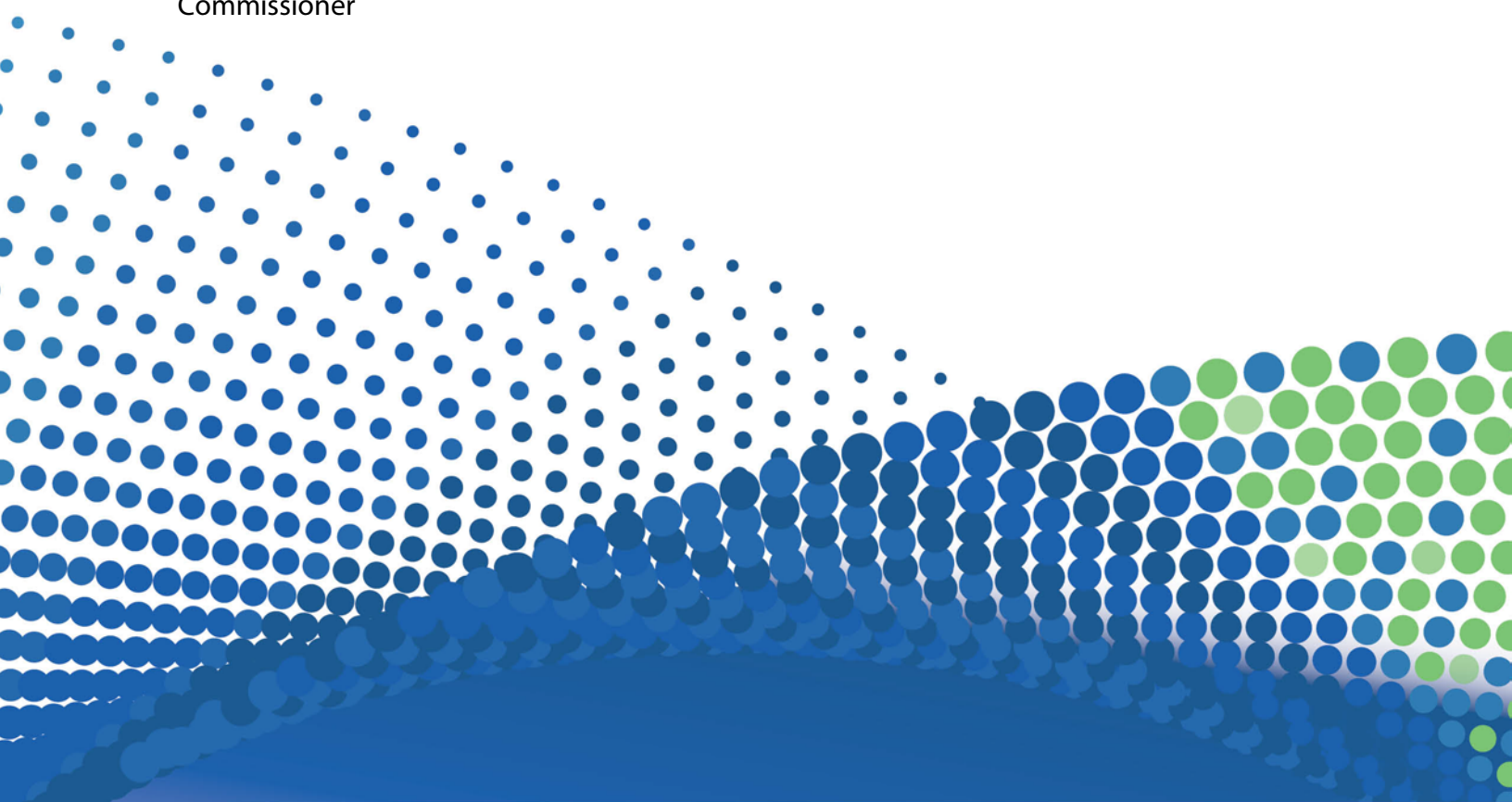




FINANCIAL CONSUMER AGENCY OF CANADA

2017-2018 BUSINESS PLAN¹

Lucie M.A. Tedesco
Commissioner



May 2017

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Ce document est aussi disponible en français sous le titre ***Agence de la consommation en matière financière du Canada : 2017-2018 Plan d'activités.***

¹ FCAC prepared this Business Plan consistent with Treasury Board Secretariat requirements for Departmental Plans for Government of Canada departments and agencies. FCAC is not an appropriated organization under the *Financial Administration Act*. FCAC receives funding from the Government of Canada through a statutory expenditure, with the remainder funded by industry assessments.

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Commissioner's message: Looking to the future

I am pleased to present the 2017-18 FCAC Business Plan.

The plan provides parliamentarians and other Canadians with information on what we do and the results we expect to achieve during the next fiscal year. To improve reporting to Canadians, we are introducing a new, simplified plan to replace the *Report on Plans and Priorities*. The plan communicates our annual performance goals and forecasts the financial and human resources required to meet those goals. It is a clear, straightforward and balanced story about our programs and services for Canadians, our priorities for 2017-18 and how our work will fulfill our mandate and support the government's priorities.

The plan we are putting forward will position the Agency to achieve the government objectives of maintaining a strong financial consumer protection framework and strengthening the financial literacy of Canadians. It also readies us to respond to a future influenced by exciting marketplace innovations. Chief among these are new technologies that are providing consumers and businesses with greater convenience and choice in financial products and services. At the same time, we must not lose sight of the potential risks consumers may face as they adopt new behaviour in response to innovation. FCAC will adapt to these market changes and continue to provide effective oversight of the entities it regulates. We will focus on protecting financial consumers and strengthening their knowledge, skills and confidence, while addressing emerging issues of concern.

This plan describes the initiatives necessary to deliver on FCAC's priorities, some of which carry over from previous planning periods. A major initiative for the upcoming fiscal year is the implementation a new supervision framework setting out the principles and processes we will follow in overseeing federally regulated financial entities. Under the new framework, our supervisory efforts will be more rigorous, proactive and transparent, yielding more predictable outcomes. I will discuss the new framework along with other near-term priorities in my annual meetings with Chief Executive Officers and boards of directors of the entities we supervise to ensure they clearly understand FCAC's expectations going forward.

Also, the Minister of Finance has tasked FCAC with engaging provincial and territorial regulators and other key stakeholders to identify best practices that could strengthen the federal financial consumer protection framework. This is intended to support the government's commitment to modernize the financial consumer protection framework in the *Bank Act* and set as its objective that the federal

framework provide the highest overall level of protection for Canadians across the country. We will report our findings to the Minister in 2017.

Recent reports in the media regarding bank sales practices have highlighted the importance of having a strong financial consumer protection framework. In 2017-18, the Agency will conduct an industry review into bank sales practices to identify and analyze the impact such practices have on consumers and on financial consumer protection more broadly. As well, the Agency will continue to respond to the evolving nature of market conduct oversight by ensuring its structure and resources are up to the challenge.

The *National Strategy for Financial Literacy—Count me in, Canada* is preparing consumers to make better financial decisions. We will build upon the strategy's success by delivering concrete initiatives that address critical priorities. I look forward to the contributions of our renewed National Steering Committee on Financial Literacy. Committee members are accomplished leaders who will help to push the financial literacy agenda forward within their own networks and to the wider Canadian public.

While the Canadian federal financial consumer protection regime is revered around the world as a model, it is incumbent upon FCAC as an oversight authority to keep abreast of international developments and to share our experiences with others. As the recently appointed Chair of the International Financial Consumer Protection Organisation (FinCoNet), I will work with my counterparts around the world to ensure consumers are protected while they benefit from innovation and flexibility in financial services.

FCAC's success is underwritten by the knowledge, skills and tireless dedication of its employees. The challenges and expectations laid out in this plan are a testament to their energy, foresight and commitment in protecting Canadian financial consumers. I look forward to reporting on the results of our efforts in realizing the objectives set out in this plan.

Lucie M.A. Tedesco

Commissioner

Plan at a glance

Throughout the planning period, FCAC will continue to support the government objectives of maintaining a strong financial consumer protection framework and strengthening the financial literacy of Canadians. The Agency will do so by delivering on the following three strategic priorities:

1. Ensure that financial consumers can benefit from the federal financial consumer protection regime.

Financial consumer protection is an integral part of the Government of Canada's oversight of the financial sector. Through its supervisory activities, FCAC monitors the compliance of federally regulated financial entities (FRFEs) with federal consumer provisions, voluntary codes of conduct and public commitments that protect Canadian consumers and merchants. To enhance the Agency's ability to protect financial consumers, we will implement a modernized supervision framework that is more risk-based, rigorous, proactive and predictable, thereby enhancing the Agency's ability to meet its mandate. The Agency will also conduct an industry review into bank sales practices to identify and analyze the impact such practices have on consumers and on financial consumer protection more broadly.

2. Strengthen the knowledge, skills and confidence of financial consumers to help them make informed financial decisions.

FCAC launched the *National Strategy for Financial Literacy—Count Me In, Canada* in 2015. Through this strategy, FCAC is helping Canadians manage money and debt wisely, plan and save for their financial futures, and protect themselves against fraud and financial abuse. FCAC will continue to implement the strategy in 2017–18 by coordinating its efforts with stakeholders who are also working to strengthen the knowledge, skills and confidence of financial consumers. For instance, the Agency will bring together members of the National Steering Committee on Financial Literacy and other financial literacy networks at its Financial Literacy Conference to share ideas, identify gaps and determine solutions. FCAC will continue to raise consumer awareness of effective financial literacy programs, existing tools and other resources to help Canadians make responsible financial decisions at every stage of their lives.

Specifically, FCAC will develop concrete, innovative solutions that address Canadians' low savings rate, high level of debt, and lack of knowledge of their rights and responsibilities.

The Agency will tackle these issues by:

- updating and promoting online information and tools to help consumers budget, save and manage their debt
- working with the new National Steering Committee on Financial Literacy to implement initiatives to help people budget, save and manage their debt
- working with federally regulated financial institutions and other stakeholders to promote and disseminate information on specific rights and responsibilities

3. Identify, assess, report and act on emerging issues of concern to financial consumers.

In today's rapidly changing and increasingly complex financial marketplace, Canadians require information to understand new and existing financial products and services. To protect consumers and merchants, FCAC will identify and assess market trends and related risks to enhance its role as a regulator, as well as to better target its consumer education information. The financial marketplace is in continuous evolution. To keep pace with the always-evolving financial marketplace, the Agency will:

- report to the Minister of Finance on best practices in financial consumer protection, following consultations engagement with provincial and territorial regulators and other key stakeholders
- continue participating in Canadian and international consumer protection and financial literacy fora to monitor international developments and issues, and to expand its network of policy makers, regulatory bodies and financial education experts
- develop and implement a business intelligence strategy for data storage, management and sharing to increase its research capacity and assist in monitoring and assessing emerging market trends

For more information on FCAC's plans, priorities and planned results, see the "Planned results" section of this report.

Raison d'être, mandate and role

Raison d'être

FCAC was established to protect consumers by supervising federally regulated financial entities and by strengthening the financial literacy of Canadians.

Mandate and role

FCAC derives its mandate from the *Financial Consumer Agency of Canada Act*. The Act outlines FCAC's functions, administration and enforcement powers, and lists the sections of federal laws and regulations under its supervision.

FCAC has the following objects as set out in sections 3(2) and 3(3) of the *Financial Consumer Agency of Canada Act*:

3(2)

(a) supervise financial institutions and external complaints bodies to determine whether the institution or body is in compliance with

(i) the consumer provisions applicable to them, and

(ii) the terms and conditions or undertakings with respect to the protection of customers of financial institutions that the Minister imposes or requires, as the case may be, under an Act listed in Schedule 1 and the directions that the Minister imposes under this Act;

(b) promote the adoption by financial institutions and external complaints bodies of policies and procedures designed to implement the provisions, terms and conditions, undertakings or directions referred to in paragraph (a);

(b.1) promote the adoption by financial institutions of policies and procedures designed to implement

(i) voluntary codes of conduct that are designed to protect the interests of their customers, that are adopted by financial institutions and that are publicly available, and

(ii) any public commitments made by them that are designed to protect the interests of their customers;

- (c) monitor the implementation of voluntary codes of conduct that are designed to protect the interests of customers of financial institutions, that have been adopted by financial institutions and that are publicly available, and to monitor any public commitments made by financial institutions that are designed to protect the interests of their customers;
- (d) promote consumer awareness about the obligations of financial institutions and of external complaints bodies under consumer provisions applicable to them and about all matters connected with the protection of consumers of financial products and services;
- (e) foster, in co-operation with any department, agency or agent corporation of the Government of Canada or of a province, financial institutions and consumers and other organizations, an understanding of financial services and issues relating to financial services;
- (f) monitor and evaluate trends and emerging issues that may have an impact on consumers of financial products and services; and
- (g) collaborate and coordinate its activities with stakeholders to contribute to and support initiatives to strengthen the financial literacy of Canadians.

3 (3)

- (a) supervise payment card network operators to determine whether they are in compliance with the provisions of the *Payment Card Networks Act* and its regulations;
- (b) promote the adoption by payment card network operators of policies and procedures designed to implement the provisions of the *Payment Card Networks Act* and its regulations;
- (c) monitor the implementation of voluntary codes of conduct that have been adopted by payment card network operators and that are publicly available, and to monitor any public commitments made by them regarding their commercial practices in relation to payment card networks; and
- (d) promote public awareness about the obligations of payment card network operators under a voluntary code of conduct or under the *Payment Card Networks Act*.

Operating context: conditions affecting our work

External conditions

Financial consumer protection landscape: FCAC's ability to protect consumers may be challenged by the rapid transformation of the financial services sector. The Agency must increase its capacity to understand and respond to the resulting trends and issues. In this changing environment, the Minister of Finance has tasked FCAC to engage with provincial and territorial regulators, and other key stakeholders to identify best practices. FCAC will report its findings to the Minister in 2017. This work will support the government's commitment to modernize the financial consumer protection framework in the *Bank Act*.

External stakeholders: FCAC advances its supervision and financial literacy programs by working with and relying on a diverse network of stakeholders across the country. To effectively manage these relationships, the Agency will continue implementing its collaborative framework to manage its reputational risk and will create an internal governance process for approval of projects for which it is either a participant or the lead.

Internal conditions

Human resources: FCAC's ability to succeed is contingent on its human capital. The Agency must ensure it has the right people in the right roles.

Data analytics expertise and infrastructure: As a knowledge-based organization, FCAC must leverage its data through improved data collection, storage management and information extraction for an effective business intelligence function. This will help increase its research capacity and assist in monitoring and assessing emerging market trends.

Investigation and legal skills: FCAC will strengthen its supervisory activities by implementing its new supervision framework and by establishing a new enforcement division in its Supervision and Promotion Branch. The new division will bolster the rigour and independence of the Agency's investigation function and improve its ability to protect Canadians.

Policy analysis skills: FCAC is increasingly called upon to provide expertise on trends affecting Canadian financial consumers. The Agency will enhance its capacity to deliver more in-depth, evidence-based analysis to inform policy makers on consumer protection issues.

Key risks that could impede FCAC’s plans

Risks that could impede the Agency’s ability to deliver on its plans arise from changes in market dynamics, including the emergence of financial technology and the increasing complexity of financial products and services. These can make it challenging to adequately identify, investigate and address compliance. Changing market dynamics can also present challenges for consumers. To better prepare consumers, FCAC collaborates and coordinates with stakeholders and networks; however, the Agency’s reliance on voluntary support can pose a challenge in terms of matching stakeholder objectives with its own.

Resilience will allow the Agency to react and ensure its supervisory capacity and financial literacy efforts remain relevant, despite an ever-evolving economic climate.

Key risks

Risks	Risk response strategy	Link to the Agency’s programs	Link to mandate letter commitments or to government-wide and Agency priorities
Inability to protect Canadians from risks resulting from changing market dynamics	FCAC will: <ul style="list-style-type: none"> • continue to strengthen its capacity to research marketplace consumer risk by developing a business intelligence strategy to improve the identification, assessment and monitoring of emerging trends • adopt a supervision approach that is more risk-based and proactive • create an enforcement division to bolster the rigour and independence of its investigation function 	Program 1: Supervision and Promotion	To remain an effective regulator in an evolving environment, FCAC is expected to demonstrate a rigorous, proactive and predictable risk-based compliance program. The supervisory approach must address a comprehensive and more principles-based regime, allowing for greater ability to exercise judgment. FCAC will consider its own approach in overseeing federal financial consumer protection measures, including proactive and reactive supervision and enforcement.

Risks	Risk response strategy	Link to the Agency's programs	Link to mandate letter commitments or to government-wide and Agency priorities
<p>Inability to prepare Canadians for changing market dynamics and successfully deliver on the national strategy for financial literacy, due in part to reliance on external stakeholders</p>	<p>FCAC will:</p> <ul style="list-style-type: none"> • continue to strengthen its capacity to research marketplace consumer risk by putting in place a business intelligence strategy to improve the identification, assessment and monitoring of emerging trends, and raising consumer awareness accordingly • continue to participate in domestic and international financial literacy fora • continue to implement its collaborative framework to ensure sound, strategic and credible alliances • create an internal governance process for approval of projects for which FCAC is either a participant or the lead 	<p>Program 2: Financial Literacy</p>	<p>FCAC is expected to identify, assess, report and act on emerging issues of concern.</p> <p>FCAC should use education and financial literacy tools as well as independent objective messages to make consumers aware of issues and empower them to protect themselves in approaching their financial decisions.</p>

Planned results: What we want to achieve in 2017–18 and beyond

Program 1: Supervision and Promotion

Description

The Supervision and Promotion Program seeks to ensure FRFEs comply with federal financial consumer provisions, codes of conduct and public commitments. It also promotes responsible market conduct by communicating FCAC's expectations, conducting research on trends and issues affecting financial consumers, contributing to policy discussions and promoting consumers' rights and responsibilities.

Planning highlights

The Supervision and Promotion Program has three principal initiatives for 2017–18: an industry review of bank sales practices; the implementation of a new supervision framework; and the delivery of a report to the Minister of Finance identifying the financial consumer protection best practices put in place by provinces and territories

Industry review into bank sales practices

FCAC conducts industry reviews to proactively monitor the activities of regulated entities; ensure compliance with federal financial consumer protection laws; increase its profile with the general public; support its participation in financial sector policy discussions; and promote consumer awareness of their rights and responsibilities and the risks associated with financial products and services. The review that will be undertaken in 2017-18 seeks to identify and analyze the impact of bank sales practices on consumers and on financial consumer protection more broadly. In this review, the Agency will:

- assess controls in place to ensure compliance with consumer provisions and Commissioner's Guidance
- assess, in the context of existing bank sales practices:
 - the adequacy and appropriateness of monitoring, control and testing measures to ensure employee adherence to policies, procedures and codes of ethics
 - the suitability of financial products and services sold to consumers

The reviews will be conducted concurrently with the Office of the Superintendent of Financial Institutions (OSFI). FCAC and OSFI will seek opportunities to support one another to complete their respective reviews in an efficient and appropriate manner.

The Agency will publish its findings by the end of the calendar year. Following the review, FCAC may update consumer education material and develop guidelines setting out its expectations vis-à-vis

compliance with market conduct obligations. Should FCAC uncover evidence of potential breaches of legislative requirements, it will investigate and take appropriate enforcement action.

New supervision framework

The framework describes the principles and processes FCAC will apply in its supervision of FRFEs. This modernized framework identifies FCAC's expectations of regulated entities in meeting their market conduct obligations and strives to strike a balance between reactive and proactive supervision.

This principles-based framework introduces new concepts and improves on others to allow FCAC to become a more predictable and risk-based regulator. Its implementation, planned for 2017, will include:

- reviewing the triage and investigation methodologies for compliance cases
- developing new supervisory and enforcement tools
- developing individual FRFE market conduct profiles
- developing internal and external service standards
- developing guidance to assist FRFEs in meeting FCAC expectations
- creating an enforcement division to address breaches of legislative requirements

FCAC will increase its capacity to identify, report and act on emerging issues. It will also dedicate more resources to this activity and enhance its business intelligence capabilities. The program will continue to promote compliance by annually hosting industry sessions and consumer summits, and evolving its "Rights and Responsibilities" campaign. Finally, the program will increase its stakeholder engagement, primarily by establishing a Consumer Protection Advisory Committee to assist the Agency in its work on emerging consumer protection issues.

Identifying best practices in financial consumer protection

The Minister of Finance tasked FCAC with engaging the provincial and territorial regulators and other key stakeholders to identify best practices to protect financial consumers. To complete this work, FCAC will assess provincial and territorial consumer protection frameworks and identify the protections afforded to financial consumers, examine the oversight and enforcement tools to monitor compliance, and assess the efficiency, timeliness and equitableness of complaint-handling and redress mechanisms.

The Agency's assessment will include identification of best practices that may be found in legislation, regulations, voluntary codes and public commitments. It will also include the Agency's own oversight approach and international best practices in supervision and enforcement. A report is due to the Minister of Finance in 2017.

Planned results

Expected results	Performance indicators	Target	Date to achieve target	2013–14 Actual results	2014–15 Actual results	2015–16 Actual results
FRFEs comply with requirements set out in legislation, regulations and voluntary codes of conduct and public commitments	Compliance action plans and compliance agreements are completed by FRFEs per agreed timelines	90% of compliance action plans and compliance agreements	March 31, 2018	Not applicable	Not applicable	Not applicable
	Identified compliance breaches are addressed within the legislated two-year time frame	100% of cases	March 31, 2018	100%	100%	100%
	FCAC service standards are met	Per service standards ¹	March 31, 2018	100%	100%	100%

Note: Actual results indicated as “not applicable” relate to performance indicators that are new in 2017-18 and hence, no previous results have been compiled.

¹ Compliance service standards: 95 percent of compliance cases are triaged within five business days; 95 percent of compliance issues are raised with the relevant FRFEs within 30 business days; introduction letters are sent to new FRFEs within 60 calendar days 95 percent of the time.

Budgetary financial resources (millions of dollars)

2017–18 Planned spending	2018–19 Planned spending	2019–20 Planned spending
7.39	5.78	5.90

Human resources (full-time equivalents)

2017–18 Planned full-time equivalents	2018–19 Planned full-time equivalents	2019–20 Planned full-time equivalents
32.5	35.5	35.5

Program 2: Financial Literacy

Description

The Financial Literacy Program seeks to strengthen the financial knowledge, skills and confidence of Canadians to enhance their ability to make financial decisions. FCAC will lead stakeholders, such as National Steering Committee members and financial literacy networks across Canada in developing and delivering concrete actions designed to integrate financial literacy into initiatives that guide Canadians' financial decisions. Specific efforts will focus on encouraging Canadians to budget, build savings, pay down debt, and choose financial products and services wisely.

Planning highlights

The Financial Literacy Program will implement, monitor and report on initiatives related to the national strategy for financial literacy. To help Canadians improve their financial well-being, FCAC will promote new and existing resources and leverage relationships with outside organizations who share this objective.

The Agency will promote these resources through the Canadian Financial Literacy Database as well as through events such as Financial Literacy Month and the 2017 Financial Literacy Conference. The program will also execute its research plan, which includes leading, developing and coordinating a research symposium where researchers from the academic, public and private sectors will share findings relevant to the goals of the national strategy. The program will continue to conduct research (including behavioural research) related to trends and emerging issues that may impact financial consumers.

In addition, the results of the 2015 Programme for International Student Assessment (PISA)² will be made available.

Planned results

Expected results	Performance indicators	Target	Date to achieve target	2013–14 Actual results	2014–15 Actual results	2015–16 Actual results
Canadians are satisfied with FCAC's content on Canada.ca	Percentage of users who find FCAC's content easy to understand	70% (3.5/5)	March 31, 2018	Not applicable	4.4/5.0 satisfaction rating on FCAC website	4.0/5.0 satisfaction rating on FCAC website
	Percentage of users who find FCAC's content valuable	70% (3.5/5)	March 31, 2018	Not applicable	Not applicable	Not applicable
Coordination and collaboration with stakeholders are strengthened	Collaboration and coordination are strengthened with stakeholders using established mechanisms and initiatives	Stakeholders confirm, through surveys, that collaboration and coordination have been strengthened because of FCAC's efforts (baseline will be established by March 31, 2018)	March 31, 2018	Not applicable	Not applicable	Not applicable
Canadians are taking necessary steps towards improving their financial well-being	Percentage of non-budgeters from test group who now have a budget	Increase of 5% in the number of non-budgeters from test group who now have a budget	March 31, 2018	Not applicable	Not applicable	Not applicable
	Percentage of consumers from test group who are	Increase of 5% in the number of consumers from test				

² PISA is an international assessment of the skills and knowledge of 15-year-old students in Organisation for Economic Co-operation and Development member countries. <http://www.oecd.org/pisa/>

	confident in their ability to make and follow a budget	group who are confident in their ability to make and follow a budget				
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Note: Actual results indicated as “not applicable” relate to performance indicators that are new in 2017-18 and hence, no previous results have been compiled.

Budgetary financial resources (millions of dollars)

2017–18 Planned spending	2018–19 Planned spending	2019–20 Planned spending
9.63	9.74	10.03

Human resources (full-time equivalents)

2017–18 Planned full-time equivalents	2018–19 Planned full-time equivalents	2019–20 Planned full-time equivalents
45.8	45.8	45.8

Internal services

Description

FCAC’s Internal Services program is responsible for supporting programs and ensuring the Agency meets its corporate obligations. Internal Services include human resource management, financial management, information management, information technology, real property, and procurement services. Expenses related to senior management and oversight services (i.e., Commissioner, Deputy Commissioner), marketing and communications services and legal services are expenses not attributed or fully attributed in Internal Services; they are allocated to the Agency’s two programs (Supervision and Promotion, and Financial Literacy).

Planning highlights

FCAC is part of the second wave of implementation of the new government [Policy on Results](#). As such, it will align its corporate planning exercise, including its performance measurement framework, with the requirements of the Policy on Results. The Agency will also continue to implement the project management and project portfolio management frameworks and align these with new Policy on Results requirements.

FCAC is committed to creating a healthy organizational climate, consistent with its people management framework. Specifically, it will introduce a revised recognition policy, develop a comprehensive onboarding policy and buttress its efforts to raise awareness of mental health and occupational safety matters.

FCAC’s new information management framework will guide efforts to efficiently manage information resources to foster informed decision-making, promote collaboration and ensure compliance with government policies and directives. FCAC will also enhance its business intelligence tools to increase its research capacity and to assist in its ability to monitor and assess trends and emerging issues.

Budgetary financial resources (millions of dollars)

2017–18 Planned spending	2018–19 Planned spending	2019–20 Planned spending
5.96	6.04	6.04

Human resources (full-time equivalents)

2017–18 Planned full-time equivalents	2018–19 Planned full-time equivalents	2019–20 Planned full-time equivalents
25.7	25.7	25.7

Spending and human resources

Planned spending

Budgetary planning summary for programs and Internal Services (millions of dollars)

Programs and Internal Services	2014–15 Expenditures	2015–16 Expenditures	2016–17 Forecast spending	2017–18 Planned spending	2018–19 Planned spending	2019–20 Planned spending
Program 1: Supervision & Promotion	3.01	3.52	4.15	7.39	5.78	5.90
Program 2: Financial Literacy	9.12	8.19	9.20	9.63	9.74	10.03
Subtotal	12.13	11.71	13.35	17.02	15.52	15.93
Internal Services	5.05	4.67	4.91	5.96	6.04	6.04
Total	17.18	16.38	18.26	22.98	21.56	21.97

Over the fiscal periods presented above, FCAC’s total spending shows growth resulting from staffing vacant positions and economic increases related to salaries and service contracts with external service providers.

Increases beginning in fiscal year 2017-18 are mainly due to three factors:

- a) a one-time expenditure of \$2 million for 2017-18 for costs associated with the industry review on bank sales practices
- b) additional staff for the supervision and promotion division including the creation of a new enforcement division and additional personnel to enhance the agency’s ability to monitor trends and emerging issues
- c) additional internal services resources required for support of additional staff.

Currently, the FRFE relationship manager is responsible for all aspects related to supervising FRFEs market conduct obligations, including building and maintaining working relationships with FRFEs, responding to general questions, reviewing FRFE documentation (i.e. disclosure, policies and procedures) or investigating potential breaches of market conduct obligations. FCAC plans on

separating the relationship management and the enforcement functions as they require different skills and approaches. The two functions are as a general rule separated in other regulatory agencies.

Lower-than-expected spending on advertising by the Financial Literacy program resulted in an overall reduction in expenses in 2015–16.

The decrease in Internal Services during fiscal year 2015–16 arose from efficiencies gained through FCAC’s web content management solution and ongoing initiatives to reduce administrative costs consistent with government directives. An increase in 2018-19 is anticipated but not yet quantified as FCAC addresses accommodation issues resulting from expected growth in resources.

Planned human resources

Human resources planning summary for programs and Internal Services (full-time equivalents)

Programs and Internal Services	2014–15 Full-time equivalents	2015–16 Full-time equivalents	2016–17 Forecast full-time equivalents	2017–18 Planned full-time equivalents	2018–19 Planned full-time equivalents	2019–20 Planned full-time equivalents
Program 1: Supervision & Promotion	24.9	26.1	26.1	32.5	35.5	35.5
Program 2: Financial Literacy	41.7	40.2	43.2	45.8	45.8	45.8
Subtotal	66.6	66.3	69.3	78.3	81.3	81.3
Internal Services	17.8	18.7	19.7	25.7	25.7	25.7
Total	84.4	85.0	89.0	104.0	107.0	107.0

Note: The full-time equivalents figures are presented for approved indeterminate positions at the Agency and do not include any casual, part-time, student or term employees of less than one year.

Modest increases in full-time equivalents continue to keep pace with demand. As presented in the “Planned spending” section, additional full-time equivalents are required for a new enforcement division and for the effort related to the federal financial consumer protection framework as directed by the Minister of Finance. These new resources will also contribute to general promotion and policy initiatives.

In fiscal year 2017–18, two positions will be created for the Financial Literacy Program, adding to the two that were created in fiscal year 2016–17.

Internal Services positions also increase to keep pace with program growth.

Future-oriented condensed statement of operations

The Future-oriented condensed statement of operations provides a general overview of FCAC’s operations. The forecast of expenses and revenues is prepared on an accrual accounting basis to strengthen accountability and to improve transparency and financial management.

The Future-oriented statement of operations was prepared based on the best information available and assumptions as at February 16, 2017 and therefore does not reflect the most recent planned spending total presented on page 21 of this Business Plan. The changes to the planned spending for 2017-18 result from subsequent events that will only be reflected in the Future-oriented statement of operations prepared for 2017-18 and 2018-19 fiscal years.

A more detailed Future-oriented statement of operations and associated notes are available on the [FCAC website](#).

**Future-oriented condensed statement of operations
for the year ended March 31, 2018 (millions of dollars)**

Financial information	2016–17 Forecast results	2017–18 Planned results	Difference (2017–18 planned results minus 2016–17 forecast results)
Total expenses	18.26	19.68	1.42
Total revenues	18.26	19.68	1.42
Net cost of operations before government funding and transfers	0	0	0

Upcoming Internal Audits and Evaluations over the Next Three Years

A. Internal audits

No audits have been identified for the 2017–18 to 2019–20 timeframe.

B. Evaluations

Fiscal year (of the planned date for deputy head approval of the evaluation report)	Title of the evaluation	Completion of last evaluation	Link to department's Program Inventory	Planned spending associated with the program(s) evaluated (dollars)
2019-20	Financial Literacy Program Evaluation (Summative)	2012-13 (Formative)	Financial Literacy Program	\$75,000

Supplementary information

Corporate information

Organizational profile

Commissioner: Lucie M.A. Tedesco

Deputy Commissioner: Brigitte Goulard

Ministerial portfolio: Finance

Enabling instrument(s): FCAC derives its mandate from the *Financial Consumer Agency of Canada Act*.¹ The Act outlines FCAC's functions, administration and enforcement powers, and lists the provisions of federal laws and regulations under its supervision.

Year of incorporation/commencement: 2001

Reporting framework

The FCAC Strategic Outcome and Program Alignment Architecture (PAA) of record for 2017-18 is shown below:

Strategic outcome: The rights of financial consumers are protected and the financial literacy of Canadians is strengthened.

Program 1: Supervision and Promotion

Program 2: Financial Literacy

Internal Services

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. Finance Canada publishes cost estimates and projections for these measures each year in [the Report on Federal Tax Expenditures](#).ⁱⁱ This report also provides detailed background information on tax expenditures, including descriptions, objectives, historical information and references to related federal spending programs. The tax measures presented in this report are the responsibility of the Minister of Finance.

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Appendix [A]: definitions

appropriation (crédit)

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

budgetary expenditures (dépenses budgétaires)

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

Core Responsibility (responsabilité essentielle)

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 (Plan ministériel)

Provides information on the plans and expected performance of appropriated departments over a three-year period. Departmental Plans are tabled in Parliament each spring.

Departmental Result (résultat ministériel)

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

Departmental Result Indicator (indicateur de résultat ministériel)

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

Departmental Results Framework (cadre ministériel des résultats)

Consists of the department's Core Responsibilities, Departmental Results and Departmental Result Indicators.

Departmental Results Report (Rapport sur les résultats ministériels)

Provides information on the actual accomplishments against the plans, priorities and expected results set out in the corresponding Departmental Plan.

full-time equivalent (équivalent temps plein)

A measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

government-wide priorities (priorités pangouvernementales)

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

horizontal initiatives (initiative horizontale)

A horizontal initiative is one in which two or more federal organizations, through an approved funding agreement, work toward achieving clearly defined shared outcomes, and which has been designated (e.g. by Cabinet, a central agency, etc.) as a horizontal initiative for managing and reporting purposes.

Management, Resources and Results Structure (Structure de la gestion, des ressources et des résultats)

A comprehensive framework that consists of an organization’s inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

non-budgetary expenditures (dépenses non budgétaires)

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

performance (rendement)

What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve, and how well lessons learned have been identified.

Performance indicator (indicateur de rendement)

A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

Performance reporting (production de rapports sur le rendement)

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

planned spending (dépenses prévues)

For Departmental Plans and Departmental Results Reports, planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their Departmental Plans and Departmental Results Reports.

plans (plan)

The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

Priorities (priorité)

Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

program (programme)

A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

Program Alignment Architecture (architecture d'alignement des programmes)

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

results (résultat)

An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

statutory expenditures (dépenses législatives)

Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

Strategic Outcome (résultat stratégique)

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

sunset program (programme temporisé)

A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

target (cible)

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 (dépenses votées)

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

Endnotes

ⁱ *Financial Consumer Agency of Canada Act*, <http://laws-lois.justice.gc.ca/eng/acts/F-11.1/page-1.html>

ⁱⁱ Report on Federal Tax Expenditures, <http://www.fin.gc.ca/purl/taxexp-eng.asp>