

**Department of Finance  
Canada**

**2014–15**

**Report on Plans and Priorities**

---

*James M. Flaherty*  
Minister of Finance

**©Her Majesty the Queen in Right of Canada (2014)**

**All rights reserved**

All requests for permission to reproduce this document or any part thereof shall be addressed to Public Works and Government Services Canada.

*Cette publication est également disponible en français.*

Cat. No.: F1-40/2014E-PDF

ISSN 2292-5368

# 2014–15

## ESTIMATES

---

### PART III – Departmental Expenditure Plans: Reports on Plans and Priorities

---

#### **Purpose**

Reports on Plans and Priorities (RPPs) are individual expenditure plans for each department and agency. These reports provide increased levels of detail over a three-year period on an organization's main priorities by strategic outcome, program and planned/expected results, including links to related resource requirements presented in the Main Estimates. In conjunction with the Main Estimates, RPPs serve to inform members of Parliament on planned expenditures of departments and agencies, and support Parliament's consideration of supply bills. RPPs are typically tabled soon after the Main Estimates by the President of the Treasury Board.

#### **Estimates Documents**

The Estimates are in three parts:

Part I – Government Expenditure Plan – provides an overview of the government's requirements and changes in estimated expenditures from previous fiscal years.

Part II – Main Estimates – supports the appropriation acts with detailed information on the estimated spending and authorities being sought by each federal organization requesting appropriations.

In accordance with Standing Orders of the House of Commons, Parts I and II must be tabled on or before March 1.

Part III – Departmental Expenditure Plans – consists of two components:

- Report on Plans and Priorities (RPP)
- Departmental Performance Report (DPR)

DPRs are individual department and agency accounts of results achieved against planned performance expectations as set out in respective RPPs.

The DPRs for the most recently completed fiscal year are tabled in the fall by the President of the Treasury Board.

Supplementary Estimates support appropriation acts presented later in the fiscal year. Supplementary Estimates present information on spending requirements that were either not sufficiently developed in time for inclusion in the Main Estimates or have subsequently been refined to account for developments in particular programs and services. Supplementary Estimates also provide information on changes to expenditure forecasts of major statutory items as well as on such items as transfers of funds between votes, debt deletion, loan guarantees, and new or increased grants.

For more information on the Estimates, please consult the Treasury Board of Canada Secretariat website.<sup>i</sup>

### **Links to the Estimates**

As shown above, RPPs make up part of the Part III of the Estimates documents. Whereas Part II emphasizes the financial aspect of the Estimates, Part III focuses on financial and non-financial performance information, both from a planning and priorities standpoint (RPP), and an achievements and results perspective (DPR).

The Management, Resources and Results Structure (MRRS) establishes a structure for display of financial information in the Estimates and reporting to Parliament via RPPs and DPRs. When displaying planned spending, RPPs rely on the Estimates as a basic source of financial information.

Main Estimates expenditure figures are based on the Annual Reference Level Update, which is prepared in the fall. In comparison, planned spending found in RPPs includes the Estimates as well as any other amounts that have been approved through a Treasury Board submission up to February 1 (See Definitions section). This readjusting of the financial figures allows for a more up-to-date portrait of planned spending by program.

### **Changes to the presentation of the Report on Plans and Priorities**

Several changes have been made to the presentation of the RPP, partially to respond to a number of requests—from the House of Commons Standing Committees on Public Accounts (PAC – Report 15<sup>ii</sup>), in 2010; and on Government and Operations Estimates (OGGO – Report 7<sup>iii</sup>), in 2012—to provide more detailed financial and non-financial performance information about programs within RPPs and DPRs, thus improving the ease of their study to support appropriations approval.

- In Section II, financial, human resources and performance information is now presented at the Program and Sub-program levels for more granularity.
- The report’s general format and terminology have been reviewed for clarity and consistency purposes.
- Other efforts aimed at making the report more intuitive and focused on Estimates information were made to strengthen alignment with the Main Estimates.

### **How to read this document**

RPPs are divided into four sections:

### **Section I: Organizational Expenditure Overview**

This Organizational Expenditure Overview allows the reader to get a general picture of the organization. It provides a description of the organization’s purpose, as well as basic financial and human resources information. This section opens with the new “Organizational Profile,” which displays general information about the department, including the names of the minister and the deputy head, the ministerial portfolio, the year the department was established, and the main legislative authorities. This subsection is followed by a new subsection entitled “Organizational Context,” which includes the *Raison d’être*, the Responsibilities, the Strategic Outcomes and Program Alignment Architecture, the Organizational Priorities and the Risk Analysis. This section ends with the Planned Expenditures, the Alignment to Government of Canada Outcomes, the Estimates by Votes and the Contribution to the Federal Sustainable Development Strategy. It should be noted that this section does not display any non-financial performance information related to programs (please see Section II).

### **Section II: Analysis of Program(s) by Strategic Outcome(s)**

This section provides detailed financial and non-financial performance information for strategic outcomes, Programs and sub-programs. This section allows the reader to learn more about programs by reading their respective description and narrative entitled “Planning Highlights.” This narrative speaks to key services or initiatives which support the plans and priorities presented in Section I. It also describes how performance information supports the department’s strategic outcome or parent program.

### **Section III: Supplementary Information**

This section provides supporting information related to departmental plans and priorities. In this section, the reader will find the future-oriented statement of operations and a link to supplementary information tables regarding transfer payments, as well as information related to greening government operations, internal audits and evaluations, horizontal initiatives, user fees, major Crown and transformational projects, and up-front multi-year funding, where applicable to individual organizations. The reader will also find a link to the *Tax Expenditures and Evaluations* publication, produced annually by the Department of Finance Canada, which provides estimates and projections of the revenue impacts of federal tax measures designed to support the economic and social priorities of the Government of Canada.

### **Section IV: Organizational Contact Information**

In this last section, the reader will have access to organizational contact information.

#### **Definitions**

##### *Appropriation*

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

##### *Budgetary vs. Non-Budgetary Expenditures*

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

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

##### *Expected Result*

An outcome that a program is designed to achieve.

##### *Full-Time Equivalent (FTE)*

A measure of the extent to which an employee represents a full person-year charge against a departmental budget. FTEs 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 of Canada Outcomes*

A set of high-level objectives defined for the government as a whole.

*Management, Resources and Results Structure (MRRS)*

A common approach and structure to the collection, management and reporting of financial and non-financial performance information.

An MRRS provides detailed information on all departmental programs (e.g., program costs, program expected results and their associated targets, how they align to the government's priorities and intended outcomes, etc.) and establishes the same structure for both internal decision making and external accountability.

*Planned Spending*

For the purpose of the RPP, planned spending refers to those amounts for which a Treasury Board (TB) submission approval has been received by no later than February 1, 2014. This cut-off date differs from the Main Estimates process. Therefore, planned spending may include amounts incremental to planned expenditure levels presented in the 2014–15 Main Estimates.

*Program*

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*

A structured inventory of a department's programs, where programs are arranged in a hierarchical manner to depict the logical relationship between each program and the Strategic Outcome(s) to which they contribute.

*Spending Areas*

Government of Canada categories of expenditures. There are four spending areas<sup>iv</sup> (social affairs, economic affairs, international affairs and government affairs), each comprised of three to five Government of Canada outcomes.

*Strategic Outcome*

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

*Sunset Program*

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

*Whole-of-Government Framework*

A map of the financial and non-financial contributions of federal organizations receiving appropriations, which aligns their Programs to a set of high level outcome areas defined for the government as a whole.

## Table of Contents

Minister’s Message .....	1
Section I: Organizational Expenditure Overview .....	3
Organizational Profile .....	3
Organizational Context.....	4
Raison d’être .....	4
Responsibilities .....	4
Strategic Outcome and Program Alignment Architecture .....	5
Organizational Priorities .....	6
Risk Analysis .....	11
Planned Expenditures.....	15
Alignment to Government of Canada Outcomes.....	17
Departmental Spending Trend.....	18
Estimates by Vote .....	19
Contribution to the Federal Sustainable Development Strategy (FSDS) .....	19
Section II: Analysis of Programs by Strategic Outcome .....	21
Strategic Outcome: A strong economy and sound public finances for Canadians	21
Program 1.1: Economic and Fiscal Policy Framework.....	21
Sub-Program 1.1.1: Taxation.....	23
Sub-Program 1.1.2: Economic and Fiscal Policy, Planning, and Forecasting.....	25
Sub-Program 1.1.3: Economic Development Policy .....	26
Sub-Program 1.1.4: Federal-Provincial Relations and Social Policy .....	28
Sub-Program 1.1.5: Financial Sector Policy.....	29
Sub-Program 1.1.6: International Trade and Finance .....	31
Program 1.2: Transfer and Taxation Payment Programs .....	33
Sub-Program 1.2.1: Fiscal Arrangements with Provinces and Territories.....	34
Sub-Program 1.2.2: Tax Collection and Administration Agreements .....	35
Sub-Program 1.2.3: Commitments to International Financial Organizations .....	36
Sub-Program 1.2.4: Receipts From and Payments to Individuals and Organizations.....	38
Program 1.3: Treasury and Financial Affairs.....	39

Sub-Program 1.3.1: Federal Debt Management.....	40
Sub-Program 1.3.2: Major Federal-Backed Entities Borrowing.....	41
Sub-Program 1.3.3: Prudential Liquidity and Reserves Management.....	42
Sub-Program 1.3.4: Domestic Currency System.....	43
Internal Services.....	44
Section III: Supplementary Information.....	47
Future-Oriented Statement of Operations.....	47
List of Supplementary Information Tables.....	47
Tax Expenditures and Evaluations.....	48
Section IV: Organizational Contact Information.....	49
Endnotes.....	51

## Minister's Message

I am pleased to present the *2014–15 Report on Plans and Priorities* for the Department of Finance Canada.

The report presents an overview of the Department's fiscal and economic priorities and important ongoing work for the coming year to address the challenges and opportunities facing our country, to ensure a sustainable economic recovery for Canada and to further improve Canadians' standard of living.



The Honourable James M. Flaherty

Despite ongoing uncertainty and instability from beyond our borders, Canada continues to demonstrate economic resilience. Today, more Canadians are working in good jobs than ever before. Since July 2009, employment has increased by over 1 million and is now about 620,000 above its pre-recession peak—the strongest job growth over the recovery among G7 countries. The federal tax burden is the lowest in over 50 years, and both the International Monetary Fund and the Organisation for Economic Co-operation and Development expect Canada to be among the strongest growing economies in the G7 over this year and the next. For the sixth year in a row, the World Economic Forum rated Canada's banking system as the world's soundest. Canada's financial house is in order.

The Department of Finance Canada's main priority continues to be managing the return to balanced budgets in 2015. In so doing, the Department will maintain its focus on four main priorities.

The first priority, sound fiscal management, will ensure effective management of the fiscal framework, including responsible management of the federal budget and the federal debt, and measures to enhance the competitiveness, efficiency, fairness and simplicity of Canada's tax system.

The second priority, sustainable economic growth, focuses on the Department's leadership in developing sound macroeconomic, tax, financial and structural policies that support the drivers of productivity, growth and labour force participation: business investment, innovation, and education and skills. The Department will continue to play a leadership role by promoting measures that support this policy objective.

The third priority, a sound social policy framework, entails managing current and emerging challenges related to social policy and major transfer payment programs to ensure that those programs are sustainable and effective for all Canadians.

The fourth priority, effective international engagement, focuses on working toward active engagement with key economic partners on bilateral, regional and multilateral issues to leverage Canada's many strengths and to promote Canadian interests. This effort includes promoting Canada's trade and investment interests, fostering effective and innovative aid policies aimed at reducing global poverty, and working toward a more stable and secure international economic and financial system.

The Department of Finance Canada was named as one of Canada's top 100 employers for 2014 by Mediacorp Canada Inc. Proud of this accomplishment, the Department will maintain its efforts to attract and retain highly qualified and high-performing employees to uphold its reputation as an employer of choice, and continue to support the Government of Canada as it works toward greater prosperity and better opportunities for Canadians.

# Section I: Organizational Expenditure Overview

## Organizational Profile

**Minister:** James M. Flaherty

**Deputy head:** Michael Horgan

**Ministerial portfolio:** Department of Finance

**Year established:** 1867

**Main legislative authorities:** The Minister of Finance has direct responsibility for a number of acts and is assigned specific fiscal and tax policy responsibilities relating to other acts that are under the responsibility of other ministers, including the:

- *Financial Administration Act*;
- *Income Tax Act*;
- *Payment Clearing and Settlement Act*;
- *Federal-Provincial Fiscal Arrangements Act*;
- *Customs Act*;
- *Customs Tariff*;
- *Excise Act, 2001*;
- *Excise Tax Act*;
- *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*; and
- *Special Import Measures Act*.

Key legislation and acts are available on the Department of Justice Canada's website.<sup>v</sup>

**Other:** In response to changes made to the Treasury Board *Policy on Management, Resources and Results Structures* in 2012 and the internal management need for more useful measures, the Department of Finance Canada's performance measures (expected results, indicators and targets) have been streamlined for fiscal year 2014–15 and beyond.

The revised Performance Measurement Framework contains new performance measures that focus on the timeliness of policy advice and recommendations provided and on the efficiency and effectiveness of the Department's programs. Of note, the performance of the Economic and Fiscal Policy Framework Program, which is the primary source of policy advice and recommendations to the Minister of Finance, is now measured through indicators that are more directly within the Department's sphere of influence.

The performance information in Section II of this report reflects the Department's revised Performance Measurement Framework, and the planning highlights presented support the achievement of the expected results.

## Organizational Context

### Raison d'être

The Department of Finance Canada contributes to a strong economy and sound public finances for Canadians. It does so by monitoring developments in Canada and around the world to provide first-rate analysis and advice to the Government of Canada and by developing and implementing fiscal and economic policies that support the economic and social goals of Canada and its people. The Department also plays a central role in ensuring that government spending is focused on results and delivers value for taxpayer dollars. The Department interacts extensively with other federal organizations and acts as an effective conduit for the views of participants in the economy from all parts of Canada.

### Responsibilities

Created in 1867, the Department of Finance Canada was one of the original departments of the Government of Canada and had as its primary functions bookkeeping, administering the collection and disbursement of public monies, and servicing the national debt. Today, the Department helps the Government of Canada develop and implement strong and sustainable economic, fiscal, tax, social, security, international and financial sector policies and programs. It plays an important central agency role, working with other departments to ensure that the government's agenda is carried out and that ministers are supported with high-quality analysis and advice.

The Department's responsibilities include the following:

- Preparing the federal Budget and the fall Update of Economic and Fiscal Projections;
- Preparing the Annual Financial Report of the Government of Canada and, in cooperation with the Treasury Board of Canada Secretariat and the Receiver General for Canada, the Public Accounts of Canada;
- Developing tax and tariff policy and legislation;
- Managing federal borrowing on financial markets;
- Designing and administering major transfers of federal funds to the provinces and territories;
- Developing financial sector policy and legislation; and
- Representing Canada in various international financial institutions and organizations.

The Minister of Finance is accountable for ensuring that his responsibilities are fulfilled both within his portfolio and with respect to the authorities assigned through legislation.

## Strategic Outcome and Program Alignment Architecture

### 1 **Strategic Outcome:** A strong economy and sound public finances for Canadians

#### 1.1 **Program:** Economic and Fiscal Policy Framework

##### 1.1.1 **Sub-Program:** Taxation

##### 1.1.2 **Sub-Program:** Economic and Fiscal Policy, Planning, and Forecasting

##### 1.1.3 **Sub-Program:** Economic Development Policy

##### 1.1.4 **Sub-Program:** Federal-Provincial Relations and Social Policy

##### 1.1.5 **Sub-Program:** Financial Sector Policy

##### 1.1.6 **Sub-Program:** International Trade and Finance

#### 1.2 **Program:** Transfer and Taxation Payment Programs

##### 1.2.1 **Sub-Program:** Fiscal Arrangements with Provinces and Territories

##### 1.2.2 **Sub-Program:** Tax Collection and Administration Agreements

##### 1.2.3 **Sub-Program:** Commitments to International Financial Organizations

##### 1.2.4 **Sub-Program:** Receipts from and Payments to Individuals and Organizations

#### 1.3 **Program:** Treasury and Financial Affairs

##### 1.3.1 **Sub-Program:** Federal Debt Management

##### 1.3.2 **Sub-Program:** Major Federal-Backed Entities Borrowing

##### 1.3.3 **Sub-Program:** Prudential Liquidity and Reserves Management

##### 1.3.4 **Sub-Program:** Domestic Currency System

#### **Internal Services**

## Organizational Priorities

### Organizational Priorities

Priority	Type <sup>1</sup>	Programs
Sound fiscal management	Ongoing	<ul style="list-style-type: none"> <li>• 1.1 Economic and Fiscal Policy Framework</li> <li>• 1.3 Treasury and Financial Affairs</li> </ul>
<b>Description</b>		
<p><b>Why is this a priority?</b></p> <ul style="list-style-type: none"> <li>• To keep taxes low, while raising revenue to support investments in Canada’s social and economic priorities in the most fair and efficient way possible;</li> <li>• To give the government flexibility to deal with unforeseen economic and fiscal developments;</li> <li>• To ensure fairness toward future generations by avoiding tax increases or reductions in services; and</li> <li>• To support financial stability, sustainable growth, competitiveness and economic prosperity.</li> </ul> <p><b>What are the plans for meeting this priority?</b></p> <ul style="list-style-type: none"> <li>• Manage the return to balanced budgets in 2015 by supporting the implementation of measures announced in Budget 2010, 2011, 2012 and 2013;</li> <li>• Continue to improve the competitiveness, efficiency, fairness, and simplicity of Canada’s tax system and to take actions to ensure the integrity of the tax system, when necessary;</li> <li>• Support prudent economic and fiscal management by leading the systematic review of the government’s corporate assets; and</li> <li>• Continue to ensure sufficient funding from government debt management operations while providing appropriate flexibility to adapt to changing circumstances, and timely, cost-effective and well-managed funding for Crown corporations.</li> </ul>		

---

1. Type is defined as follows: **previously committed to**—committed to in the first or second fiscal year prior to the subject year of the report; **ongoing**—committed to at least three fiscal years prior to the subject year of the report; and **new**—newly committed to in the reporting year of the RPP or DPR. If another type that is specific to the department is introduced, an explanation of its meaning must be provided.

Priority	Type <sup>1</sup>	Programs
Sustainable economic growth	Ongoing	<ul style="list-style-type: none"> <li>• 1.1 Economic and Fiscal Policy Framework</li> </ul>
<b>Description</b>		
<p><b>Why is this a priority?</b></p> <ul style="list-style-type: none"> <li>• To help create the conditions necessary for sustainable long-term economic growth, thereby increasing Canadians' standard of living and well-being; and</li> <li>• To support financial stability and maintain the safety and soundness of the financial system.</li> </ul> <p><b>What are the plans for meeting this priority?</b></p> <ul style="list-style-type: none"> <li>• Continue to play a leadership role by putting in place policies that encourage productivity-enhancing investments and labour force participation;</li> <li>• Support the Government of Canada's economic agenda by providing advice on potential initiatives in various economic sectors;</li> <li>• Build on efforts since 2006 to create a sustainable low-tax environment that promotes jobs and growth;</li> <li>• Maintain internationally competitive statutory and effective corporate tax rates while improving the neutrality and efficiency of the business tax system;</li> <li>• Continue to assess and refine the existing financial sector framework, to ensure a sound, efficient and competitive financial sector in support of the savings and investment needs of individuals, businesses, and the economy as a whole; and</li> <li>• Support the implementation of Canada's Venture Capital Action Plan, to contribute to the growth of innovative businesses in Canada.</li> </ul>		

Priority	Type <sup>1</sup>	Programs
Sound social policy framework	Ongoing	<ul style="list-style-type: none"> <li>• 1.1 Economic and Fiscal Policy Framework</li> <li>• 1.2 Transfer and Taxation Payment Programs</li> </ul>
<b>Description</b>		
<p><b>Why is this a priority?</b></p> <ul style="list-style-type: none"> <li>• To respond to current and emerging issues related to social policy and major transfer payment programs; and</li> <li>• To support the government's efforts to promote equality of opportunity for all citizens across the country and to meet the government's priorities for promoting jobs and economic growth.</li> </ul> <p><b>What are the plans for meeting this priority?</b></p> <ul style="list-style-type: none"> <li>• Maintain regular dialogue with provincial and territorial officials, to support the transparent administration of fiscal arrangements;</li> <li>• Organize and convene the next Finance Ministers' Meeting, to discuss issues of shared interest;</li> <li>• Work with other departments and other central agencies to deliver policy proposals that are consistent with, and deliver on, the government's social priorities in areas such as labour markets, Aboriginal issues, justice, public safety, health, arts and culture, and income security; and</li> <li>• Work with provinces and territories on issues related to retirement savings, and discuss the impact of the Old Age Security changes on Canada Pension Plan disability and survivor benefits during the 2013–15 Triennial Review.</li> </ul>		

Priority	Type <sup>1</sup>	Programs
Effective international engagement	Ongoing	<ul style="list-style-type: none"> <li>• 1.1 Economic and Fiscal Policy Framework</li> <li>• 1.2 Transfer and Taxation Payment Programs</li> </ul>
<b>Description</b>		
<p><b>Why is this a priority?</b></p> <ul style="list-style-type: none"> <li>• To support the stability of the global financial system; and</li> <li>• To maintain secure and open borders, strengthen global growth and stability, and contribute to the creation of a more stable global economy, in support of Canadian prosperity.</li> </ul> <p><b>What are the plans for meeting this priority?</b></p> <ul style="list-style-type: none"> <li>• Advance Canada's leadership internationally, with a focus on the G20 Framework for Strong, Sustainable and Balanced Growth;</li> <li>• Support the global trade environment by advancing Canada's trade policy framework in a manner that encourages trade growth;</li> <li>• Continue to pursue efforts within the Financial Stability Board to implement the G20 financial sector reform agenda and strengthen the resilience of the global financial system; and</li> <li>• Support international financial institutions and multilateral development banks in fulfilling their mandates in line with Canadian objectives.</li> </ul>		

Priority	Type <sup>1</sup>	Strategic Outcome and Programs
Pursue excellence and high performance through increased collaboration, innovation, use of new technologies, and sound resource management.	New	<ul style="list-style-type: none"> <li>The strategic outcome and all programs</li> </ul>
<b>Description</b>		
<p><b>Why is this a priority?</b></p> <ul style="list-style-type: none"> <li>To transform the workforce and workplace management practices and business processes, to meet the demands and the challenges of the future; and</li> <li>To align with the broad direction and priorities set out by the Clerk of the Privy Council, including the Blueprint 2020 vision.</li> </ul> <p><b>What are the plans for meeting this priority?</b></p> <ul style="list-style-type: none"> <li>Develop and implement a departmental plan for Blueprint 2020, with a view to increasing collaboration and innovation and enabling high performance;</li> <li>Implement strengthened selection tools to ensure the recruitment and promotion of highly-qualified individuals in the Department of Finance Canada's key occupational groups;</li> <li>Align the Department's Performance Management Program with the new Treasury Board <i>Directive on Performance Management</i>, and provide appropriate support to managers; and</li> <li>Implement government-wide human resources standardization and consolidation projects.</li> </ul>		

Priority	Type <sup>1</sup>	Strategic Outcome and Programs
Ensure a secure and reliable information technology (IT) infrastructure and implement a collaborative, client-focused approach for information management (IM).	Previously committed to	<ul style="list-style-type: none"> <li>The strategic outcome and all programs</li> </ul>
<b>Description</b>		
<p><b>Why is this a priority?</b></p> <ul style="list-style-type: none"> <li>To ensure a reliable and secure IT infrastructure that balances central agency expectations with departmental capacities; and</li> <li>To improve the Department of Finance Canada’s ability to preserve and share internal knowledge.</li> </ul> <p><b>What are the plans for meeting this priority?</b></p> <ul style="list-style-type: none"> <li>Continue to strengthen the protection of the computer network environment;</li> <li>Implement a standardized electronic information management and collaboration tool;</li> <li>Implement other government-wide IT or IM transformation initiatives, as appropriate; and</li> <li>Implement recommendations from Blueprint 2020 concerning the use of new technologies.</li> </ul>		

## Risk Analysis

Private sector economists expect continued, moderate growth in the Canadian economy, as ongoing strength in domestic demand is expected to be moderated by a fragile global recovery and the related short- to medium-term risks. In particular, uncertainty stems from ongoing concerns over the U.S. government’s fiscal position, although the U.S. economy continues to show signs of improvement. In addition, any further slowdown in China and other emerging market economies would impact commodity prices.

On the domestic front, the key risk remains elevated household debt. However, the government has taken proactive measures over the past five years, through adjustments to the rules for government-backed mortgage insurance, to help prevent households from becoming overextended. In addition, Canada’s aging population, combined with relatively weak productivity growth, poses a long-term risk to Canadians’ standard of living.

The Department of Finance Canada’s Corporate Risk Profile provides a snapshot of the Department’s key corporate risks. It focuses the attention and action of senior management on measures to mitigate the adverse effects of global economic uncertainty and their impact on the Canadian economy. The Department monitors its corporate risks and associated risk responses to

identify areas of opportunity and to reflect progress made in implementing measures to mitigate risks.

The table below describes the key risks that may influence the Department’s plans and priorities for 2014–15 and presents the Department’s strategies to mitigate these risks. Each potential risk is evaluated by assigning a numeric score for both the likelihood (rating of 1 to 3) of the risk and its potential impact (rating of 1 to 3). The Risk Level, which is obtained by multiplying the scores for likelihood and for impact, can vary from a minimum of 1 to a maximum of 9.

### Key Risks

Risk	Risk Response Strategy	Link to Program Alignment Architecture
<p>Given the Department of Finance Canada’s participation in international organizations (e.g., the G7 and G20) to deal with uncertain world economic conditions, there is a risk that the requirement for coordinated international decision making will increase further and significantly affect the priorities and workload of the Department. (Risk Level: 4)</p>	<ul style="list-style-type: none"> <li>• Continue regular monitoring of global economic conditions;</li> <li>• Maintain, improve and promote regular and informal communication with the network of finance and economic counsellors;</li> <li>• Maintain a high level of engagement in international organizations and with partners to influence decisions; and</li> <li>• Promote alignment of international priorities with domestic priorities through regular collaboration and interaction with other Government of Canada departments.</li> </ul>	<p>1.1 Economic and Fiscal Policy Framework 1.4 Internal Services</p>
<p>Given uncertain world economic conditions, there is a risk that volatility on the state of the economic recovery will challenge the Department’s ability to provide accurate strategic advice and policy recommendations. (Risk Level: 3)</p>	<ul style="list-style-type: none"> <li>• Continue to monitor high-frequency indicators to provide the most up-to-date information on the speed of the recovery;</li> <li>• Conduct private sector surveys of the Canadian economic outlook and assess potential risks;</li> <li>• Continue to meet regularly with leading private sector economists to discuss the economic outlook and whether the average private sector economic forecast represents a reasonable basis for budgetary planning; and</li> <li>• Provide the Minister of Finance with policy options based on projected economic conditions.</li> </ul>	<p>1.1 Economic and Fiscal Policy Framework</p>

Risk	Risk Response Strategy	Link to Program Alignment Architecture
<p>Given the uncertainty of the pace of global economic recovery as well as continued weakness and volatility in a number of important financial markets, there is a risk that the Department will not have the infrastructure, resources and authorities needed to address, on an urgent basis, an evolving and uncertain economic and financial sector environment. (Risk Level: 3)</p>	<ul style="list-style-type: none"> <li>• Continue training and development of personnel and the recruitment of personnel with specialized knowledge;</li> <li>• Monitor the use and effectiveness of legal authorities to ensure that they meet the stated objectives, and where appropriate, address unforeseen events by proposing new authorities;</li> <li>• Promote prudent investment and risk limits and undertake daily monitoring of financial market activities and risks and regular external evaluation of treasury operations; and</li> <li>• As required, examine new initiatives that may need to be developed to respond to the evolving economic situation.</li> </ul>	<p>1.1 Economic and Fiscal Policy Framework 1.3 Treasury and Financial Affairs 1.4 Internal Services</p>
<p>Given fiscal constraint and other operating constraints, there is a risk that the Department will have a reduced ability to hire new talent. It could affect the Department's ability to provide quality policy advice and services to produce the fall update, budget, and other key documents. (Risk Level: 5)</p>	<ul style="list-style-type: none"> <li>• Ensure annual planning processes align available resources and business requirements to support priority setting and decision making;</li> <li>• Align the internal performance management program with the new Treasury Board <i>Directive on Performance Management</i>, and ensure that departmental priorities and commitments cascade down from senior management to departmental employees;</li> <li>• As required, assess and prioritize operations and activities in light of constraints. Also ensure that authorities are delegated to the appropriate level and that resources are deployed in the areas of highest priority;</li> <li>• Continue to update the Human Resources Plan to reflect changes in the Department's operating environment, and monitor its implementation as part of the annual integrated planning process;</li> <li>• Continue to ensure the effective, collective management of the Executive (EX) cadre</li> </ul>	<p>1.1 Economic and Fiscal Policy Framework 1.2 Transfer and Taxation Payment Programs 1.3 Treasury and Financial Affairs 1.4 Internal Services</p>

Risk	Risk Response Strategy	Link to Program Alignment Architecture
	<p>and the recruitment, development and performance management of non-EX employees, taking into account resource constraints;</p> <ul style="list-style-type: none"> <li>• Assess and improve departmental approaches to managing corporate knowledge and information; and</li> <li>• Leverage the activities from the departmental plan for Blueprint 2020, resulting from consultation efforts, to increase efficiencies and productivity.</li> </ul>	
<p>Given the nature of the Department’s work and the need for security safeguards, there is a risk that a security breach either related to the physical or IT work environment or to misuse of privileged information, a conflict of interest situation or a breach of privacy will impact the delivery of critical services. (Risk Level: 6)</p>	<ul style="list-style-type: none"> <li>• Use the dual network operational environment to segregate the most sensitive information assets, and perform scanning of desktops and servers on which sensitive information is stored to detect and remove potential viruses or malware as appropriate;</li> <li>• Continue the delivery of mandatory training to all new employees on security of information;</li> <li>• Post resource material on the departmental Intranet to help employees keep up to date with policies and legislation on privacy, information management, access to information, security, and values and ethics; and</li> <li>• Continue implementation of the approved Action Plan to enhance employee awareness of their obligations under the Treasury Board <i>Values and Ethics Code for the Public Sector</i> and the <i>Policy on Conflict of Interest and Post-Employment</i>, and the <i>Department of Finance Code of Conduct</i>. Also continue the review of mandatory annual confidential reports as required under the <i>Department of Finance Conflict of Interest Code</i>.</li> </ul>	<p>1.1 Economic and Fiscal Policy Framework 1.2 Transfer and Taxation Payment Programs 1.3 Treasury and Financial Affairs 1.4 Internal Services</p>

## Planned Expenditures

### Budgetary Financial Resources (planned spending—dollars)

2014–15 Main Estimates	2014–15 Planned Spending	2015–16 Planned Spending	2016–17 Planned Spending
87,615,730,740	87,615,730,740	91,084,504,333	96,201,235,310

### Human Resources (full-time equivalents—FTEs)

2014–15	2015–16	2016–17
774	768	762

### Budgetary Planning Summary Table for Strategic Outcome and Programs (dollars)

Strategic Outcome, Programs and Internal Services	2011–12 Expenditures	2012–13 Expenditures	2013–14 Forecast Spending	2014–15 Main Estimates	2014–15 Planned Spending	2015–16 Planned Spending	2016–17 Planned Spending
<b>Strategic Outcome: A strong economy and sound public finances for Canadians</b>							
1.1 Economic and Fiscal Policy Framework	93,032,942	81,328,189	90,529,250	86,840,289	86,840,289	62,858,538	59,698,612
1.2 Transfer and Taxation Payment Programs	56,634,936,959	57,469,585,479	60,393,514,533	61,060,094,306	61,060,094,306	63,614,948,001	66,552,533,001
1.3 Treasury and Financial Affairs	91,369,998,219	91,513,841,099	26,407,500,000	26,419,500,000	26,419,500,000	27,368,000,000	29,551,000,000
<b>Strategic Outcome Subtotal</b>	148,097,968,120	149,064,754,767	86,891,543,783	87,566,434,595	87,566,434,595	91,045,806,539	96,163,231,613
<b>Internal Services Subtotal</b>	55,915,042	50,468,976	55,990,392	49,296,145	49,296,145	38,697,794	38,003,697
<b>Total</b>	148,153,883,162	149,115,223,743	86,947,534,175	87,615,730,740	87,615,730,740	91,084,504,333	96,201,235,310

### *Economic and Fiscal Policy Framework*

The decrease in 2012–13 actual spending is largely due to the timing of payments to the Canadian Securities Regulation Regime Transition Office (CSTO). Payments resume in 2013–14 and 2014–15. The decrease in planned spending in 2015–16 is mainly due to the cessation of funding to the CSTO (\$9.1 million), a \$10.0 million reduction related to government advertising, as well as time-limited funding for government initiatives (\$3.6 million).

### *Transfer and Taxation Payment Programs*

The increase over time relates to legislated increases for the Canada Health Transfer, the Canada Social Transfer, Fiscal Equalization, and Territorial Formula Financing.

### *Treasury and Financial Affairs*

Actual expenditures in 2011–12 and 2012–13 include the initial disbursement of loans to Farm Credit Canada, the Business Development Bank of Canada, and Canada Mortgage and Housing Corporation, and total \$63.4 billion and \$65.2 billion respectively. Forecast and planned spending is not provided for these disbursements as they are non-budgetary and can vary significantly both inter-year and intra-year. The increase in public debt costs over the planning period reflects an increase in interest rates as forecast by private sector economists, consistent with the 2013 fall Update of Economic and Fiscal Projections.

### *Internal services*

The decrease in actual spending of \$5.5 million from 2011–12 to 2012–13 within the Internal Services Program is primarily attributable to IT infrastructure expenditures incurred in 2011–12 and to the transfer of some IT responsibilities and related funding to Shared Services Canada. The planning period includes time-limited funding for the Department of Finance Canada's move to a new building in 2014, which explains the decrease in 2015–16. The decrease in 2014–15 planned spending can be explained by transfers to Shared Services Canada for the responsibility for workplace technology devices and corporate IT funding and by transfers to Public Works and Government Services Canada for the Consolidation of Pay Services Project.

## Alignment to Government of Canada Outcomes

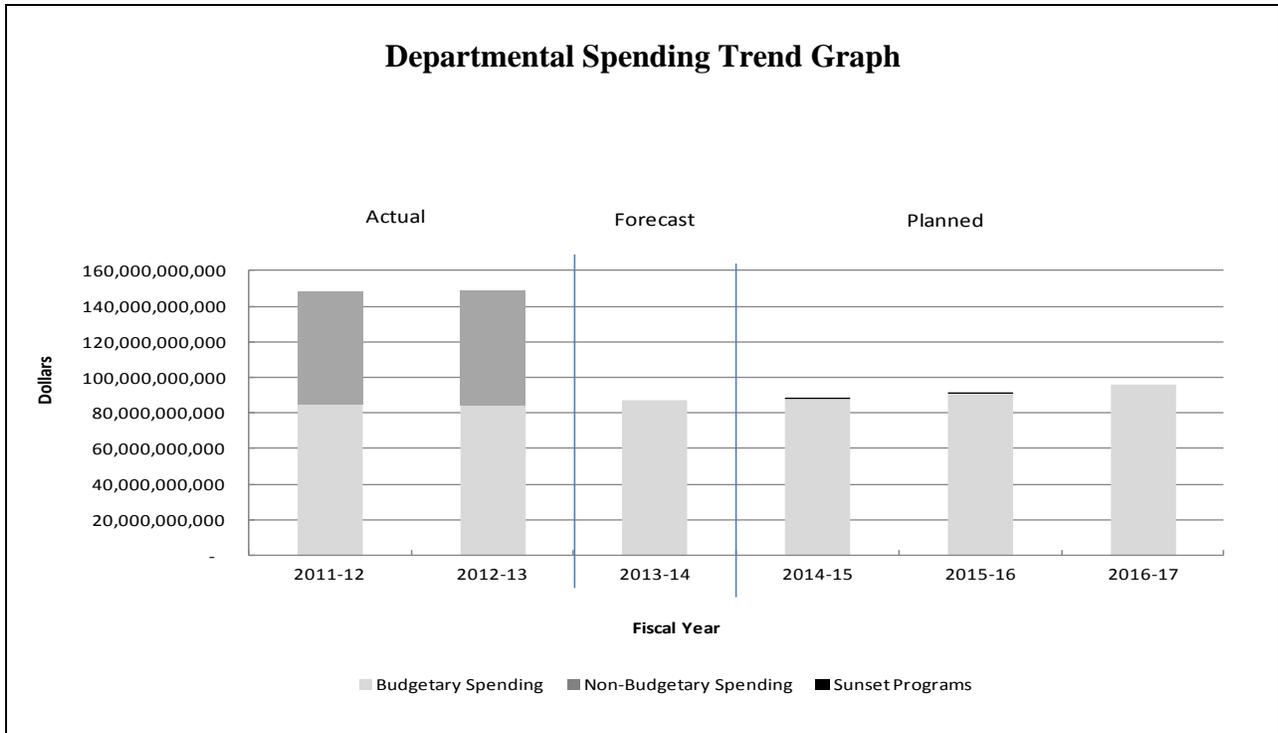
### 2014–15 Planned Spending by Whole-of-Government-Framework Spending Area<sup>vi</sup> (dollars)

Strategic Outcome	Program	Spending Area	Government of Canada Outcome	2014–15 Planned Spending
A strong economy and sound public finances for Canadians	1.1 Economic and Fiscal Policy Framework	Economic Affairs	Strong Economic Growth	86,840,289
	1.2 Transfer and Taxation Payment Programs	All spending areas	All outcomes	61,060,094,306
	1.3 Treasury and Financial Affairs	Economic Affairs	Strong Economic Growth	26,419,500,000

### Total Planned Spending by Spending Area (dollars)

Spending Area	Total Planned Spending
Economic Affairs	42,367,862,594
Social Affairs	44,695,762,000
International Affairs	502,810,001
Government Affairs	—

## Departmental Spending Trend



As illustrated in the spending trend graph, forecast and planned spending for 2013–14 to 2016–17 reflect the budgetary expenditures of the Department, whereas actual results for 2011–12 and 2012–13 also include the impact of non-budgetary expenditures.

Actual budgetary expenditures of the Department increased by approximately \$1 billion from 2011–12 to 2012–13 primarily because of annual increases in some transfer payments under statutory legislation within the Transfer and Taxation Payments Programs program. Actual expenditures within the Treasury and Financial Affairs Program were virtually unchanged from 2011–12 to 2012–13. Actual expenditures within the Economic and Fiscal Policy Framework Program and the Internal Services Program decreased from 2011–12 to 2012–13 by \$11.7 million and \$5.5 million respectively.

Beginning 2014–15, budgetary spending trends upward to reflect the expectation of a \$5.5 billion increase in transfer payments and a \$3.1 billion net increase in interest on unmatured debt and interest on other liabilities by 2016–17.

The non-budgetary expenditures of the Department reflect direct loans to Crown corporations and were \$63.4 billion and \$65.2 billion in 2011–12 and 2012–13 respectively. The gross borrowing requirements for Crown corporations are driven by the need to match the term and

structure of the borrowing requirements of corporations' clients. These activities are influenced by current and expected future economic conditions and can vary greatly over a short period of time, with very large and significant variances both inter-year and intra-year. Given the risk of forecast inaccuracy and the fact that the gross advances to Crown corporations are non-budgetary items and do not impact the net-debt of the government, the borrowings by the Crown corporations are not in forecast and planned spending.

On average, sunset programs account for less than 1 per cent of total planned spending.

## Estimates by Vote

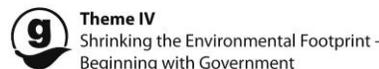
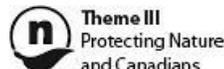
For information on the Department of Finance Canada's organizational appropriations, please see the *2014–15 Main Estimates*<sup>vii</sup> publication.

## Contribution to the Federal Sustainable Development Strategy (FSDS)

The 2013–16 Federal Sustainable Development Strategy (FSDS),<sup>viii</sup> tabled on November 4, 2013, guides the Government of Canada's 2013–16 sustainable development activities. The FSDS articulates Canada's federal sustainable development priorities for a period of three years, as required by the *Federal Sustainable Development Act* (FSDA).

The Department of Finance Canada ensures that consideration of these outcomes is an integral part of its decision-making processes. In particular, through the federal Strategic Environmental Assessment (SEA) process, any new policy, plan, or program initiative includes an analysis of its impact on attaining the FSDS goals and targets. The results of detailed SEAs are made public when an initiative is announced and include the impacts on achieving FSDS goals and targets.

The Department contributes to Theme I: Addressing Climate Change and Air Quality; Theme III: Protecting Nature and Canadians; and Theme IV: Shrinking the Environmental Footprint – Beginning with Government, as denoted by the visual identifiers below.



These contributions are components of the following programs and/or sub-programs and are further explained in Section II:

- Sub-Program 1.1.1: Taxation; and
- Program 1.4: Internal Services.

For additional details on the Department of Finance Canada’s activities to support sustainable development, please see Section II of this report and the Department’s website.<sup>ix</sup> For complete details on the Strategy, please see the Federal Sustainable Development Strategy website.<sup>x</sup>

## Section II: Analysis of Programs by Strategic Outcome

Strategic Outcome: A strong economy and sound public finances for Canadians

### Program 1.1: Economic and Fiscal Policy Framework

#### Description

This Program is the primary source of advice and recommendations to the Minister of Finance on issues, policies and programs of the Government of Canada related to the areas of economic, fiscal and social policy; federal-provincial relations; financial affairs; taxation; and international trade and finance. The work conducted by this Program involves extensive research, analysis, and consultation and collaboration with partners in both the public and private sectors, including the Cabinet and the Treasury Board; Parliament and parliamentary committees; the public and Canadian interest groups; departments, agencies and Crown corporations; provincial and territorial governments; financial market participants; the international economic and finance community; and the international trade community. In addition, this Program includes policy advice on the development of Memoranda to Cabinet, negotiation of agreements, drafting of legislation and sponsoring of bills through the parliamentary process, which are subsequently administered by other programs within the Department and by other government departments and agencies. The aim of this Program is to create a sound and sustainable fiscal and economic framework that will generate sufficient revenues and provide for the management of expenditures in line with the Budget Plan and financial operations of the Government of Canada.

#### Budgetary Financial Resources – Program Level (dollars)

2014–15 Main Estimates	2014–15 Planned Spending	2015–16 Planned Spending	2016–17 Planned Spending
86,840,289	86,840,289	62,858,538	59,698,612

#### Human Resources – Program Level (FTEs)

2014–15	2015–16	2016–17
481	481	481

**Performance Measurement – Program Level**

<b>Expected Results</b>	<b>Performance Indicators</b>	<b>Targets</b>	<b>Date to Be Achieved</b>
A sound economic, social, fiscal and financial policy framework.	Percentage of leading international organizations and major ratings agencies that rate Canada's economic, social, fiscal, and financial policy framework as favourable.	80 percent	2014–15
Ministers and senior government officials are equipped to make informed decisions on economic, fiscal and financial sector policies, programs and proposals.	Percentage of recommendations/agreed upon areas for improvement following audits and/or evaluations that are on track or have been implemented within the planned timeframes.	100 percent	2014–15
	Percentage of recommendations/agreed upon areas for improvement following the annual federal budget post-mortem process that were implemented.	100 percent	2014–15

**Planning Highlights**

The Department of Finance Canada will ensure a sound economic, social, fiscal and financial policy framework with a particular focus on the government's plan to return to balanced budgets in 2015. Prudent and effective fiscal management will also be supported by continuing the systematic review of the government's corporate assets.

The Department will maintain its leadership role by promoting measures that support strong sustainable growth with attention to policies that encourage productivity-enhancing investments and facilitate workforce participation.

A sound, efficient and competitive financial sector is necessary to support the savings and investment needs of individuals, businesses, and the economy as a whole. The work of the Department will remain shaped by the continued implementation of the G20 financial sector reform agenda domestically and in key international jurisdictions; the developments and innovation in the provision of financial services in Canada and abroad; Canada's international trade and investment commitments and those of its key international partners; and finally, the agreement with British Columbia and Ontario to establish a cooperative capital markets

regulatory system with continued effort to achieve the participation of other provinces and territories.

With respect to the social policy framework, the Department of Finance Canada will continue to work with departments and other central agencies to develop policy proposals that are consistent with, and deliver on, the government’s social policy priorities.

The Department will continue to ensure that ministers and senior government officials are equipped to make informed decisions. It will monitor economic and fiscal developments at home and abroad, to formulate first-rate policy advice and to develop contingency plans. The Department will pursue efforts to advance Canada’s trade policy framework, including bilateral, regional and multilateral trade negotiations.

## Sub-Program 1.1.1: Taxation

### Description

This sub-program develops and evaluates federal taxation policies and legislation, and negotiates international tax treaties and tax information exchange agreements as well as tax elements of comprehensive land claim and self-government agreements with Aboriginal governments. It also provides advice and recommendations for changes aimed at improving the tax system while raising the required amount of revenue to finance government priorities. It focuses on the following areas: personal income tax, business income tax, sales and excise tax, and Aboriginal tax policy. It is also involved with multilateral international tax policy matters, federal-provincial tax coordination, federal-provincial tax collection and reciprocal taxation agreements, federal-Aboriginal tax administration agreements, and tax policy research and evaluation. Improvements to the competitiveness, efficiency, simplicity and fairness of Canada’s tax system increase incentives for Canadians and Canadian businesses to realize their full potential, thereby encouraging investment, promoting economic growth, and increasing Canadians’ standard of living. These improvements also strengthen Canadians’ confidence in the tax system.

### Budgetary Financial Resources – Sub-Program Level (dollars)

2014–15 Planned Spending	2015–16 Planned Spending	2016–17 Planned Spending
21,329,932	20,168,362	20,168,361

### Human Resources – Sub-Program Level (FTEs)

2014–15	2015–16	2016–17
156	156	156

**Performance Measurement – Sub-Program Level**

Expected Results	Performance Indicators	Targets	Date to Be Achieved
Ministers and senior government officials have timely access to evidence-based analysis, research and advice on matters that impact the Government of Canada's tax policy agenda.	Percentage of agreed upon deadlines for briefing material that were met.	90 percent	2014–15
	Degree to which overall findings of audits and/or evaluations are favourable.	Favourable	2014–15

**Planning Highlights<sup>2, xi</sup>**

The Department of Finance Canada will continue to develop analysis and to evaluate options aimed at achieving an income tax system that enhances jobs and growth, building on efforts since 2006 to create a sustainable low-tax environment.

In addition, the Department will pursue ongoing work with the provinces and territories to achieve common goals, including enhancing the competitiveness of Canada's business tax system, improving incentives to work, and improving the overall efficiency and simplicity of the tax system.

At the international level, the Department will continue to monitor corporate income tax reductions and other corporate tax changes by Canada's key competitors to evaluate and provide advice on the relative competitiveness of Canada's statutory and effective tax rates. The Department will also continue to analyze the international tax system to look for opportunities to improve its fairness and competitiveness. The Department will contribute to the Organisation for Economic Co-operation and Development (OECD) and G20 initiative to address base erosion and profit shifting, and to the development by the OECD of a new multilateral standard for the automatic exchange of information for tax purposes. The Department will continue to negotiate international tax treaties and tax information and exchange agreements with other countries in order to further the policies put forward in Budget 2007 concerning tax information exchange.

---

2. Measures within this sub-program contribute to Theme I – Addressing Climate Change and Air Quality, and Theme III – Protecting Nature and Canadians of the Federal Sustainable Development Strategy (FSDS). These measures are the accelerated capital cost allowance for clean energy generation equipment, the Green Levy on certain fuel inefficient passenger vehicles, the Public Transit Tax Credit, and the Ecological Gifts Program. For details on the Department of Finance Canada's activities to support sustainable development, please see the departmental website.

The Department will continue to support Canada’s actions relevant to the G20 initiative on phasing out and rationalizing inefficient fossil fuel subsidies over the medium term.

To improve the integrity of the tax system and protect the government’s revenue base, the Department will continue to identify and analyze options to address aggressive tax planning and ensure tax fairness. The Department will also pursue ongoing work to identify emerging areas of aggressive tax avoidance through regular consultations with the Canada Revenue Agency.

## Sub-Program 1.1.2: Economic and Fiscal Policy, Planning, and Forecasting

### Description

This sub-program analyzes Canada’s economic and fiscal situation, as well as the fiscal position of other levels of government and of governments in other countries, and advises on the government’s economic policy framework, its budget planning framework, and spending priorities. This sub-program is responsible for monitoring and preparing forecasts of Canada’s economic and fiscal position and plays a lead role in the management of the government’s fiscal framework. The sub-program also provides analytical support on a wide range of economic and financial issues related to the government’s macroeconomic and structural policies. This sub-program is necessary to help ensure that fiscal planning in the Government of Canada is transparent and supports long-term fiscal sustainability. Sound fiscal planning provides significant benefits to Canadians and businesses in Canada. It gives the government the strength to withstand fiscal and economic challenges and ensures that the costs of investments and services are not passed on to future generations. Sound economic and fiscal policies also enable the Canadian economy to better respond to various economic shocks.

### Budgetary Financial Resources – Sub-Program Level (dollars)

2014–15 Planned Spending	2015–16 Planned Spending	2016–17 Planned Spending
18,527,917	8,527,917	8,527,917

### Human Resources – Sub-Program Level (FTEs)

2014–15	2015–16	2016–17
70	70	70

### Performance Measurement – Sub-Program Level

Expected Results	Performance Indicators	Targets	Date to Be Achieved
Ministers and senior government officials have timely access to evidence-based analysis, research and advice on matters that impact the Government of Canada's economic and fiscal agenda.	Percentage of agreed upon deadlines for briefing material that were met.	90 percent	2014–15
	Degree to which overall findings of audits and/or evaluations are favourable.	Favourable	2014–15

### Planning Highlights

The Department of Finance Canada will ensure the effective management of the fiscal framework, including the government's plan to support economic growth and job creation, while managing the return to balanced budgets in 2015 by supporting the implementation of the measures announced in Budgets 2010, 2011, 2012 and 2013.

The Department will assess Canada's current and future economic conditions to formulate first-rate economic policy advice and to provide the basis for accurate fiscal planning. The activities will include regular monitoring and forecasting of Canada's and other countries' economic performance, conducting private sector surveys of the Canadian economic outlook, and analytical research on a range of topics that relate to the performance of the Canadian economy, the standard of living, and public finances, including productivity and the challenges associated with population aging.

## Sub-Program 1.1.3: Economic Development Policy

### Description

This sub-program is responsible for fulfilling the challenge function of the Department of Finance Canada by monitoring major economic policy issues and proposals under development in the applicable departments, as well as providing policy advice to the Minister regarding the financial implications and relevance of the government's microeconomic policies and programs and proposals for the funding of programs. The sub-program focuses on monitoring research, economic developments and proposals, and developing regional and sectoral policy analysis in the areas of knowledge-based economy, defence, transportation, public infrastructure, environment, energy and resources, agriculture, fisheries, and privatization. It also plays a lead role in advising on corporate restructuring affecting Crown corporations and other corporate holdings. To prepare the government's annual budget and estimate the size of the budget balance, the Department needs to assess and make recommendations on numerous proposals for

new program spending emanating from line departments and the private sector. This activity is critical if the government is to make choices that contribute to advancing economic growth.

### Budgetary Financial Resources – Sub-Program Level (dollars)

2014–15 Planned Spending	2015–16 Planned Spending	2016–17 Planned Spending
5,810,478	4,816,563	4,821,563

### Human Resources – Sub-Program Level (FTEs)

2014–15	2015–16	2016–17
44	44	44

### Performance Measurement – Sub-Program Level

Expected Results	Performance Indicators	Targets	Date to Be Achieved
Ministers and senior government officials have timely access to evidence-based analysis, research and advice on the fiscal and economic implications associated with sectoral and microeconomic policy.	Percentage of agreed upon deadlines for briefing material that were met.	90 percent	2014–15
	Degree to which overall findings of audits and/or evaluations are favourable.	Favourable	2014–15

### Planning Highlights

The Department of Finance Canada will work toward the implementation of the government's economic agenda in several economic sectors, including automotive, aerospace, manufacturing, transportation, tourism, agriculture, fisheries, information and communications technologies, shipbuilding and forestry; as well as in the areas of energy and the environment, innovation, small business financing, venture capital, research and development, commercialization, regional economic development, infrastructure, defence and public safety.

The Department will also continue to support the implementation of Canada's Venture Capital Action Plan, to contribute to the growth of innovative businesses in Canada. In this context, the Department will advance work to establish large-scale private sector-led venture capital funds of funds and will coordinate with other federal organizations that are delivering on Action Plan commitments, including the Business Development Bank of Canada and the National Research Council.

Furthermore, the Department will continue to lead the systematic review of the government's corporate assets, including enterprise Crown corporations, real property and other holdings.

## Sub-Program 1.1.4: Federal-Provincial Relations and Social Policy

### Description

This sub-program is responsible for coordinating federal-provincial fiscal arrangements between Canada and the provinces and territories that enable the funding of national priorities and support reasonably comparable services at reasonably comparable tax rates across the country. It is also responsible for fulfilling the challenge function of the Department by providing policy analysis and advice to the Minister regarding the fiscal and economic implications of the government's social policies and programs related to health care, immigration, employment insurance and pensions, post-secondary education, Aboriginal and cultural programs, as well as programs for seniors, persons with disabilities, veterans and children. The sub-program conducts research and provides analysis and advice to the Minister and senior government officials to assist in preparation for meetings of Cabinet and its committees, the annual budget, fiscal updates, and responsibilities with respect to Employment Insurance and the Canada Pension Plan legislation. It is also responsible for preparing legislation and regulations under the responsibility of the Minister of Finance. Long-term, predictable, stable, transfer support for provinces and territories and improvements to the social policy framework contribute to improved public services for Canadians, support the quality of Canada's communities, health care, education and social safety net programs, and promote equality of opportunity for all citizens. At the same time, Canada's productivity and economic prosperity are enhanced by these supports and programs.

### Budgetary Financial Resources – Sub-Program Level (dollars)

2014–15 Planned Spending	2015–16 Planned Spending	2016–17 Planned Spending
6,548,271	6,548,271	6,548,271

### Human Resources – Sub-Program Level (FTEs)

2014–15	2015–16	2016–17
51	51	51

**Performance Measurement – Sub-Program Level**

<b>Expected Results</b>	<b>Performance Indicators</b>	<b>Targets</b>	<b>Date to Be Achieved</b>
Ministers and senior government officials have timely access to evidence-based analysis, research and advice on the fiscal and economic implications associated with federal-provincial relations and social policies, programs and issues.	Percentage of agreed upon deadlines for briefing material that were met.	90 percent	2014–15
	Degree to which overall findings of audits and/or evaluations are favourable	Favourable	2014–15

**Planning Highlights**

The Department of Finance Canada will collaborate with other departments and central agencies to review policy proposals that are consistent with, and deliver on, the government’s priorities in areas such as labour markets, Aboriginal issues, justice, public safety, health, arts and culture, and income security.

The Department will manage the major transfer programs to ensure that those programs are sustainable and effective for all Canadians. It will also continue webinar presentations on technical aspects of transfer calculations to improve transparency.

The Department will continue to hold regular meetings with officials of the Fiscal Arrangements Committee, the Transfers Sub-Committee and the Senior Financial Arrangements Committee Working Group and will organize and convene the next Finance Ministers’ Meeting to discuss issues of shared interest.

The Department will work with provinces and territories, the joint stewards of the Canada Pension Plan (CPP), on issues related to retirement savings. Further, the Department will work with provinces and territories to discuss the impact of the Old Age Security changes on CPP disability and survivor benefits during the 2013–15 Triennial Review.

**Sub-Program 1.1.5: Financial Sector Policy****Description**

This sub-program ensures the overall stability, soundness, efficiency, and competitiveness of Canada’s financial sector in support of strong, sustainable growth in the Canadian economy. This sub-program provides analysis of Canada’s financial services sector and financial markets, and develops the legislative and regulatory framework governing federally regulated financial

institutions (banks, trust companies, insurance companies, and co-operative credit associations) and federally regulated defined benefit pension plans. This sub-program is also responsible for issues related to anti-money laundering and anti-terrorist financing. It plays a lead role in conducting Canada's relations and negotiating Canada's commitments with foreign governments in the area of trade in financial services.

### Budgetary Financial Resources – Sub-Program Level (dollars)

2014–15 Planned Spending	2015–16 Planned Spending	2016–17 Planned Spending
25,537,424	14,361,534	11,196,609

### Human Resources – Sub-Program Level (FTEs)

2014–15	2015–16	2016–17
92	92	92

### Performance Measurement – Sub-Program Level

Expected Results	Performance Indicators	Targets	Date to Be Achieved
Ministers and senior government officials have timely access to evidence-based analysis, research and advice on matters that impact the Government of Canada's financial sector policy agenda.	Percentage of agreed upon deadlines for briefing material that were met.	90 percent	2014–15
	Degree to which overall findings of audits and/or evaluations are favourable.	Favourable	2014–15

### Planning Highlights

The Department of Finance Canada will assess Canada's financial sector framework against key internationally recognized and emerging standards, ensuring that the Canadian financial sector policy framework fosters confidence and supports stable, efficient and competitive financial services delivery. In that context, the Department will address recommendations from the International Monetary Fund's 2013 Financial Sector Assessment Program Update for Canada.

The Department will also pursue efforts with the Financial Stability Board (FSB), including its member jurisdictions and international standard-setting bodies, to implement the G20 financial sector reform agenda and to strengthen the resilience of the global financial system. The Department's areas of focus with respect to the G20 reform agenda will include the design of an efficient and credible resolution regime for large Canadian financial institutions and a review of

the existing framework for insurance company resolution; the development of an approach to implement Canada's commitment with respect to central clearing of over-the-counter derivatives and the assessment of the implications of foreign rule making; and participation in the periodic thematic and country-specific peer reviews of the FSB Standing Committee on Standards Implementation concerning the implementation of financial sector standards and policies.

In addition, the Department will enhance the monitoring of systemic vulnerabilities of the Canadian financial system and the development of contingency plans for mitigating and responding to emerging risks, as appropriate. The Department will review the legislative and regulatory frameworks governing federally regulated financial institutions to ensure that they support a stable and efficient financial services sector that meets the needs of Canadians. The Department will work with British Columbia and Ontario to establish the Cooperative Capital Markets Regulatory System, as announced on September 19, 2013, and reach out to other provinces and territories to participate in the cooperative system.

Finally, the Department will promote the effective and efficient provision of financial services in Canada. It will pursue improvements to the federal pensions' legislative and regulatory framework to support pension plan sustainability. It will also respond to emerging risks to consumers by strengthening the federal framework, supporting the Department of Justice Canada in its intervention before the Supreme Court of Canada, and developing a comprehensive financial consumer code to better protect consumers of financial products and services.

## **Sub-Program 1.1.6: International Trade and Finance**

### **Description**

The aim of this sub-program is to promote sustainable international economic growth and financial stability, secure access to key markets for Canadian exporters and investors and to reduce tariffs where possible in order to enhance the competitiveness of domestic industries and expand commercial opportunities for them. This sub-program also manages the Department's participation in international financial institutions such as the IMF, World Bank, and the European Bank for Reconstruction and Development, and international economic coordination groups such as the G7, G20, and the Asia-Pacific Economic Co-operation forum. Canada's economic performance and future prosperity depend on a strong and stable global economy, as well as trade and investment flows supported by high standards of multilateral, regional, and bilateral trade and investment agreements. Canadian leadership and influence on international economic, financial, development, and trade issues increase financial and economic stability.

**Budgetary Financial Resources – Sub-Program Level (dollars)**

2014–15 Planned Spending	2015–16 Planned Spending	2016–17 Planned Spending
9,086,267	8,435,891	8,435,891

**Human Resources – Sub-Program Level (FTEs)**

2014–15	2015–16	2016–17
68	68	68

**Performance Measurement – Sub-Program Level**

Expected Results	Performance Indicators	Targets	Date to Be Achieved
Ministers and senior government officials have timely access to evidence-based analysis, research and advice on matters that impact the Government of Canada's international trade and finance policy agenda.	Percentage of agreed upon deadlines for briefing material that were met.	90 percent	2014–15
	Degree to which overall findings of audits and/or evaluations are favourable.	Favourable	2014–15

**Planning Highlights**

The Department of Finance Canada will provide advice on economic cooperation matters that arise under the G7 and the G20 Finance Ministers' process, the G8 and G20 Leader's process, and at the International Monetary Fund, the World Bank, and the Organisation for Economic Co-Operation and Development. In particular, the Department will continue to provide international leadership by co-chairing the G20 Working Group responsible for steering the Framework for Strong, Sustainable and Balanced Growth, which guides and enhances international policy coordination.

The Department will provide support to the global development and trade environment by advancing innovative financing tools in the international community, to balance fiscal restraint with Canada's support for global development goals. Finally, the Department will continue to advance Canada's trade policy framework in a manner that encourages trade growth, including support for trade negotiations, both multilaterally under the World Trade Organization and bilaterally and regionally, with priority countries.

## Program 1.2: Transfer and Taxation Payment Programs

### Description

The Department of Finance Canada mandate includes the supervision, control and direction of all matters relating to the financial affairs of Canada that are not by law assigned to the Treasury Board or any other Minister. This Program includes the administration and payment of transfers to provinces and territories, including fiscal equalization, the Canada Health Transfer and the Canada Social Transfer, in support of health and social programs and other shared priorities. In addition, it includes the administration of taxation payments to provinces and territories as well as to Aboriginal governments in accordance with legislation and negotiated agreements. Also included in this Program are commitments and agreements with international financial organizations aimed at supporting the economic advancement of developing countries. In addition, from time to time, the federal government will enter into agreements or enact legislation to respond to unforeseen pressures. These commitments can result in payments, generally statutory transfer payments, to a variety of recipients, including individuals, organizations, and other levels of government.

### Budgetary Financial Resources – Program Level (dollars)

2014–15 Main Estimates	2014–15 Planned Spending	2015–16 Planned Spending	2016–17 Planned Spending
61,060,094,306	61,060,094,306	63,614,948,001	66,552,533,001
<b>Note:</b> Departmental spending does not include taxation payment program amounts.			

### Human Resources – Program Level (FTEs)

2014–15	2015–16	2016–17
—	—	—
<b>Note:</b> Full-time equivalent support for this Program and its related sub-programs is not shown separately, but is instead incorporated into the FTE counts for Program 1.1 (Economic and Fiscal Policy Framework).		

### Performance Measurement – Program Level

Expected Results	Performance Indicators	Targets	Date to Be Achieved
The Government of Canada meets its transfer and taxation payment commitments.	Degree to which the Government of Canada is meeting its transfer and taxation payment commitments.	Met	2014–15

## Planning Highlights

The Department of Finance Canada will administer transfer payments to provinces and territories as set out in legislation and will administer payments to international organizations consistent with the Government of Canada's commitments.

The Department will also manage the payment of amounts to provinces, territories and Aboriginal governments in accordance with the terms and conditions established in the Tax Collection Agreements, Tax Administration Agreements, Comprehensive Integrated Tax Coordination Agreements, the *Federal-Provincial Fiscal Arrangements Act* and the *First Nations Goods and Services Tax Act*.

## Sub-Program 1.2.1: Fiscal Arrangements with Provinces and Territories

### Description

In accordance with the *Federal-Provincial Fiscal Arrangements Act*, and other related Acts and regulations, this sub-program administers transfer payments to provinces and territories as set out in legislation including fiscal equalization, Territorial Formula Financing, and support for health and social programs through the Canada Health Transfer and the Canada Social Transfer. Long-term, predictable, stable transfer support for the provinces and territories contributes to improved public services for Canadians and supports the quality of life in Canada's communities. In addition, from time to time, the federal government may provide additional, time-limited, targeted support to provinces and territories in areas of shared priorities.

### Budgetary Financial Resources – Sub-Program Level (dollars)

2014–15 Planned Spending	2015–16 Planned Spending	2016–17 Planned Spending
60,552,284,305	63,119,138,000	66,059,723,000

### Human Resources – Sub-Program Level (FTEs)

2014–15	2015–16	2016–17
—	—	—

**Performance Measurement – Sub-Program Level**

Expected Results	Performance Indicators	Targets	Date to Be Achieved
Fiscal arrangements with provinces and territories are efficiently managed.	Percentage of payments reviewed that did not reveal errors.	100 percent	2014–15
	Percentage of payments that were made within the required timeframes.	100 percent	2014–15

**Planning Highlights**

To support fiscal arrangements with provinces and territories, the Department of Finance Canada will continue to manage the major transfer payment programs and will ensure that the administration of these programs remains timely, accurate and transparent.

**Sub-Program 1.2.2: Tax Collection and Administration Agreements****Description**

This sub-program manages the payment of amounts to provinces, territories and Aboriginal governments in accordance with the terms and conditions established in the Tax Collection and Tax Administration Agreements, the *Federal-Provincial Fiscal Arrangements Act* and the *First Nations Goods and Services Tax Act*. This includes payments related to provincial and territorial personal income tax and corporate income tax as well as Aboriginal sales and income taxes.

Tax collection agreements with provinces and territories allow the federal government to streamline service and reduce compliance and administrative costs by having a single tax form and a single tax collector. Tax administration agreements with Aboriginal governments allow the federal government to vacate and share a negotiated portion of its Goods and Services Tax and personal income tax room with Aboriginal governments and to administer Aboriginal tax regimes.

**Budgetary Financial Resources – Sub-Program Level (dollars)**

2014–15 Planned Spending	2015–16 Planned Spending	2016–17 Planned Spending
—	—	—
<b>Note:</b> Departmental spending does not include taxation payment program amounts.		

**Human Resources – Sub-Program Level (FTEs)**

2014–15	2015–16	2016–17
—	—	—

**Performance Measurement – Sub-Program Level**

Expected Results	Performance Indicators	Targets	Date to Be Achieved
Tax collection and administration obligations/arrangements are efficiently managed.	Percentage of payments reviewed that did not reveal errors.	100 percent	2014–15
	Percentage of payments that were made within the required timeframes.	100 percent	2014–15

**Planning Highlights**

The Department of Finance Canada will continue to work to improve and enhance the application and administration of its tax agreements with provinces, territories and Aboriginal governments, including aligning payments with the terms and conditions of the existing agreements to ensure that they are accurate and timely.

The Department will also participate in negotiations with Aboriginal governments in respect of new tax administration agreements and will work with the provinces and territories to facilitate similar arrangements between interested provinces and territories and Aboriginal governments.

## Sub-Program 1.2.3: Commitments to International Financial Organizations

**Description**

This sub-program administers Canada's international financial commitments associated with Paris Club and the Canadian Debt Initiative (CDI) debt rescheduling agreements and for financial support to international organizations. It administers transfer payments to Export Development Canada (EDC) and the Canadian Wheat Board (CWB) in order to compensate these agencies when their scheduled receipts from debtor countries have been reduced by Canada's participation in Paris Club debt or debt service reduction agreements and/or the CDI. It also administers Canada's commitments under the Multilateral Debt Relief Initiative (MDRI). These payments compensate the IMF, the World Bank and the African Development Fund for cancelling debt owed to them by heavily indebted poor countries. The objective of bilateral and multilateral debt relief is to reduce the debt load of developing countries, put them back onto a

path of financial sustainability and to free up resources in their national budgets to support their development objectives. This sub-program also administers the issuance and encashment of demand notes and capital subscriptions for Canada's commitments with international financial institutions, such as the International Development Association (IDA) and the European Bank for Reconstruction and Development (EBRD), to enable these institutions to fulfill their mandate.

### Budgetary Financial Resources – Sub-Program Level (dollars)

2014–15 Planned Spending	2015–16 Planned Spending	2016–17 Planned Spending
502,810,001	492,810,001	492,810,001

### Human Resources – Sub-Program Level (FTEs)

2014–15	2015–16	2016–17
—	—	—

### Performance Measurement – Sub-Program Level

Expected Results	Performance Indicators	Targets	Date to Be Achieved
Commitments to international financial organizations are efficiently funded.	Percentage of payments reviewed that did not reveal errors.	100 percent	2014–15
	Percentage of payments that were made within the required timeframes.	100 percent	2014–15

### Planning Highlights

The Department of Finance Canada will deliver on the Government of Canada's commitments to support international financial institutions and multilateral development banks in fulfilling their renewed mandates in line with Canadian objectives. These objectives include strengthening governance and accountability, helping to ensure sustainable and inclusive global economic growth, and supporting the economic advancement of developing countries.

## Sub-Program 1.2.4: Receipts From and Payments to Individuals and Organizations

### Description

From time to time, the Government will enter into agreements or legislation to provide targeted support to individuals and organizations to address unforeseen priorities arising from current events. This sub-program manages the payment of such commitments in accordance with the agreed to terms and conditions.

### Budgetary Financial Resources – Sub-Program Level (dollars)

2014–15 Planned Spending	2015–16 Planned Spending	2016–17 Planned Spending
5,000,000	3,000,000	—

### Human Resources – Sub-Program Level (FTEs)

2014–15	2015–16	2016–17
—	—	—

### Performance Measurement – Sub-Program Level

Expected Results	Performance Indicators	Targets	Date to Be Achieved
Payments owed to and due from individuals and organizations are efficiently managed.	Percentage of payments reviewed that did not reveal errors.	100 percent	2014–15
	Percentage of payments that were made within the required timeframes.	100 percent	2014–15

### Planning Highlights

The Department of Finance Canada will manage the Harbourfront Centre Funding Program, which has been renewed for five years until 2015–16, to support the economic, social and cultural development of the Toronto waterfront.

## Program 1.3: Treasury and Financial Affairs

### Description

This Program contributes to the Government of Canada's effective debt and other cost management on behalf of Canadians. It provides direction for Canada's debt management activities, including the funding of interest costs for the debt and service costs for new borrowings. In addition, the Program manages investments in financial assets needed to establish a prudent liquidity position. This Program supports the ongoing refinancing of government debt coming to maturity, the execution of the budget plan, and other financial operations of the government, including governance of the borrowing activities of major government-backed entities, such as Crown corporations. This Program is also responsible for the system of circulating Canadian currency (banknotes and coins) to ensure efficient trade and commerce across Canada.

### Budgetary Financial Resources – Program Level (dollars)

2014–15 Main Estimates	2014–15 Planned Spending	2015–16 Planned Spending	2016–17 Planned Spending
26,419,500,000	26,419,500,000	27,368,000,000	29,551,000,000

### Human Resources – Program Level (FTEs)

2014–15	2015–16	2016–17
25	25	25

### Performance Measurement – Program Level

Expected Results	Performance Indicators	Targets	Date to Be Achieved
The treasury and financial affairs of the Government of Canada are well managed.	Percentage of recommendations and agreed upon areas for improvement following evaluations that are on track or have been implemented within the planned timeframes.	100 percent	2014–15

### Planning Highlights

Over the planning period, the Department of Finance Canada, in conjunction with the Bank of Canada, will continue to proactively manage the debt and international reserves of the Government of Canada and will provide policy advice on activity in the domestic capital markets

to ensure that the treasury and financial affairs of the Government of Canada are well managed, building on its track record of responding to challenges and crises. Continual learning and improvement will be promoted by the implementation of evaluation findings.

In 2014–15, the Department will address a number of recommendations from the recent evaluation of the Crown Borrowing Program. This program was created to centralize the borrowing activities of some major federal-backed entities in a cost-effective and economically efficient manner and to enhance the functioning and liquidity of the government debt market. In an effort to improve the efficiency and economy of the program, while maintaining prudent risk management, the Department, in consultation with the Bank of Canada, will explore practical options to restructure and consolidate program operations, making them more efficient while minimizing operational risks; will assess the costs and benefits of establishing a distinct Crown Borrowing Program account; and will examine cost-effective options to more closely integrate the Crown Borrowing Program into the broader asset-liability management framework for the government's funds management activities.

## Sub-Program 1.3.1: Federal Debt Management

### Description

The government's debt management program includes the payment of interest costs on existing debt instruments and the servicing costs for new borrowings. The *Financial Administration Act*, Part IV, provides authority to the Minister of Finance to borrow in financial markets. The debt instruments of the Government include bonds, treasury bills, Canada Savings Bonds, pension plans and accounts payables.

### Budgetary Financial Resources – Sub-Program Level (dollars)

2014–15 Planned Spending	2015–16 Planned Spending	2016–17 Planned Spending
26,297,000,000	27,252,000,000	29,435,000,000

### Human Resources – Sub-Program Level (FTEs)

2014–15	2015–16	2016–17
25	25	25

**Performance Measurement – Sub-Program Level**

Expected Results	Performance Indicators	Targets	Date to Be Achieved
The Government of Canada is able to fund its financial requirements on a timely and effective basis.	Percentage of funding requirements met within the required timeframes.	100 percent	2014–15
	Ratio of auctions that are fully covered (Bid cover ratio).	1 or higher	2014–15

**Planning Highlights**

The Department of Finance Canada will continue to ensure sufficient funding from government debt management operations while providing appropriate flexibility to adapt to changing circumstances. The Department will also implement the debt strategy for 2014–15, continuing to manage rollover and refinancing risk and reporting using key metrics to measure progress. Finally, the Department will work with Crown corporations and market participants to effectively manage operations and provide advice on prudent debt management strategy.

## Sub-Program 1.3.2: Major Federal-Backed Entities Borrowing

**Description**

This sub-program governs the borrowing activities for the major government entities that are backed by the full faith and credit of the government such as Crown corporations and similar entities. It ensures their borrowing is cost-effective and in keeping with the principles of prudent risk management. Major federal-backed entities borrowing enables the government as a whole to reduce the overall cost of interest on government debt.

**Budgetary Financial Resources – Sub-Program Level (dollars)**

2014–15 Planned Spending	2015–16 Planned Spending	2016–17 Planned Spending
—	—	—

**Human Resources – Sub-Program Level (FTEs)**

2014–15	2015–16	2016–17
—	—	—

**Performance Measurement – Sub-Program Level**

Expected Results	Performance Indicators	Targets	Date to Be Achieved
The Government of Canada is able to provide funding to federal government entities on a timely and effective basis.	Ratio of administrative costs of the Crown Borrowing Program to those of a comparable lending desk in the private sector.	1 or below	2014–15

**Planning Highlights**

The Department of Finance Canada will ensure timely, cost-effective, and well-managed funding for key financial Crown corporations.

As gross borrowing requirements of Crown corporations can vary greatly over a short period of time, there is no planned spending forecast presented in the Report on Plans and Priorities for 2014–15 and subsequent years for direct lending to these Crown corporations.

**Sub-Program 1.3.3: Prudential Liquidity and Reserves Management****Description**

Prudential liquidity and reserves management involves maintaining domestic cash deposits at the Bank of Canada and financial institutions and the acquisition and management of cash reserves, loans, investments and advances in the Foreign Exchange Account of the Government. This sub-program safeguards the Government's ability to meet payment obligations in situations where normal access to funding markets may be disrupted and promotes foreign currency liquidity and orderly conditions for the Canadian dollar in the foreign exchange markets, if needed.

**Budgetary Financial Resources – Sub-Program Level (dollars)**

2014–15 Planned Spending	2015–16 Planned Spending	2016–17 Planned Spending
—	—	—

**Human Resources – Sub-Program Level (FTEs)**

2014–15	2015–16	2016–17
—	—	—

**Performance Measurement – Sub-Program Level**

Expected Results	Performance Indicators	Targets	Date to Be Achieved
The Government of Canada is able to meet its liquidity needs on a timely and effective basis.	Percentage of weeks that the prudential target liquidity level of 20 business days is met.	100 percent	2014–15
	Level of liquid reserves as a percentage of nominal GDP.	3 percent	2014–15

**Planning Highlights**

The Department of Finance Canada will work with the Bank of Canada toward implementing the funding and investment plan to increase the government’s liquidity position under the new Prudential Liquidity Plan. The intent is to safeguard the government’s ability to meet payment obligations in situations where normal access to funding markets may be disrupted or delayed. The Department will continue to work with the Bank of Canada to implement the recommendations from an external study and internal work on the External Fund Account (EFA) asset allocation framework.

**Sub-Program 1.3.4: Domestic Currency System****Description**

This sub-program is responsible for the system of circulating Canadian currency (banknotes and coins) to meet the needs of the economy. The Department provides advice to the Minister on the currency system, which involves the production of banknotes by the Bank of Canada and the circulation of coinage by the Royal Canadian Mint. This partly entails the negotiation and oversight of the payment of production and distribution costs in the domain of domestic circulating coinage.

**Budgetary Financial Resources – Sub-Program Level (dollars)**

2014–15 Planned Spending	2015–16 Planned Spending	2016–17 Planned Spending
122,500,000	116,000,000	116,000,000

**Human Resources – Sub-Program Level (FTEs)**

2014–15	2015–16	2016–17
—	—	—

**Performance Measurement – Sub-Program Level**

Expected Results	Performance Indicators	Targets	Date to Be Achieved
Canada has an adequate supply of domestic currency to meet the needs of its economy.	Percentage of payments that were made within the required timeframes (7 business days).	90 percent	2014–15
	Percentage of price and volume limit commitments met under the Memorandum of Understanding with the Royal Canadian Mint.	100 percent	2014–15

**Planning Highlights**

The Department of Finance Canada will support the introduction of a new banknote series by the Bank of Canada to reduce the incidence of counterfeiting. The Department will also work with the Royal Canadian Mint and other stakeholders to implement changes to Canada's coinage program.

**Internal Services****Description**

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; Acquisition Services; and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

**Budgetary Financial Resources – Program Level (dollars)**

2014–15 Main Estimates	2014–15 Planned Spending	2015–16 Planned Spending	2016–17 Planned Spending
49,296,145	49,296,145	38,697,794	38,003,697

**Human Resources – Program Level (FTEs)**

2014–15	2015–16	2016–17
268	262	256



## Planning Highlights

### *Ensuring sound resources management, operational improvements and efficiencies*

In the context of ongoing fiscal restraint, the Department of Finance Canada will continue to implement the public service-wide transformation initiatives, including Blueprint 2020, to ensure operational improvements and efficiencies.

The Department will continue to support departmental people management priorities, focusing its efforts on developing and implementing recruitment, employee development, and performance management strategies including:

- Implementing activities from the departmental plan for Blueprint 2020 in order to increase collaboration, innovation, and use of new technologies;
- Implementing strengthened selection tools used in staffing positions in the Department's key occupational groups, to ensure the recruitment and promotion of highly qualified and high-performing individuals;
- Pursuing initiatives such as the university recruitment campaign and leveraging the development programs in support of a highly qualified, high-performing and mobile workforce; and
- Aligning the Department's Performance Management Program with the new Treasury Board *Directive on Performance Management*, and providing appropriate support to managers.

The Department will implement government-wide human resources standardization and consolidation projects pertaining to compensation services and human resources processes.

With respect to financial management, the Department will effectively manage its operating budget in the context of the freeze on operating spending. The implementation of the new public-sector accounting standards will also be an area of focus.

### *Ensuring a secure and reliable information technology infrastructure and implementing a collaborative, client-focused approach for information management*

The Department of Finance Canada will pursue improvements of its information management (IM) and information technology (IT) infrastructure and services to ensure that the IT platform is robust and that IM services are effective, and to allow security considerations to be managed in a manner that addresses business requirements. The Department will also define and implement its Information Management Strategy to strengthen IM practices, including electronic information management, and will work toward full implementation in 2015 of the Treasury Board *Directive on Recordkeeping*.

The Department is a participant in the 2013–16 Federal Sustainable Development Strategy (FSDS) and contributes to Greening Government Operations targets through the Internal Services program. The Department contributes to the following areas of Theme IV (Shrinking the Environmental Footprint – Beginning with Government) of the FSDS:

- Green Procurement; and
- Sustainable Workplace Operations.

For further information on the Department of Finance Canada’s Greening Government Operations activities, please see the List of Supplementary Information Tables in Section III.

## Section III: Supplementary Information

### Future-Oriented Statement of Operations

The future-oriented condensed statement of operations presented in this subsection is intended to serve as a general overview of the Department of Finance Canada’s operations. The forecasted financial information on expenses and revenues are prepared on an accrual accounting basis to strengthen accountability and to improve transparency and financial management.

Because the future-oriented statement of operations is prepared on an accrual accounting basis and the forecast and planned spending amounts presented in other sections of this report are prepared on an expenditure basis, amounts will differ.

A more detailed future-oriented statement of operations and associated notes,<sup>xii</sup> including a reconciliation of the net costs of operations to the requested authorities, can be found on the Department of Finance Canada’s website.

#### Future-Oriented Condensed Statement of Operations For the Year Ended March 31 (dollars)

Financial information	Estimated Results 2013–14	Planned Results 2014–15	Change
Total expenses	85,404,657,784	87,628,961,158	(2,224,303,374)
Total revenues	81,744	81,744	0
Net cost of operations	85,404,576,040	87,628,879,414	(2,224,303,374)

### List of Supplementary Information Tables

The supplementary information tables listed in the *2014–15 Report on Plans and Priorities* can be found on the Department of Finance Canada’s website.<sup>xiii</sup>

- Details on Transfer Payment Programs;
- Disclosure of Transfer Payment Programs under \$5 million;
- Greening Government Operations;
- Horizontal Initiatives; and
- Upcoming Internal Audits and Evaluations over the next three fiscal years.

## Tax Expenditures and Evaluations

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 annually in the Tax Expenditures and Evaluations<sup>xiv</sup> publication. The tax measures presented in the Tax Expenditures and Evaluations publication are the sole responsibility of the Minister of Finance.

## Section IV: Organizational Contact Information

Department of Finance Canada  
19th floor, East Tower  
140 O'Connor Street  
Ottawa, Ontario K1A 0G5

Phone: 613-992-1573  
Facsimile: 613-943-0938  
TTY: 613-995-1455  
Email: [finpub@fin.gc.ca](mailto:finpub@fin.gc.ca)

**Media Enquiries:**  
613-996-8080

**Comments or questions regarding Department of Finance Canada  
publications and budget documents:**  
Email: [finpub@fin.gc.ca](mailto:finpub@fin.gc.ca)



## Endnotes

---

- i. Treasury Board of Canada Secretariat Estimates Publications and Appropriation Acts, <http://tbs-sct.gc.ca/ems-sgd/esp-pbc/esp-pbc-eng.asp>
- ii. Selected Departmental Performance Reports for 2008-2009 – Department of Industry, Department of Transport. Report of the Standing Committee on Public Accounts, September 2010, <http://www.parl.gc.ca/HousePublications/Publication.aspx?Mode=1&Parl=40&Ses=3&Language=E&DocId=4653561&File=0>
- iii. *Strengthening Parliamentary Scrutiny of Estimates and Supply*. Report of the Standing Committee on Government and Operations Estimates, June 2012, <http://www.parl.gc.ca/HousePublications/Publication.aspx?DocId=5690996&Language=E&Mode=1&Parl=41&Ses=1>
- iv. Whole-of-government framework, <http://tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx>
- v. Justice Laws website, <http://laws-lois.justice.gc.ca/eng/>
- vi. Whole-of-government-framework spending areas, <http://tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx>
- vii. Treasury Board of Canada Secretariat 2014–15 Main Estimates, <http://www.tbs-sct.gc.ca/ems-sgd/esp-pbc/me-bpd-eng.asp>
- viii. 2013–16 Federal Sustainable Development Strategy, <http://www.ec.gc.ca/dd-sd/default.asp?lang=En&n=A22718BA-1>
- ix. Department of Finance Canada Sustainable Development Strategy, <http://fin.gc.ca/purl/susdev-eng.asp>
- x. Federal Sustainable Development Strategy website, <http://ec.gc.ca/dd-sd/default.asp?lang=En&n=A22718BA-1>
- xi. Department of Finance Canada Sustainable Development Strategy, <http://fin.gc.ca/purl/susdev-eng.asp?wb48617274=86B8CFCA>
- xii. Department of Finance Canada Future-Oriented Financial Statements, <http://www.fin.gc.ca/fs-ef/2014-eng.asp>
- xiii. Department of Finance Canada website, <http://www.fin.gc.ca/pub/rpp/2014-2015/st-ts-01-eng.asp>
- xiv. Government of Canada Tax Expenditures, <http://www.fin.gc.ca/purl/taxexp-eng.asp>