

CANADA REVENUE AGENCY DETAILED ACTION PLAN

to the recommendations of the Canada Emergency Wage Subsidy Report of the 2021 March Reports of the Auditor General of Canada

| Report Ref. No. | OAG Recommendation | Departmental Response | Description of Final Expected Outcome/Result | Expected Final Completion Date | Key Interim Milestones (Description/Dates) | Responsible Organization/ Point of Contact (Name, Position, Tel #) | Indicator of Achievement (For Committee Use Only) |
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| 7.51 | The Canada Revenue Agency should strengthen its efforts towards tax compliance for GST/HST in order to ensure that it has information needed to do prepayment validations for the programs it is administering. | <p>Agreed. As noted in the report, in early 2020, the Canada Revenue Agency moved quickly to build programs and related infrastructure to deliver financial support to businesses affected by the COVID-19 pandemic. To alleviate pressures on businesses and to support the implementation of pandemic response programs, the CRA shut down most of its compliance programs, including the GST/HST Delinquent Filer Program.</p> <p>In light of the new COVID-19 benefit programs, the Canada Revenue Agency agrees with this recommendation and will seek to identify opportunities within the GST/HST Delinquent Filer Program of the Collections and Verification Branch to strengthen its efforts to improve filing compliance on the part of GST/HST registrants.</p> <p>Actions in response to this recommendation will include a review of workload selection and prioritization criteria, examination of the level and allocation of program resources, identification of potential legislative changes and increased outreach to increase compliance regarding GST/HST filing.</p> <p>The action plan will be completed by September 2023.</p> | <p>The CRA will have strengthened its GST/HST filing compliance program through the following actions:</p> <ol style="list-style-type: none"> 1. Reviewing workload selection and prioritization criteria within the GST/HST Delinquent Filer (DF) Program to identify areas of improvement as applicable. 2. Reviewing program resources to determine if they are allocated optimally and are sufficient to deliver on program expectations. 3. Identifying legislative changes (additions or amendments) to support the realization of filing compliance. 4. Identifying additional ways to educate and support businesses regarding GST/HST registration and filing obligations in order to promote future compliance. | September 2023 | <p>1.1 - October 2021: Complete the review and analysis of the current GST/HST DF Program risk scores and automated strategies including the selection and prioritization criteria.</p> <p>1.2 - May 2022: Prepare recommendations on enhancements to risk scoring and automated strategies. Following approval of recommended changes, develop the related system requirements.</p> <p>1.3 - May 2023: Implement the changes to risk scoring and automated strategies in the system through the CRA's release process.</p> <p>2.1. - December 2022: Complete the review of program resource allocation and production targets set for the program to determine if resources are aligned to production targets and sufficient to achieve the mandate of the program.</p> <p>2.2. - May 2023: Prepare recommendations on enhancements regarding resource levels and production targets based on the results of the review.</p> <p>3.1. - December 2022: Identify possible legislative changes to the ETA to address gaps and support program performance while ensuring the application of the Taxpayer Bill of Rights.</p> <p>3.2. - May 2023: Prepare recommendations regarding possible legislative amendments, as applicable, to address identified gaps.</p> <p>4.1. - October 2021: Review current outreach plans and identify possible new outreach initiatives.</p> | Marc Lemieux, Assistant Commissioner, Collections and Verification Branch, 613-851-8540 | |

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| | | | | | 4.2 - May 2022: Prepare a communication strategy and an action plan to enhance current initiatives and create new outreach opportunities. | | |
| 7.58 | In order to improve the integrity and validation efficiency of any future emergency programs, the Canada Revenue Agency should use automated validations with a unique identifier across programs | Agreed. The CRA is working in partnership with Treasury Board Secretariat (TBS) on their Sign-in Canada platform under the Pan-Canadian Trust Framework. Sign-in Canada will give Canadians one 'door', through which they can access any secure government service that requires robust identity proofing and authentication. In the meantime, we continue to enhance our own authentication and credential management systems through the addition of services like Multi-Factor Authentication (MFA). Sign-in Canada, while contingent upon many factors, is expected to become available in the next 24 to 36 months. CRA will begin to onboard once the platform is proven in production with smaller departments as early on-boarders. The CRA's MFA is currently being rolled out to all users of CRA's portal services. Full roll-out is expected to be completed in June of 2021. | Sign-in Canada: Greater interoperability across programs and other government departments, a more seamless user experience with improved security, fraud protection and less friction to access online services. MFA: Improved access to and security of online services; enhanced user validation and fraud prevention. | Sign-in Canada: Sign-in Canada (SIC): Approach will be iterative and incremental; following TBS completion of an enterprise SIC Platform, CRA will follow early GoC on-boarders within 12 months. MFA for all users of online services: June 2021 | Sign-in Canada: Track 1: ESDC is leading a pilot which is expected to deliver a Minimum Viable Product (MVP) by April 2022. The pilot will provide Authentication and Credential Management services (very similar to what CRA has today), which will accommodate growth towards an enterprise GoC solution. Track 2: TBS is working with ESDC and CRA on a Sign-in Canada Platform that would operate very much like the CRA's current sign-in page, with multiple options for Canadians to sign in using: <ul style="list-style-type: none"> a GoC credential (in place of our CRA credential) a sign-in partner credential (similar to the Banking Credentials on the CRA login page) a provincial partner credential (similar to the BCID option currently available on the CRA login page). Sign-Canada is expected to become available in the next 24 to 36 months. MFA for all users of online services: <ul style="list-style-type: none"> Improvements to MFA, including ability for users to self-enrol: Completed February 28, 2021. MFA to be mandatory for all portal and online services users – June 2021. MFA enhancements and additional authentication options for users are ongoing. | Annette Butikofer, Assistant Commissioner and Chief Information Officer, Information Technology Branch, 613-302-8144 | |
| 7.64 | The Canada Revenue Agency should strengthen the integrity of the program by using business intelligence information as soon as it is available in order to conduct targeted audits (restricted scope audits). | Agreed. The Canada Revenue Agency agrees that the timeliness of compliance actions is important; the CRA made timeliness one of its key strategic objectives for compliance programs. In relation to the Canada Emergency Wage Subsidy (CEWS), the CRA initiated post | Phase 1 audit results will inform and enhance the risk assessment process for targeted phase 2 post payment audits. | December 2021 | <ul style="list-style-type: none"> Launch updated CEWS algorithms. (Spring 2021) Audit programs will select population for Phase 2 audits based on updated CEWS algorithms in combination with current risk | Ted Gallivan, Assistant Commissioner, Compliance Programs Branch, 343-291-4417 | |

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| | | <p>payment audits (phase 1) in August of 2020, in relation to a new emergency program launched in April 2020. These audits were selected based on the results of pre-payment reviews conducted by technical officers, and a random sample from the remaining CEWS population. Starting CEWS audits before the end of the taxation year is an innovative approach that provides taxpayers with earlier certainty and allows for better stewardship.</p> <p>In relation to further applying business intelligence, the CRA will use phase 1 audit results to inform and enhance the risk assessment process for targeted phase 2 post payment audits starting in 2021. The CRA is continuously investing to improve its risk assessment systems and business intelligence to better focus its resources on the highest risk cases of non-compliance at a national level in a timely manner. This action plan will be completed by April 1, 2021.</p> | <p>The CRA will document the applicability of CEWS compliance successes to its core tax programs, including T1, and T2.</p> | | <p>assessment systems/processes. (June 2021)</p> <ul style="list-style-type: none"> • Start Phase 2 audits. (September 2021) • Produce a report based on lessons learned and opportunities for improvement on the CEWS with a focus on best practices that may apply to core CRA programs. (December 2021). | | |
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