

## CANADA REVENUE AGENCY DETAILED ACTION PLAN

to the recommendations of the Specific COVID-19 Benefits performance audit of the December 2022 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 #)	<i>Indicator of Achievement</i> <b>(For Committee Use Only)</b>
10.47	In the administration of future programs, the Canada Revenue Agency should engage with its partners, such as Statistics Canada and relevant departments, to ensure it collects pertinent data from applicants to better monitor and measure the effectiveness and outcomes of programs.	<b>Agreed.</b> As the administrator of future government programs, the Canada Revenue Agency will continue to engage with program departments to discuss the data required to measure and report on the effectiveness of these programs, as well as the framework to exchange this information in a timely and secure manner. While the program departments are responsible for measuring and reporting on the outcome of initiatives under their responsibility, the Agency will be an active partner, supporting them in their data needs.	Alignment of data with monitoring needs.	March 2023	<p>With regards to the administration of future programs on behalf of other Departments or Agencies:</p> <ul style="list-style-type: none"> <li>• The Agency will continue its current practice to engage with program departments as new programs are announced to discuss data requirements (ongoing).</li> <li>• The Agency will update its Directive for Developing Written Collaborative Arrangements (WCA) to formally include data requirements for the measurement of program outcomes where applicable (March 2023).</li> </ul>	Maxime Guénette, Assistant Commissioner, Service, Innovation and Integration Branch, 613-957-3508	
10.78	In order to improve the efficiency of the tax and programs administration and to follow good practices, the Canada Revenue Agency should assess the value of implementing a real-time business revenue data requirement.	<b>Agreed.</b> The Canada Revenue Agency continuously strives to enhance its program administration through the review of new international best practices. The Agency is already advancing its understanding of real-time business revenue data requirements to support program administration and increase business efficiencies. Within its legislative authority, the Agency will assess the value of implementing a real-time business revenue data requirement, including the necessary infrastructure analysis, completion of a cost benefit analysis, and required policy and legislative changes to implement such a requirement.	The CRA will draft a report regarding the value of implementing a real-time business revenue data requirement in Canada that outlines the required infrastructure, a cost benefit analysis, and required policy and legislative changes.	March 2024	<ul style="list-style-type: none"> <li>• In consultation with other tax authorities and OECD research, the CRA will complete its examination of the various types of e-invoicing models and relevant international best practices. (March 2023)</li> <li>• Prepare the final report. (March 2024)</li> </ul>	Cathy Hawara, Assistant Commissioner, Compliance Programs Branch, 613-302-8140	
10.84	In order to improve its efficiency of delivering benefit programs, the Canada Revenue Agency, with the collaboration of Employment and Social Development Canada, should pursue the development	<b>Agreed.</b> Budget 2021 announced funding of \$43.9 million over three years, starting in 2020–21, for the Canada Revenue Agency and Employment and Social Development Canada to develop	The CRA will deliver a costed implementation plan for an ePayroll solution for the Government of Canada.	March 2024	This phase consists of three deliverables: a business case that will recommend an ePayroll solution, a transformation	Maxime Guénette, Assistant Commissioner, Service,	

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	and implementation of a real-time payroll system with clear timelines and deliverables.	options for the implementation of an ePayroll solution for the Government of Canada that will increase the speed and accuracy of services and benefits to Canadians. Now in its second year, the current phase of the project will deliver a fully costed implementation plan consisting of 3 deliverables: a business case that will recommend an ePayroll solution, supported by a transformation blueprint and a project management framework, with a view to moving to the implementation phase beyond March 2024.			blueprint, and a project management framework (March 2024). The implementation phase will move beyond March 2024.	Innovation and Integration Branch, 613-957-3508	
10.101	<p>The Canada Revenue Agency and Employment and Social Development Canada, should:</p> <ul style="list-style-type: none"> <li>• update their post-payment verification plans to include all activities to identify payments to ineligible recipients of COVID-19 benefit programs, taking into account the legislated timeframes</li> <li>• increase the extent of post-payment verifications for COVID-19 benefit programs for individuals to include all cases identified as being at risk of being ineligible.</li> </ul>	<p><b>Partially agreed.</b> Employment and Social Development Canada and the Canada Revenue Agency have ensured that their plans include both reconciliation activities such as the collection of lump-sum payments as well as post-payment verifications of potentially ineligible applicants. As part of their integrity work, the Department and Agency have assessed all COVID-19 benefit programs against the eligibility criteria and will leverage a risk-based approach to verifications that focuses on the highest risk files and the greatest dollars at risk.</p> <p>The Department and the Agency were provided funding by the government to conduct risk-based post-payment verifications at a level that balances the number of resources required to investigate a potentially ineligible recipient against the amount paid to an individual. It would not be cost effective nor in keeping with international and industry best practices to pursue 100% of all potentially ineligible claims. This approach is evergreen, and will be adapted as the circumstances warrant.</p>	<ul style="list-style-type: none"> <li>• The CRA and ESDC will continue to collaborate on compliance plans to ensure effective and responsible use of public funds to perform verifications. Legislated timeframes are factored in to all compliance plans. Plans for post-payment verifications are being updated, however they remain evergreen and will continue to be adapted as circumstances warrant.</li> <li>• The CRA will complete the files selected for review. Verifications will use a risk based approach to compliance activities, where selected individuals are least likely to be eligible.</li> </ul>	March 2025	<p>1. Verification Plan will be up to date to include known risk-based ineligible applications by June 2023. The plan will continue to be updated as needed to incorporate lessons learned from results of ongoing compliance activities.</p> <p>2. Complete up to 375,000 expected reviews in the Incomplete Applications workload, containing all individuals who were selected for review, but did not submit documents to support their eligibility. (December 2024)</p> <p>3. The CRA will complete all planned compliance activities, which began in July 2020 and involves the validation of eligibility for all COVID-19 benefits for individuals. (March 2025)</p>	Marc Lemieux, Assistant Commissioner, Collections and Verification Branch, 613-954-1269	

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10.114	To increase the recovery of COVID-19 amounts owed and reduce the administrative burden, the Canada Revenue Agency should, before the end of December 2022, put system functionalities in place to apply refunds against COVID-19 amounts owed.	<b>Agreed.</b> The functionality to automatically apply refunds from other tax lines (such as T2 income tax, GST/HST, etc.) to Canada Emergency Wage Subsidy debts has been operational since the subsidy was first implemented. Beginning October 17, 2022, the Agency has had the ability to apply T1 refunds to COVID-19 individual benefit debts. The functionality to apply GST credits to COVID-19 individual benefit debts is currently planned for February 2023.	Beginning October 17, 2022, the Agency implemented the ability to apply T1 refunds to COVID-19 individual benefit debts.  In February 2023, the Agency will introduce the necessary functionality to apply GST credits to COVID-19 individual benefit debts	October 2022  February 2023	Completed. The functionality to apply T1 refunds to a COVID-19 individual benefit debt was implemented on October 17, 2022.  The functionality to apply GST credits to COVID-19 individual benefit debt will be implemented as part of our February 2023 system release.	Gillian Pranke, Assistant Commissioner, Assessment, Benefit, and Service Branch, 613-222-7548	
10.115	To improve the usefulness of information and the transparency of COVID-19 reporting, the Canada Revenue Agency should improve its information collection and reporting capabilities to accurately report for each benefit program how much has been collected for each individual and business.	<b>Agreed.</b> The Canada Revenue Agency has continually enhanced its systems since it began the administration of COVID-19 benefits for individuals and subsidies for businesses in an iterative fashion. This includes enhancements to support post-issuance compliance, reporting, and collection activities. As part of this ongoing process, the Agency will continue its efforts to accurately report how much has been collected for each COVID-19 benefit and subsidy program.	CRA action is underway to enhance its reporting capabilities related to COVID-19 benefit program debt for individuals and the associated repayments.	Enhanced debt reporting – October 2023	For collections reporting of the individual and business COVID-19 benefit programs, the development of aggregated reporting capabilities will be completed by end of June 2023, and the implementation of detailed reporting capabilities will be completed by end of October 2023.	Marc Lemieux, Assistant Commissioner, Collections and Verification Branch, 613-954-1269  Gillian Pranke, Assistant Commissioner, Assessment, Benefit, and Service Branch, 613-222-7548	