

Backgrounder
CRA Strategic Directions
International, Large Business and Investigations

Purpose:

This document presents the drivers of change for the International and Large Business audit program, the resulting functional strategies, the people considerations, and the expected outcomes as they impact the Greater Toronto Area (GTA).

Organizational Context:

The national program delivery model for CRA audit has evolved towards greater specialization, risk-based file selection, and tighter collaboration with headquarters and other CRA functions.

A distinct International, Large Business and Investigations branch was created in 2016, and a number of programs, including Scientific Research and Experimental Development (SR&ED) and Criminal Investigations, and the High Net Worth (HNW) workload have moved to a Centre of Excellence model.

Mandating a smaller number of executives with a greater share of program resources is a key aspect of a Centre of Excellence model, as it enables the leader to focus on a single program and can therefore better support the team.

Audit specific interaction between Headquarters and Field offices will continue to increase; the Risk committee, case information sheets, GAAR committee files, and the Third Party Penalty committee impact an increasing number of audits and this needs to continue in order to deter the aggressive non-compliance described above.

The deployment of Integras as a common electronic working tool, with built in procedural and management checks, facilitates the work of teams, including team members working remotely.

Drivers for Change:

There is international consensus, and G20/G7 commitments, to increase the attention placed on ensuring that multinational enterprises and high net worth individual pay their fair share of tax. Some of these same taxpayers are deploying increasingly elaborate tax plans, are increasingly litigious and increasingly challenge routine procedural steps by CRA auditors. The public, stakeholders, media and elected officials are looking to the CRA to address these issues and report on our actions in a transparent manner.

The audit functions in the CRA have been subject to government and Agency-wide efficiency pressures while also receiving additional resources tied to increased performance. Organizations around the world, including the CRA, have achieved efficiency and effectiveness gains by setting up Centres of Excellence that concentrate more employees doing the same work together.

Close to two thirds of the national Large Business economic entities are located in the GTA and some two thirds of these are located within the Toronto West and Toronto Centre zones.

The Government of Canada sold the building on Front Street and it will no longer be available to the government.

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The CRA has matured its telework and hoteling models, and is well advanced in its migration to Workplace 2.0. The baby-boom demographic is placing pressure on our traditional talent development approaches. Employee input, survey results, and union feedback consistently call for strong management leadership, action on harassment, and careful attention to well-being and mental health.

People Considerations:

Depending on the taxpayer, the stage of the audit, the composition of the audit team, or even the experience of the auditor, work can be performed from CRA offices, the taxpayer's location, or remotely via telework. Therefore, flexibility is critical to the effective delivery of the program, and auditors can spend significant periods of time working in places other than their designated field office.

Employee commutes and hours of work have significant impacts: on costs, on people, on morale and productivity, and entire families.

Employee development is enhanced when more senior employees work in the same area, facilitating peer-learning and professional development.

Performance and retirement plans are relevant factors, but not the only factor, in making decisions about work location for workloads and people.

Implications for the GTA:

A small number of executives will have leadership for a greater share of the GTA, and by extension, the national, large file population.

Movement towards one or more Centres of Excellence in the GTA is needed.

Travel costs will be minimized and justified by operational need.

Efficiency and effectiveness in the GTA will increase by at least 10% over the next three years.

There will be an expansion of telework and hoteling opportunities.

There will be clarity on the criteria, timing, and approach to telework and hoteling.