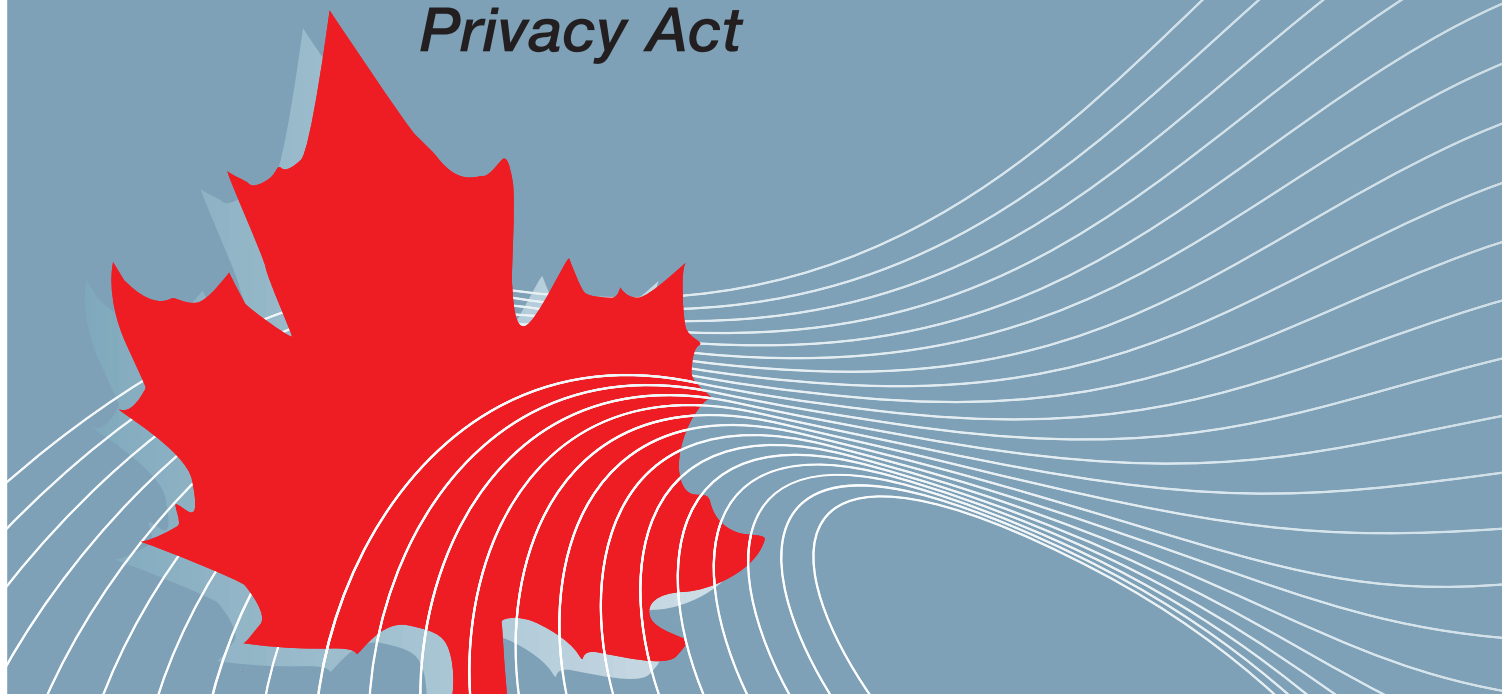


2008-2009 Annual Report to Parliament

The Administration of the *Privacy Act*



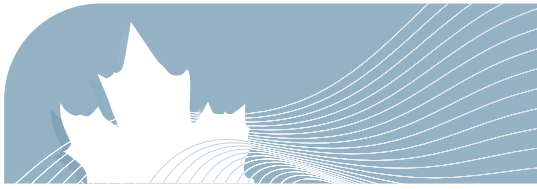
RC4415-1 Rev. 09



Canada Revenue
Agency

Agence du revenu
du Canada

Canada



FOREWORD

This Annual Report to Parliament is prepared under the direction of the Minister of National Revenue and the Commissioner of the Canada Revenue Agency (CRA). It describes how the CRA administered the *Privacy Act* (PA) for the 2008–2009 fiscal year.

Section 72 of the PA requires that the head of every government institution prepare and submit a report to Parliament, each year, on the administration of the PA.

This report details how the CRA carried out and fulfilled its obligations under the PA during the period April 1, 2008, to March 31, 2009. It also includes information on changes to program delivery and emerging issues that will require particular focus during the year ahead.

PRIVACY ACT

The PA was proclaimed on July 1, 1983. The PA protects the privacy of individuals with respect to their personal information held by government institutions and provides individuals with a right of access to such information.

The “Code of Fair Information Practices” is based on the principle that every individual should have the right to know what information is being collected about him or her; how the information will be used, or to whom it will be disclosed; when and how the information will be disposed of; and how to get access to, and/or correct, personal information already on file. The CRA is committed to adhering to this code. The PA is intended to complement existing procedures for obtaining personal information. In accordance with this principle, the CRA encourages individuals to address informal requests for information directly to the appropriate branch, or regional office, or to the general enquiries line at 1-800-959-8281.

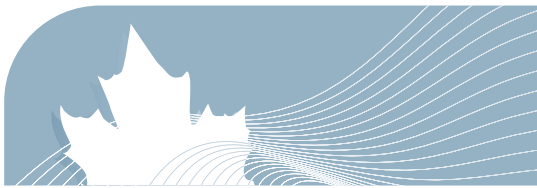


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OVERVIEW OF THE CANADA REVENUE AGENCY

The Canada Revenue Agency (CRA) is responsible for the administration of tax programs, as well as the delivery of economic and social benefits. It also administers certain provincial and territorial tax programs. In addition, the CRA has the authority to enter into new partnerships with the provinces, territories, and other government bodies to administer non-harmonized taxes and other services, at their request and on a cost-recovery basis. The CRA promotes compliance with Canada's tax legislation and regulations and plays an important role in the economic and social well-being of Canadians.

The Minister of National Revenue is accountable to Parliament for all the CRA's activities, including the administration and enforcement of the *Income Tax Act* and the *Excise Tax Act*.

One of the key features of the CRA's innovative structure is a Board of Management, which is accountable to Parliament through the Minister of National Revenue. The Board consists of 15 members appointed by the Governor in Council, eleven of which have been nominated by the provinces and territories. The Board has the responsibility of overseeing the organization and management of the CRA, including the development of the Corporate Business Plan, and the management of policies related to resources, services, property, and personnel.

As the CRA's chief executive officer, the Commissioner is responsible for the day-to-day administration and enforcement of the program legislation that falls under the Minister's delegated authority. The Commissioner is accountable to the Board for the daily management of the CRA.

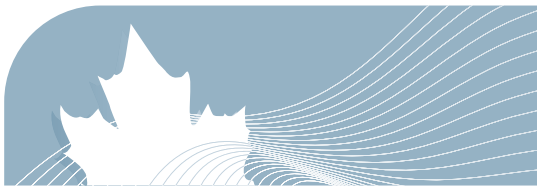
The CRA has a presence across the country. It is comprised of twelve Headquarters branches and five regional offices.

Headquarters branches

- Appeals
- Compliance Programs
- Corporate Strategies and Business Development
- Human Resources
- Legislative Policy and Regulatory Affairs
- Taxpayer Services and Debt Management
- Assessment and Benefit Services
- Corporate Audit and Evaluation
- Finance and Administration
- Information Technology
- Legal Services
- Public Affairs

Regional offices

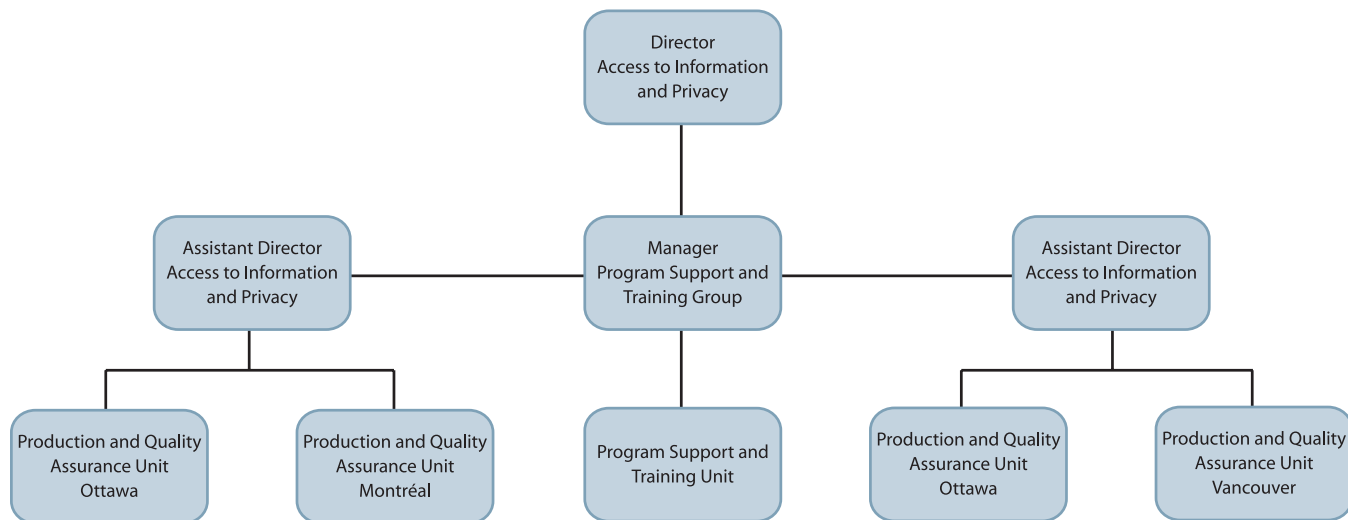
- Atlantic
- Pacific
- Quebec
- Ontario
- Prairie



ACCESS TO INFORMATION AND PRIVACY DIRECTORATE

The primary responsibility of the Access to Information and Privacy (ATIP) Directorate is to fulfill all legislative requirements of the *Access to Information Act* (ATIA) and the *Privacy Act* (PA) for the CRA. In addition, the Directorate provides policy advice and training to CRA employees with respect to their responsibilities and obligations under the ATIA and the PA.

Reporting to the Assistant Commissioner of the Public Affairs Branch, the Director of the ATIP Directorate, Marie-Claude Juneau, is the ATIP coordinator for the CRA. The Directorate has a total of 74 employees and consists of three main units—two responsible for production and quality assurance and the other a Program Support and Training Group providing strategic planning and corporate support. Each production unit has a satellite office in its reporting structure—one in Vancouver, the other in Montréal.



The responsibilities of the ATIP Directorate include, but are not limited to, providing services to the public, CRA officials, and other federal institutions and liaising with the Treasury Board Secretariat and the offices of the Information and Privacy Commissioners of Canada. Additionally, CRA ATIP officials provide guidance, policy advice, and training to CRA employees with respect to their obligations and duties under the ATIA and the PA.



In particular, the ATIP Directorate:

- provides guidance on filing a formal request and explains the ATIP process;
- delivers a timely and complete response to each request;
- gives notice of the right of complaint regarding any matter related to the processing of a request;
- exercises leadership and direction in the execution and application of the ATIA and the PA;
- promotes awareness and provides training regarding the ATIA and the PA;
- gives advice regarding the release of records for an informal request;
- provides policy advice on ATIP-related CRA initiatives;
- develops corporate-wide ATIP-related policies and practices to guide access to information and records held by the CRA; and
- prepares the annual reports to Parliament on the CRA's administration of the ATIA and the PA.

DELEGATION OF RESPONSIBILITIES UNDER THE *PRIVACY ACT*

The President of the Treasury Board is a member of the Ministry responsible for the government-wide administration of the PA. The Minister of National Revenue, as the head of the CRA, is responsible for the administration of the PA. The Minister is allowed, under section 73 of the PA, to use a Designation Order to delegate responsibilities under the PA to other officials of the CRA.

The Minister must sign the Designation Order, which authorizes certain officials to exercise the powers, duties, and functions on the Minister's behalf. The current Designation Order gives signing authority for all relevant sections of the PA and its Regulations to the Commissioner, Deputy Commissioner, Assistant Commissioners, Deputy Assistant Commissioners, Chief Audit Executive and Director General Program Evaluation, and the Director and Assistant Directors of the ATIP Directorate. The managers within the ATIP Directorate also have signing authority for the release of all documents to which access has been requested, except those on which discretionary exemptions of the PA have been applied. It should be noted that the current practice within the CRA is to have the ATIP Director, Assistant Directors, and the managers of the Production Quality Assurance Units in Ottawa sign off on the majority of ATIA and PA requests processed in Headquarters. However, in the Montréal and Vancouver satellite offices, the managers of the Production Assurance Units and their respective Assistant Commissioners will sign off based on their delegated authority.

Minister
of National Revenue



Ministre
du Revenu national

Ottawa, Canada K1A 0A6

Privacy Act
Designation Order

Arrêté sur la délégation en vertu de la
Loi sur la protection des renseignements
personnels

I, Jean-Pierre Blackburn, Minister of National Revenue and Minister of State (Agriculture and Agri-Food) do hereby designate, pursuant to section 73 of the *Privacy Act*¹, the officers or employees of the Canada Revenue Agency who hold the positions set out in the attached Schedule to exercise or perform the powers, duties or functions that have been given to me as head of a government institution under the sections of the *Privacy Act* that are set out in the Schedule opposite each position.

Je, Jean-Pierre Blackburn, ministre du Revenu national et ministre d'État (Agriculture et Agroalimentaire), délègue par les présentes, en vertu de l'article 73 de la *Loi sur la protection des renseignements personnels*², aux cadres ou employés de l'Agence du revenu du Canada détenteurs des postes mentionnés à l'annexe ci-après les attributions dont je suis, en qualité de responsable d'une institution fédérale, investie par les articles de la *Loi sur la protection des renseignements personnels* qui sont mentionnées dans la liste en regard de chaque poste.

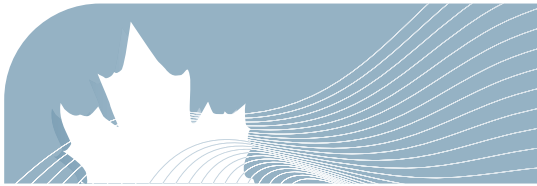
Jean-Pierre Blackburn
Minister of National Revenue and Minister of State (Agriculture and Agri-Food) /
Ministre du Revenu national et ministre d'État (Agriculture et Agroalimentaire)

Signed in Ottawa, Ontario, Canada this 27 day of August 2009
Signée à Ottawa, Ontario, Canada le 27 août 2009

¹ R.S., c. P-21

² S.R., ch. P-21

Canada



SCHEDULE

Officers authorized to perform the powers, duties, or functions given to the Minister of National Revenue as head of a government institution under the provisions of the *Privacy Act* and its regulations.

Paragraphs 8(2)(j) and (m), subsections 8(4), 8(5), 9(1), and 9(4), sections 10, 14 to 17, 19 to 22, 23 to 28, 33, 35, and 51 of the *Privacy Act* and sections 9, 11, 13 and 14 of the *Privacy Regulations*

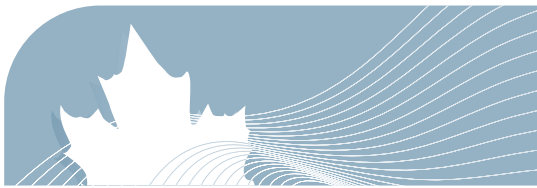
Commissioner
Deputy Commissioner
Assistant Commissioners
Deputy Assistant Commissioner, Assessment and Benefit Services Branch
Deputy Assistant Commissioner, Compliance Programs Branch
Deputy Assistant Commissioner, Finance and Administration Branch
Deputy Assistant Commissioner, Information Technology Branch
Deputy Assistant Commissioner, Legislative Policy and Regulatory Affairs Branch
Deputy Assistant Commissioner, Taxpayer Services and Debt Management Branch
Chief Audit Executive and Director General Program Evaluation, Corporate Audit and Evaluation Branch
Director, Access to Information and Privacy, Public Affairs Branch
Assistant Directors, Access to Information and Privacy, Public Affairs Branch

Section 22.3 of the *Privacy Act*

Commissioner
Deputy Commissioner
Chief Audit Executive and Director General Program Evaluation, Corporate Audit and Evaluation Branch
Assistant Commissioner, Public Affairs Branch
Director, Access to Information and Privacy, Public Affairs Branch
Assistant Directors, Access to Information and Privacy, Public Affairs Branch

Paragraph 8(2)(j), subsections 8(4), 9(1), and 22(2), sections 14 to 17, 19, 26, 33, and 35 of the *Privacy Act* and sections 9, 11, 13, and 14 of the *Privacy Regulations*

Managers, Access to Information and Privacy, Public Affairs Branch



STATISTICAL REPORT – INTERPRETATION AND EXPLANATION

Appendix A provides a summarized statistical report on the PA for the 2008–2009 reporting period. The following is an explanation and interpretation of the statistical information.

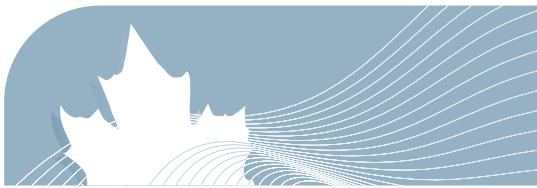
Requests under the *Privacy Act*

During the reporting period April 1, 2008, to March 31, 2009, the CRA received a total of 1,553 new privacy requests. This represents an increase of 147 requests (10.4%) from last year, when we received 1,406 requests. Altogether 281 requests were carried forward from the 2007–2008 fiscal year, giving us a total of 1,834 active requests. The following shows the number of requests received and completed by the CRA for the past five fiscal years:

Fiscal year	Requests Received	Requests Completed	Pages Reviewed
2004–2005	2,882	2,877	406,088
2005–2006	2,928	2,957	340,505
2006–2007	1,912	1,971	314,374
2007–2008	1,406	1,355	340,217
2008–2009	1,553	1,447	392,173

The CRA also received 100 PA consultation requests, of which it completed 98.

In addition, the Program Support and Training Group within the ATIP Directorate responded to approximately 700 email enquiries and 600 telephone enquiries from its various stakeholders, both internal and external to the CRA, concerning the ATIA and the PA. The group provides advice and guidance on ATIP processes and procedures as well as on the provision of appropriate alternate contact information.



Disposition of requests

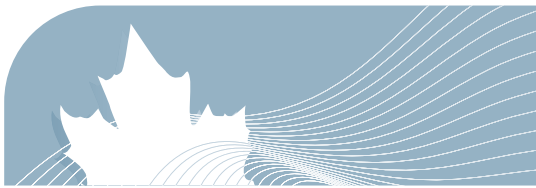
Of the total inventory, the Directorate completed 1,447 PA requests during the reporting period, with 392,173 pages of documents reviewed. Disposition of the completed requests was as follows:

Disposition	Number of Requests	Percentage (%)
Fully disclosed	283	19.6
Partially disclosed	893	61.7
Excluded in their entirety	10	0.7
Exempted in their entirety	15	1.0
Transferred to another institution	4	0.3
Unable to process	107	7.4
Abandoned by applicant	131	9.0
Treated informally	4	0.3

Exemptions invoked

The ATIP Directorate invoked exemptions under the PA a total of 1,612 times, as follows:

Sections	Description	Number of Requests	Percentage (%)
18	Records contained in an exempt bank	544	33.7
19	Records obtained in confidence from other levels of government	52	3.2
21	Records expected to be injurious to the conduct of international affairs and the defence of Canada or pertaining to subversive activities	1	0.1
22	Records containing law enforcement and investigation information or security of institutions	298	18.5
24	Records related to an individual sentenced for an offence	1	0.1
26	Records containing personal information	644	39.9
27	Records related to solicitor-client privilege	72	4.5



Exclusions cited

Exclusions were invoked once under section 69 for confidences of the Queen's Privy Council for Canada.

Completion time and extensions

The 1,447 requests completed in 2008–2009 were completed in the following time frames:

Completion Time	Number of Requests	Percentage (%)
30 days or less	680	47.0
31 to 60 days	508	35.1
61 to 120 days	191	13.2
121 days or more	68	4.7

The Directorate sought an extension to the prescribed time limit in 512 instances in order to consult with other government institutions or if meeting the original time limit would unreasonably interfere with the operations of the CRA.

Translation

No translations were required to respond to requests for personal information.

Method of access

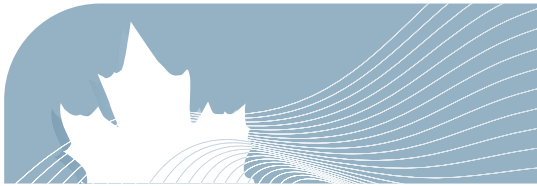
Statistics compiled for this section are based solely on those 1,176 requests for which information was fully or partially disclosed. In six cases, applicants obtained access through a combination of copies and examination. In 1,170 cases, applicants received copies of the records they had requested.

Corrections and notation

No requests were received for correction of personal information held within the CRA.

Costs

During 2008–2009, the ATIP Directorate's estimated total cost to administer the PA was \$1,903,405. For more details, please refer to Appendix A.



PRIVACY IMPACT ASSESSMENTS AND PRELIMINARY PRIVACY IMPACT ASSESSMENTS

This year, we used our tracking system to identify the CRA's proposed initiatives that could potentially result in a need for a Preliminary Privacy Impact Assessment (PPIA) and/or a Privacy Impact Assessment (PIA), for a total of 31 for this fiscal year.

During the reporting period, 15 PPIAs were initiated, 13 of which were completed and presented at the CRA's Oversight Review Committee (ORC), a Director General-level committee meeting held quarterly to provide corporate oversight on emerging privacy issues affecting the CRA. One PPIA was forwarded to the Office of the Privacy Commissioner (OPC) as a result of ongoing discussions between the responsible program branch and the OPC, resulting in the recommendation that a PIA be completed.

There were four PIAs initiated and reviewed by the ATIP ORC, but they have yet to be reviewed by the Strategic Development Committee (SDC). This new review process was implemented following recommendations from the Audit Report of the Privacy Commissioner of Canada. The SDC consists of 12 Assistant Commissioners of the Headquarters branches of the CRA; they meet quarterly. Part of their mandate is to review and approve PIAs before they are submitted to the OPC through the ATIP Director.

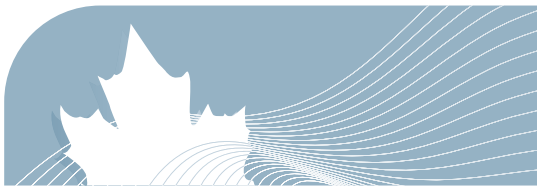
No new PIA summaries have been added to the CRA Web site as none were finalized during the reporting period. However, four are in the final metadata phase necessary for posting on the Web site, per the Treasury Board Secretariat Common Look and Feel Standards.

A summary of the results of a PIA conducted by the CRA since the PIA Policy was implemented in May 2002, is available at <http://www.cra.gc.ca/gncy/prvcy/pia-efvp/menu-eng.html>

DISCLOSURE UNDER SUBSECTIONS 8(2)(e), (f), (g), AND (m) OF THE PRIVACY ACT

During the reporting period, there were 62 disclosures made pursuant to subsection 8(2)(e) of the PA.

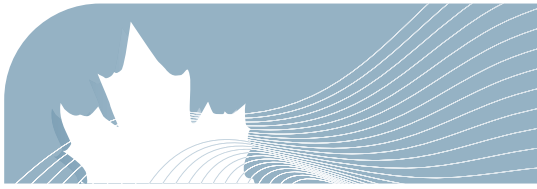
The CRA did not have any disclosures pursuant to subsections 8(2)(f), (g), or (m) of the PA.



DATA MATCHING

There were 11 data-matching activities undertaken during 2008–2009, as follows:

- CRA Internal Disclosures
Data Matching: Validate/substantiate a disclosure of possible wrongdoing
- Standard Payment System Conversion to Web Version
Data Matching: Verification/confirmation for payments and refunds
- Nova Scotia Low Income Pharmacare for Children (NSLIPC)
Data Matching: Two-way data exchange process to identify successful matches for NSLIPC
- Form T2050, *Application to Register a Charity Under the Income Tax Act*
Data Matching: To validate and confirm eligibility for granting charity status
- eBay (Auction Web site Analysis System)
Data Matching: With taxpayer data to validate reported income
- Secure Remote Access to Ontario Ministry of Revenue (OMoR) Systems
Data Matching: OMoR corporate taxpayer information with information filed federally
- Views of T1 and Audit Information Pilot Project – Office Audit Program
Data Matching: Tax return, T-slips filed by third parties are matched to the information reported by the taxpayer
- Trust Exam and Audit System
Data Matching: Information from various CRA source systems
- T1 Data Mart – Database Version 2/Universal Database on Electronic Business Computing Infrastructure
Data Matching: Data validation and verification enquiries
- Automated Benefits Application
Data Matching: Verification/confirmation for benefits
- Laval Tax Services Office (Jacques Laroche Recherche Immobilière Inc.) Real Estate Transaction Database Initiative
Data Matching: Database from third-party service providers of real estate transactions in Quebec with CRA data



EDUCATION AND TRAINING

During the 2008–2009 fiscal year, the ATIP Directorate continued to conduct training and awareness sessions for ATIP staff, CRA personnel, and representatives from other government departments. There were 20 training sessions delivered by the satellite offices in Montréal and Vancouver, with 400 participants. Headquarters staff conducted seven in-house ATIP training sessions for new and existing analysts and continued to deliver training to participants of the CRA's Management Group Learning Program, providing 10 sessions to 200 participants. Informal ATIP-related training was also given throughout the year.

PROGRAM DEVELOPMENT

Following recommendations from the Audit Report of the Privacy Commissioner of Canada, the ATIP Directorate began the process of defining the role and mandate of the Chief Privacy Officer for the CRA. Recommendations on the creation of this position will be forthcoming.

The ATIP Directorate continuously strives to adjust and re-align its structure to ensure the provision of an efficient and effective service to its stakeholders. One of the changes in the Directorate's structure underway in the 2008–2009 reporting period was the development of an Intake Unit. Full implementation of this unit is expected in the new fiscal year.

The Directorate also undertook an extensive review of its priorities, with a focus on an enhanced delivery of ATIP Awareness Training within the CRA. It has also made progress on improving the information-sharing protocol between the Security, Risk Management, and Internal Affairs Directorate and the ATIP Directorate.



Overview

As experienced by many other members of the ATIP community, the Directorate is constantly faced with the challenge of retaining experienced employees with significant corporate knowledge. The 2008–2009 fiscal year saw a significant turnover of key members of the ATIP Directorate. Following a successful hiring process, 10 new analysts (13.5% of the total ATIP staff) joined the Directorate and were provided with in-house training and courses offered by the Treasury Board Secretariat. Formal training was followed by a period of mentoring by experienced Directorate staff. An additional selection process for junior analyst positions was launched to address the Directorate's staff shortage.

COMPLAINTS, INVESTIGATIONS, AND FEDERAL COURT CASES

The Office of the Privacy Commissioner (OPC) received 31 complaints concerning requests for personal information submitted and/or responded to by the CRA during the reporting period. Of that total, 15 complaints were closed during 2008–2009, resulting in 10 of them having a disposition of not justified.

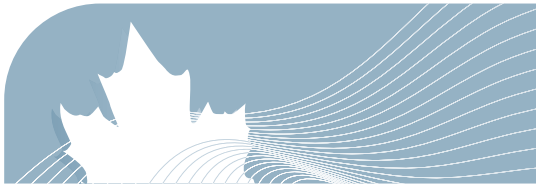
The following shows the number of new complaints the Directorate received during the fiscal year from the OPC concerning alleged improper collection, use, and/or disclosure of personal information by the CRA.

Outstanding From Previous Fiscal Period	Received During Fiscal Year	Completed	Closing Inventory
33	7	16	24

CONCLUSION

The CRA's goal for fiscal year 2009–2010 is to continue to improve upon its processes and procedures in order to meet its obligations and responsibilities under the *Access to Information Act* and the *Privacy Act*.

To achieve this goal, we will further expand on our ATIP training function so that an increased number of CRA personnel can enhance their understanding of their responsibilities inherent under these acts. In addition, procedural and structural changes will be implemented in the ATIP Directorate to ensure that the CRA is positioned to maximize its opportunities to meet existing demands and to effectively manage future challenges.



APPENDIX A – STATISTICAL REPORT

Government of Canada / Gouvernement du Canada

REPORT ON THE PRIVACY ACT / RAPPORT CONCERNANT LA LOI SUR LA PROTECTION DES RENSEIGNEMENTS PERSONNELS

Institution CANADA REVENUE AGENCY / AGENCE DU REVENU DU CANADA	Reporting period / Période visée par le rapport 2008-04-01 to/à 2009-03-31
---	---

I Requests under the Privacy Act / Demandes en vertu de la Loi sur la protection des renseignements personnels	
Received during reporting period / Reçues pendant la période visée par le rapport	1553
Outstanding from previous period / En suspens depuis la période antérieure	281
TOTAL	1834
Completed during reporting period / Traitées pendant la période visées par le rapport	1447
Carried forward / Reportées	387

II Disposition of request completed / Disposition à l'égard des demandes traitées	
1. All disclosed / Communication totale	283
2. Disclosed in part / Communication partielle	893
3. Nothing disclosed (excluded) / Aucune communication (exclusion)	10
4. Nothing disclosed (exempt) / Aucune communication (exemption)	15
5. Unable to process / Traitement impossible	107
6. Abandoned by applicant / Abandon de la demande	131
7. Transferred / Transmission	4
TOTAL	1443

III Exemptions invoked / Exceptions invoquées	
S. Art. 18(2)	544
S. Art. 19(1)(a)	12
(b)	1
(c)	34
(d)	5
S. Art. 20	0
S. Art. 21	1
S. Art. 22(1)(a)	24
(b)	274
(c)	0
S. Art. 22(2)	0
S. Art. 23 (a)	0
(b)	0
S. Art. 24	1
S. Art. 25	0
S. Art. 26	644
S. Art. 27	72
S. Art. 28	0

TBS/SCT 350-63 (Rev. 1999/03)

IV Exclusions cited / Exclusions citées	
S. Art. 69(1)(a)	1
(b)	0
S. Art. 70(1)(a)	0
(b)	0
(c)	0
(d)	0
(e)	0
(f)	0

V Completion time / Délai de traitement	
30 days or under / 30 jours ou moins	680
31 to 60 days / De 31 à 60 jours	508
61 to 120 days / De 61 à 120 jours	191
121 days or over / 121 jours ou plus	68

VI Exentions / Prorogations des délais		
	30 days or under / 30 jours ou moins	31 days or over / 31 jours ou plus
Interference with operations / Interruption des opérations	507	0
Consultation	5	0
Translation / Traduction	0	0
TOTAL	512	0

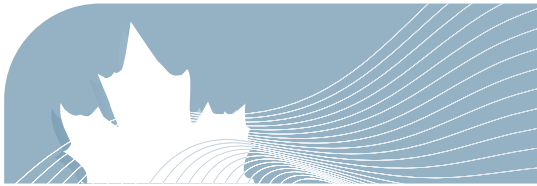
VII Translations / Traductions		
Translations requested / Traductions demandées		0
Translations prepared / Traductions préparées	English to French / De l'anglais au français	0
	French to English / Du français à l'anglais	0

VIII Method of access / Méthode de consultation	
Copies given / Copies de l'original	1170
Examination / Examen de l'original	0
Copies and examination / Copies et examen	6

IX Corrections and notation / Corrections et mention	
Corrections requested / Corrections demandées	0
Corrections made / Corrections effectuées	0
Notation attached / Mention annexée	0

X Costs / Coûts	
Financial (all reasons) / Financiers (raisons)	
Salary / Traitement	\$ 1,807,700.66
Administration (O and M) / Administration (fonctionnement et maintien)	\$ 95,703.84
TOTAL	\$ 1,903,404.50
Person year utilization (all reasons) / Années-personnes utilisées (raisons)	
Person year (decimal format) / Années-personnes (nombre décimal)	30





APPENDIX B – SUPPLEMENTAL REPORTING REQUIREMENTS

Supplemental reporting requirements

Privacy Act

Treasury Board Secretariat is using a variety of means to monitor compliance with the Privacy Impact Assessment (PIA) Policy (which came into effect on May 2, 2002). As such, the CRA is required to report the following information for the 2008–2009 reporting period.

Indicate the number of:

Preliminary Privacy Impact Assessments initiated: ____15 ____

Preliminary Privacy Impact Assessments completed: ____13 ____

Privacy Impact Assessments initiated: ____4 ____

Privacy Impact Assessments completed: ____0 ____

Privacy Impact Assessments forwarded to the Office of the Privacy Commissioner (OPC): ____1** ____

If your institution did not undertake any of the activities noted above during the reporting period, **this must be stated explicitly.**

**One PPIA was forwarded to the Office of the Privacy Commissioner. From that PPIA, a PIA was initiated.