

Department of Finance Canada

2017–18

Departmental Results Report

The Honourable William F. Morneau, P.C., M.P.
Minister of Finance

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Minister's message

I am proud of the work we have accomplished together to make a positive difference in the lives of Canadians.

A stronger middle class is helping to fuel long-term economic growth that works for everyone. Canadians' hard work, combined with the Government's historic investments in people and communities, have helped create more good, well-paying jobs, and have provided more money for Canadians to save, invest, and spend in their communities.

Since 2016, Canadians have created hundreds of thousands of jobs, pushing unemployment close to a 40-year low. Canada's federal debt-to-GDP (gross domestic product) ratio remains firmly on a downward track, and Canada led the G7 in economic growth in 2017.

Over the last year, the Government has continued to make major progress toward building a strong middle class, most notably by:

- ▶ introducing the Canada Workers Benefit (CWB), to offer greater support to more than two million low-income working Canadians by 2019. The enhanced benefit will provide CWB recipients extra money to help them cover the costs of things like groceries and other essentials. The CWB is expected to lift approximately 70,000 Canadians out of poverty.
- ▶ strengthening the Canada Child Benefit by indexing its benefits to the cost of living starting in July 2018, two years sooner than previously scheduled.
- ▶ providing support to hard-working small business owners by reducing the small business tax rate to 10%, effective January 1, 2018, and to 9%, effective January 1, 2019. Small businesses are a key driver of Canada's economy; low and competitive tax rates allow Canadian businesses to invest in their success, and to create good, well-paying jobs.
- ▶ contributing to breaking down barriers to gender equality in employment and entrepreneurship, so that more women can participate in, and contribute to, Canada's growing economy. This includes a new five-week Employment Insurance Parental Sharing Benefit that is available as a benefit top-up when both parents agree to share parental leave.
- ▶ helping Indigenous peoples succeed by improving their quality of life in Canada and supporting a new approach to recognizing and implementing Indigenous rights. This includes investments to ensure that Indigenous children and families have an equal chance to succeed in life, to build the capacity of Indigenous governments, and to accelerate self-determination and self-government agreements with Indigenous peoples, based on the recognition and implementation of rights.



- ▶ promoting greater tax fairness by fighting international tax evasion and aggressive tax avoidance, and implementing measures to limit the tax deferral opportunities related to passive investments held in private corporations.

All of these achievements indicate solid progress for our economy and our country. But we know that more work lies ahead.

Recognizing the significant, immediate challenges facing Canadian businesses, workers and the economy, the Government will continue to protect Canada's industries, and to stand up for Canadian workers.

Working together with the G20 and other countries, national and international stakeholders, and multilateral organizations, the Government will continue to promote free, rules-based trade and to ensure that the benefits of trade and growth are widely shared by the middle class and those working hard to join it.

In the coming year, we will continue to make necessary and effective investments that will strengthen the Canadian economy, spur long-term growth, and further build the middle class.

The Honourable William F. Morneau, P.C., M.P.
Minister of Finance

Results at a glance

What funds were used?

The Department of Finance Canada's actual spending for 2017–18 (dollars):

90,326,718,131

Who was involved?

The Department of Finance Canada's actual full-time equivalents (FTEs) for 2017–18:

769

Results highlights

- To invest in the middle class and people working hard to join it, the government introduced the new Canada Workers Benefit (CWB) in Budget 2018. Starting in 2019, the CWB (formerly known as the Working Income Tax Benefit) will be more generous and more accessible. As a result of these enhancements, low-income workers earning \$15,000 a year would receive up to nearly \$500 more from the program in 2019 than they received in 2018. By letting low-income workers take home more money while they work, the new benefit will encourage more people to join and remain in the workforce. As well, the government delivered on its commitment to reduce the small business tax rate to 9%, while ensuring that this lower rate supports investment and job creation. For the average small business, this will leave an additional \$1,600 per year for entrepreneurs and innovators to reinvest in their businesses and create jobs.
- For fiscal year 2017–18, a total of \$72.8 billion was transferred to the provinces and territories. In the context of a new fiscal relationship with Indigenous peoples, the government committed, through Budget 2018, \$188.6 million over five years to better support First Nations communities, support strong Indigenous institutions, and continue to advance the new fiscal relationship with First Nations; and \$189.2 million in 2018–19 to begin the implementation of self-government fiscal policy reforms that have been co-developed with self-governing Indigenous peoples.
- The Department provided high-quality and timely analysis and advice on major policy issues related to financial consumer protection, housing finance, modernization of the deposit insurance framework, a resolution framework for Canada's systemically important financial market infrastructures, the currency regime, treasury management, and combatting financial crimes. Budget 2018 announced initiatives to strengthen financial sector stability, foster innovation and competition, and bolster consumer protection.
- The Department supported Canada's international economic engagement at the G7 and the G20, and with international financial institutions. Notably, the Department offered policy advice and

logistical support for Canada’s G7 Presidency, playing a key role in hosting the G7 Deputies’ retreat in Montebello, Quebec, and making major contributions to the G7 Finance and Development Ministers’ Meeting in Whistler, British Columbia, and the G7 Leaders’ Summit in Charlevoix, Quebec. The Department participated in renegotiations of the North American Free Trade Agreement, the conclusion of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, and the launch of new free trade agreement negotiations with the Pacific Alliance and Mercosur, and provided advice on other potential negotiations.

- In line with the government’s commitment to gender equality, the Department supported an innovative, evidence-based approach to budget decision-making through the development of a Gender Results Framework. This framework identified key objectives and indicators for gender equality in Canada, to inform budgetary priority-setting and decision-making starting with Budget 2018. The framework will be used to inform policy and budget proposal development across the government.

For more information on the Department of Finance Canada’s plans, priorities and results achieved, see the “Results: what we achieved” section of this report.

Raison d'être, mandate and role: who we are and what we do

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.

Mandate and role

Created in 1869,¹ 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:

- ▶ preparing the federal budget and the Fall Economic Statement
- ▶ 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
- ▶ representing Canada in various international financial institutions and organizations

1. On July 1, 1867, the federal Finance portfolio was established and the first Minister of Finance was appointed. The Department of Finance Canada was created on June 22, 1869.

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.

For more general information about the Department, see the “Supplementary information” section of this report. For more information on the government’s commitments to grow the middle class, see the Minister’s mandate letter tracker.¹

Operating context and key risks

Operating context

The Department operated in a challenging economic environment during 2017–18, including growing uncertainty in the global trading environment; challenges associated with the normalization of monetary policy in advanced economies as well as the downward pressure on emerging market currencies and assets; and vulnerabilities associated with the elevated level of household debt and housing market imbalances.

Economic momentum in the global economy continued to strengthen in 2017–18, leading to a significant pickup in the pace of its economic expansion. Stronger global economic conditions have contributed to a rebound in business investment in Canada. The economy was remarkably strong in 2017, growing 3.0%. However, since mid-2017 the economy has slowed, averaging 1.7% in the second half of 2017. This moderation carried into the first quarter of 2018, with real GDP growth below 1.5%. Canadian crude oil benchmark (Western Canadian Select) prices remained virtually flat between January 2017 and March 2018, while the global crude oil benchmark (West Texas Intermediate) prices increased by about US\$10 a barrel, reaching US\$64 a barrel in March 2018.

During the fiscal year, protectionist sentiment and the implementation of trade-restrictive barriers intensified, especially in the United States. The increasing number of trade threats and restrictive trade measures against Canada created a more unstable and unpredictable context within which the Department supports the government's trade agenda. Consequently, the Department has needed to be adaptable and flexible to advise the government on how best to manage and react to the increasing number of challenging trade issues.

In December 2017, a wide-ranging federal tax reform package was enacted in the United States. The reform includes changes that could affect Canada's competitiveness, including a reduction in the U.S. federal corporate tax rate, expensing of certain capital assets acquired over the next five years, tighter treatment of research and development costs, limitations on interest deductibility and loss carry-overs, and fundamental structural changes to the U.S. international tax rules. The Department is undertaking detailed analysis of the U.S. reform and its implications for Canadian competitiveness, so that the government can determine whether any changes to Canadian policy are merited. As part of the process of understanding the implications of the U.S. reform for Canada, the Department has been engaging in discussions with representatives from industry, tax practitioners, economic policy experts, academics and officials of international organizations.

The Department provided analysis and advice to the Minister in support of the sound management of Canada's economy. The Department undertook work toward fostering international economic policy coordination, and contributed to international efforts to mitigate

and prevent economic crises. The Department maintained high-level engagement and strong collaborative relationships with domestic and international partners to fulfill commitments and deliver for Canadians.

Key risks

The term “risk” refers to the effect of uncertainty on the attainment of the Department’s objectives and expected results. Whether a risk stems from the corporate management or policy agenda, once identified and assessed, the risk is managed. The Department’s risk management process involves careful consideration of the external and internal environments.

Risk management is implemented through the Department’s Integrated Planning Process. Uncertainty and possible exposure to risks are addressed by identifying key potential events or circumstances and estimating their likelihood and impact. Risk analysis is used to develop mitigation strategies directed at reducing or preventing any impairment of the Department’s objectives and at seizing opportunities to ensure their achievement.

Consistent with the Department’s Corporate Risk Profile, the following table describes five of the top departmental risks as identified in the 2017–18 Departmental Plan, and the effectiveness of the risk response strategies that have been implemented to address these risks and reduce the risk exposures where applicable.

Key risks

Risks	Mitigating strategy and effectiveness	Link to the department’s Programs	Link to mandate letter commitments and any government-wide or departmental priorities
There is a risk that the Department will not have the infrastructure, resources and authorities needed to meet urgent challenges, nor the ability to ensure effective coordinated action by responsible agencies to address a situation affecting the soundness, integrity and reputation of the Canadian financial system.	<ul style="list-style-type: none"> • Provided ongoing training and development of personnel. • Recruited personnel with specialized knowledge. • Continually monitored financial market developments, including regulatory changes in provincial and foreign jurisdictions, to allow for early warning of issues. 	<ul style="list-style-type: none"> • 1.1 Economic and Fiscal Policy Framework • 1.3 Treasury and Financial Affairs • Internal Services 	<ul style="list-style-type: none"> • Sustainable economic growth

	<ul style="list-style-type: none"> • Had regular meetings with the heads of the Bank of Canada, the Office of the Superintendent of Financial Institutions Canada, the Financial Consumer Agency of Canada, and the Canada Deposit Insurance Corporation, as well as regular formal and informal meetings with staff of all these organizations. • Participated in formal meetings with international partners (for example, the Financial Stability Board) to develop, implement and assess frameworks to improve financial stability. 		
<p>There is a risk that ongoing uncertainty and volatility in the global economy will challenge the Department's ability to provide accurate strategic advice and policy recommendations.</p>	<ul style="list-style-type: none"> • Provided the Minister with policy options based on expected economic conditions, as well as advice on risk scenarios, which have been regularly assessed by the Department. • Monitored high-frequency indicators to provide the most up-to-date information on the state of the economic expansion. • Played an active role at global forums, including the G7, chaired by Canada in 2018. Engaged with international financial institutions to exchange information and share best practices in order to strengthen the global economy and increase resiliency. 	<ul style="list-style-type: none"> • 1.1 Economic and Fiscal Policy Framework 	<ul style="list-style-type: none"> • Sound fiscal management • Sustainable economic growth • Sound social policy framework • Effective international engagement

	<ul style="list-style-type: none"> Adopted prudent forecasting practices to account for global uncertainty, including conducting private sector surveys of the Canadian economic outlook in September and December 2017, and assessed potential risks. In addition, the Minister met with private sector economists to discuss the economic outlook in October 2017 and February 2018. 		
<p>There is a risk that a failure in supporting systems and processes will impact the timely and accurate delivery of tax and transfer payments to provinces, territories and Aboriginal governments, as well as public debt-related transactions.</p>	<ul style="list-style-type: none"> Ensured that Business Continuity Plan (BCP) and Business Impact Analysis (BIA) processes were in place to allow tax and transfer payments to be made to other jurisdictions if supporting systems failed. Ensured that key employees have enabled remote access, have toured the BCP's alternate work site, and have valid security passes to access this site in an emergency. Identified and trained backup personnel to ensure that payments continue if key employees become unavailable. In addition, should an unexpected event occur, backup procedures have been documented and appended to BCP and BIA documentation. Ensured that backup copies of critical files were stored off-site. 	<ul style="list-style-type: none"> 1.1 Economic and Fiscal Policy Framework 1.2 Transfer and Taxation Payment Programs 1.3 Treasury and Financial Affairs Internal Services 	<ul style="list-style-type: none"> Sound fiscal management Sound social policy framework

<p>There is a risk that failed transactions or financial losses will negatively impact the government’s financial position and capacity to meet financial requirements.</p>	<ul style="list-style-type: none"> • Updated the Prudential Liquidity Plan to reflect current liquidity needs and available liquid assets. • Strengthened the framework for day-to-day cash management by integrating all short-term cash management issues into one comprehensive framework. • Initiated tabletop exercises to test out various contingency tools. • Introduced legislative amendments to clarify that the Exchange Fund Account may provide a source of liquidity for the Government of Canada as part of Canada’s prudential liquidity plan. 	<ul style="list-style-type: none"> • 1.1 Economic and Fiscal Policy Framework • 1.3 Treasury and Financial Affairs • Internal Services 	<ul style="list-style-type: none"> • Sound fiscal management
<p>There is a risk that unauthorized information technology (IT) network access or disruptions will impact the Department’s reputation and its ability to provide policy and advice and execute critical government operations.</p>	<ul style="list-style-type: none"> • Improved overall security posture of the Department’s IT infrastructure by moving servers to a Shared Services Canada (SSC) end-state data centre. • Implemented enterprise Secret Infrastructure and Secure File Transfer services. • Continued partnership with SSC to develop IT continuity options for Department of Finance Canada systems. • Initiated internal consultations to update the departmental threat assessment. 	<ul style="list-style-type: none"> • 1.1 Economic and Fiscal Policy Framework • 1.2 Transfer and Taxation Payment Programs • 1.3 Treasury and Financial Affairs • Internal Services 	<ul style="list-style-type: none"> • Sound fiscal management • Sustainable economic growth • Sound social policy framework • Effective international engagement

	<ul style="list-style-type: none">• Developed a plan to further strengthen the most vulnerable elements of the IT infrastructure.• Implemented a series of additional security controls to further secure the IT infrastructure.• Continued the development and implementation of the IT Security Policy Framework, including approval of additional IT Security directives.• Developed a long-term IT Security Program Maturity Improvement Strategy.• Delivered education and awareness initiatives, including email phishing simulations and custom training.• Developed and implemented recommendations following an IT Security Assessment of projects.		
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Results: what we achieved

Programs

Program 1.1: Economic and Fiscal Policy Framework

Description

This Program is the main source of advice and recommendations to the Minister of Finance, other ministers and senior government officials on issues, policies and programs of the Government of Canada in the areas of economic, fiscal and social policy; federal-provincial relations; the financial sector; taxation; and international trade and finance. The Program ensures that ministers and senior government officials can make informed decisions on economic, fiscal and financial sector policies, programs and proposals. Ultimately, the Program contributes to building a sound and sustainable fiscal and economic framework that generates sufficient revenues and aligns the management of expenditures with the Budget Plan and the financial operations of the Government of Canada.

Results

In 2017–18, the Department continued to advance the government’s commitment to fairness and equality. Building on the Budget 2017 Gender Statement, the Department significantly enhanced public reporting on the results achieved with respect to gender equality in Canada, and successfully ensured that every decision on expenditure and tax measures in Budget 2018 was informed by gender-based analysis plus (GBA+). The Department also worked with Status of Women Canada and other key departments to introduce the new Gender Equality Framework. This framework will enable a more effective approach to the integration of gender equality considerations within the government’s priority-setting and decision-making processes.

In July 2017, the Department supported the government’s efforts to engage Canadians in an open discussion on proposals to address tax-planning strategies used by private corporations. In October 2017, in response to feedback gathered during the consultation period, the government announced changes to the July proposals to address these strategies. Specifically, the government announced that it would:

- ▶ cut taxes for small businesses
- ▶ simplify proposals to limit income sprinkling
- ▶ move forward in Budget 2018 with measures to limit the tax deferral opportunities related to passive investments
- ▶ not move forward with measures relating to the conversion of income into capital gains

In December 2017, to ensure that the tax system is fair and supports owners who invest in their businesses, the government published details of its proposals to simplify and improve the tax rules for the treatment of income sprinkling.

Budget 2018 introduced two measures to ensure the fair treatment of passive investment income held within private corporations. The first measure limits the ability of private corporations with significant passive savings to benefit from the preferential small business rate. The second measure ensures that private corporations can no longer obtain a refund of taxes paid on investment income while distributing dividends from income taxed at the general corporate rate.

During 2017–18, the Department supported the government’s commitment to continue to invest in the middle class and those working hard to join it. This included providing more support to those who need it most, such as families with children and low-income workers.

For example, the Fall Economic Statement 2017 indexed the Canada Child Benefit (CCB), starting in July 2018 (two years earlier than previously scheduled), to keep pace with the cost of living. It is estimated that the CCB has helped lift hundreds of thousands of children out of poverty, and has been particularly helpful to families led by single mothers. For example, in its first benefit year, single mothers earning less than \$60,000 a year received, on average, about \$9,000 in benefit payments.

With respect to low-income workers, Budget 2018 introduced the new Canada Workers Benefit (CWB). Starting in 2019, the CWB will replace the Working Income Tax Benefit, a refundable tax credit that supplements the earnings of low-income workers. Budget 2018 strengthened the program by making it more generous, and proposed to make the benefit more accessible, thus encouraging more people to join and remain in the workforce. Once these enhancements are in place, it will mean that the government is investing almost \$1 billion more in the CWB in 2019, relative to 2018.

The government is also taking action to reduce greenhouse gas emissions. On March 22, 2018, the government introduced a Notice of Ways and Means Motion to implement certain provisions of Budget 2018, including the Greenhouse Gas Pollution Pricing Act. The act creates a framework to implement a federal carbon pollution pricing system, as carbon pricing is the most effective way to reduce greenhouse gas emissions, providing incentives for businesses and households to innovate more and pollute less.

GBA+ and the tax system

GBA+ data on income sprinkling measures show that men represent over 70% of higher-income earners initiating income-sprinkling strategies, and women represent about 68% of recipients of sprinkled dividends. While this income benefits recipients, it also creates incentives that reduce female participation in the workforce. Increased participation of women in the workforce is a source of economic opportunity for individuals and is a major driver of overall economic growth.

The Department worked closely with Infrastructure Canada on enabling legislation for the Canada Infrastructure Bank, which became operational in 2018. The Department also supported the government by providing advice that led to funding decisions on infrastructure projects, such as Ottawa Light Rail Transit, Waterfront Toronto and Calgary Green Line. Notably, the Department worked collaboratively with a variety of other federal and external partners to develop a sound structure for the government's contribution to the Northern Grid project, enabling greater opportunities for Indigenous and other communities in Northern Ontario through a high-quality, reliable electricity supply.

During their meetings in June and December 2017, federal, provincial and territorial finance ministers discussed a number of issues, including the global economy, Canada-U.S. relations, cannabis taxation, beneficial ownership, the Canada Pension Plan, tax integrity, Equalization and Territorial Formula Financing Renewal, housing, and carbon pricing. Agreements were reached with provinces and territories on a coordinated approach for cannabis taxation, beneficial ownership, and the Canada Pension Plan. As part of these agreements, ministers agreed to keep cannabis duties low through a federally administered coordinated framework, and to share this tax room for the initial two years as follows: 75% to provincial and territorial governments, and 25% to the federal government. Ministers also committed to improve availability of information on corporate ownership in Canada, a key part of shared efforts to combat aggressive tax avoidance, as well as tax evasion, money laundering and other criminal activities perpetrated through the misuse of corporate vehicles. Ministers also agreed to strengthen the Canada Pension Plan to provide greater benefits to parents whose income drops after the birth or adoption of a child, to persons with disabilities, to spouses who are widowed at a young age, and to the estates of lower-income contributors. Finally, finance ministers agreed to move forward with regulations to ensure that the Canada Pension Plan Enhancement remains appropriately funded over time.

The Department worked closely with Indigenous Services Canada and Crown-Indigenous Relations and Northern Affairs Canada to support a new fiscal relationship with Indigenous peoples. In this context, the Department collaborated on the development of a report entitled "A New Approach: Co-development of a New Fiscal Relationship between Canada and First Nations," which was submitted to the National Chief of the Assembly of First Nations and the Minister of Indigenous Services in December 2017. Through Budget 2018, the government committed \$188.6 million over five years to better support First Nations communities, support strong Indigenous institutions, and continue to advance the new fiscal relationship with First Nations. The Department also continued its participation in the self-government collaborative fiscal policy development process with Crown-Indigenous Relations and Northern Affairs Canada and self-governing Indigenous governments to develop a new fiscal policy framework for self-government fiscal transfers. A co-developed policy framework was completed in December 2017. The Department continues to work collaboratively with partners to complete the development of specific elements of this policy framework, including evidence-based costing methodologies for governance and treaty implementation costs. Through Budget 2018, the

government committed \$189.2 million in 2018–19 to begin the implementation of co-developed fiscal policy reforms. This funding will support key priorities, including the closing of socio-economic gaps, infrastructure, data collection and governance.

To ensure that the financial sector keeps pace with global developments and the changing needs of businesses and consumers, Budget 2018 introduced measures to adapt the legislative framework and facilitate greater partnering in response to the emergence of financial technologies. To enhance consumer protection in banking, Budget 2018 also announced measures that would strengthen the tools and mandate of the Financial Consumer Agency of Canada and continue to advance consumers' rights and interests when dealing with their banks. A comprehensive discussion paper was also released by the Department to support the Parliamentary Review of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act.

A strong economy and sound public finances for Canadians

- The World Economic Forum ranked Canada's financial sector as seventh overall among 137 countries, and second for soundness of banks
 - The International Monetary Fund Article IV assessment was favourable for Canada, as was the Financial Stability Board's 2017 annual assessment of the implementation of the international reform agenda
 - Canada retains top credit ratings from Moody's, Standard & Poors, Fitch, and Dominion Bond Rating Service
-

The Department provided analysis on Canadian housing finance and developed regulatory amendments to support the government's decision to change the rules for government-backed mortgage insurance in order to contain risks in the housing market. A legislative framework to allow for the implementation of a bail-in regime² for large banks was brought into force in early 2018. Legislative measures were also introduced in spring 2018 to modernize deposit insurance and provide for the resolution of systemically important financial market infrastructures.

The Department also supported the government in advancing measures to strengthen the oversight of the payments system. In particular, the government introduced legislative amendments to provide the Bank of Canada with oversight powers over systemically important financial market infrastructure, and released a Retail Payments Oversight Framework for public consultation.

2. The bail-in regime provides authorities with an additional tool to deal with the unlikely failure of a major bank, in a manner that protects financial stability as well as taxpayers. It will allow authorities to convert certain debt of a failing systemically important bank into common shares to recapitalize the bank and allow it to remain open and operating.

The Department supported Canada’s international economic engagement at the G7 and G20 and at international financial institutions. Notably, the Department offered policy advice and logistical support for Canada’s G7 Presidency, playing a key role in hosting the G7 Deputies’ retreat in Montebello, Quebec, and making major contributions to the G7 Finance and Development Ministers’ meeting in Whistler, British Columbia, and the G7 Leaders’ Summit in Charlevoix, Quebec. At the G20, the Department supported Canada’s participation in the final session of the German Presidency and the opening sessions of Argentina’s Presidency. In addition, the Department supported the government’s contribution to ongoing efforts to improve international economic coordination through its co-chairmanship of the G20 Framework Working Group.

On international trade, the Department supported the advancement and implementation of Canada’s trade policy framework, despite rising protectionism and growing uncertainty in the global trading environment. The Department participated in renegotiations of the North American Free Trade Agreement, the conclusion of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, and the launch of new Free Trade Agreement negotiations with the Pacific Alliance and Mercosur, and provided advice on other potential negotiations. Efforts to support the competitiveness of Canadian manufacturers with appropriate trade, tariff and border policies continued, including the Budget 2018 announcement to amend the Customs Tariff legislation to ease administrative burden and reduce compliance costs for Canadian businesses and the Canada Border Services Agency. The Department contributed to efforts to assess and respond to the growing number of trade measures taken by other countries, some of which affect Canadian interests.

With respect to lessons learned, having a proactive tariff policy, as noted in Report 2—Custom Duties of the Office of the Auditor General’s 2017 Spring Reports, and a diverse network of preferential arrangements has positioned Canada’s trade policy framework to better respond to current global trading challenges.

Results achieved

Expected results	Performance indicators	Target	Date to achieve target	2017–18 Actual results	2016–17 Actual results	2015–16 Actual results
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%	2017–18	100%	100%	100%

Expected results	Performance indicators	Target	Date to achieve target	2017–18 Actual results	2016–17 Actual results	2015–16 Actual results
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 time frames	100%	2017–18	100%	100%	100%
	Percentage of recommendations / agreed-upon areas for improvement following the annual federal budget post mortem process that were implemented	100%	2017–18	100%	100%	100%

Budgetary financial resources (dollars)

2017–18 Main Estimates	2017–18 Planned spending	2017–18 Total authorities available for use	2017–18 Actual spending (authorities used)	2017–18 Difference (Actual spending minus Planned spending)
60,243,914	60,243,914	80,468,447	77,789,848	17,545,934

Human resources (full-time equivalents)

2017–18 Planned full-time equivalents	2017–18 Actual full-time equivalents	2017–18 Difference (Actual full-time equivalents minus Planned full-time equivalents)
464	476	12

Actual spending in 2017–18 for the Economic and Fiscal Policy Framework Program was \$17.5 million higher than planned and is largely explained by the payment to the Canada Infrastructure Bank (CIB). The CIB was established by the Canada Infrastructure Bank Act, which received Royal Assent as part of the Budget Implementation Act, 2017, No. 1. As part of the Government of Canada's historic Investing in Canada plan, the CIB will use federal support to attract private sector and institutional investment to new revenue-generating infrastructure projects that are in the public interest. The payment of \$11.4 million is to allow the CIB to commence its business and activities.

Higher actual spending is also related to funding received for collective bargaining increases and retroactive pay and funding for key government priorities, including the hosting of the G7 Summit.

The number of actual full-time equivalents in 2017–18 was higher than planned, owing to personnel funding received for key government priorities.

Program 1.2: Transfer and Taxation Payment Programs

Description

This Program enables the Government of Canada to meet its transfer and taxation payment commitments. The Program administers transfer and taxation payments to provinces and territories and Aboriginal governments in compliance with legislation and negotiated agreements. The Program also fulfills commitments and agreements with international financial organizations to support the economic advancement of developing countries. The Government of Canada sometimes enters into agreements or enacts 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.

Results

The Department continued to make timely and accurate payments to provinces, territories and Aboriginal governments, in accordance with the terms and conditions of 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.

The federal government provided a total of \$72.8 billion to provinces and territories under the Canada Health Transfer, the Canada Social Transfer, Equalization and Territorial Formula Financing programs.

The Department continued to deliver on the government's commitments to support international financial institutions and multilateral development banks through various initiatives that help strengthen their governance and accountability, ensure that global economic growth is sustainable and inclusive, and support the economic advancement of developing countries.

An internal evaluation of Canada’s payments to the International Development Association (IDA) confirmed that the Department manages Canada’s contributions to the IDA effectively and efficiently. Some opportunities for improving the Department’s consultations with civil society organizations and for reporting on the development effectiveness of the IDA were identified.

Results achieved

Expected results	Performance indicators	Target	Date to achieve target	2017–18 Actual results	2016–17 Actual results	2015–16 Actual results
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	2017–18	Met	Met	Met

Budgetary financial resources (dollars)

2017–18 Main Estimates	2017–18 Planned spending	2017–18 Total authorities available for use	2017–18 Actual spending (authorities used)	2017–18 Difference (Actual spending minus Planned spending)
68,450,488,707	68,450,488,707	69,069,808,908	69,001,194,750	550,706,043

Human resources (full-time equivalents)

2017–18 Planned full-time equivalents	2017–18 Actual full-time equivalents	2017–18 Difference (Actual full-time equivalents minus Planned full-time equivalents)
11	11	0

Actual spending for Transfer and Taxation Payment Programs was \$551 million more than planned, owing to the revision of previous estimates as well as additional funding for Home Care Services and Mental Health Care Services. Some transfer payment estimates were not finalized in time for inclusion in the 2017–18 Departmental Plan, while adjustments to other transfer payments were made after its publication.

Program 1.3: Treasury and Financial Affairs

Description

This Program provides analysis, research and advice to ministers and senior government officials on the management of the treasury and the financial affairs of the Government of Canada. The Program ensures that the treasury and financial affairs of the Government of Canada are efficiently managed on behalf of Canadian taxpayers. The Program provides direction for Canada's debt management activities, including the funding of debt and service costs for new borrowings. This Program manages investments in financial assets so that the Government of Canada can meet its liquidity needs. The 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 federal government-backed entities, such as Crown corporations. The Program also oversees the system that ensures that Canada has an adequate supply of circulating Canadian currency (banknotes and coins) to meet the needs of the Canadian economy.

Results

The Department of Finance Canada worked with the Bank of Canada to proactively manage the debt and international reserves of the Government of Canada and to provide policy advice on activity in the domestic capital markets, ensuring that the treasury and financial affairs of the Government of Canada were well managed.

In collaboration with the Bank of Canada, the government's fiscal agent, the Department continued to provide funding to support government operations and implemented a federal debt strategy that supported low-cost, stable funding and promoted a well-functioning Government of Canada debt market.

In collaboration with the Bank of Canada, the Department developed and presented a comprehensive annual funding and investment plan for the management of Canada's foreign reserves, aimed at meeting the liquidity and capital preservation requirements, and optimizing returns.

To secure the government's ability to meet its liquidity needs in a timely and effective manner, the Department developed contingency plans to maintain access to funding in broad stress scenarios. In addition, the government holds liquidity reserves of at least one month of net projected cash flows in order to meet its requirements in the event of market disruption. These contingency plans and day-to-day cash management practices have recently been incorporated into one comprehensive framework to meet short-term liquidity requirements.

The Government of Canada maintains a framework for the management of international reserves, ensuring that liquidity needs, return and risk are appropriately balanced. At all times, the international reserve level met the Minister of Finance's 3% requirement of nominal GDP.

Moreover, the reserves were managed within the ministerial Statement of Investment Policy, without exception. Included in the statement is the reserve objective stated in terms of a risk-return trade-off. Legislative amendments were tabled in the spring of 2018 to clarify the statutory purpose of the Exchange Fund Account and ensure the continuity of related authorities for the Bank of Canada.

The Department provided comprehensive analysis of the borrowing needs of Crown corporations to the Minister of Finance and senior departmental officials. All recommendations ensured that borrowing requests were prudent and cost-effective for the government as a whole and that they supported delivery of Crown corporation public policy mandates to Canadians.

The Department successfully worked with the Bank of Canada and the Royal Canadian Mint to ensure that Canada had an adequate supply of domestic currency to meet the needs of its economy during 2017–18. No shortages were reported by the Bank of Canada, the Royal Canadian Mint or financial institutions.

Results achieved

Expected results	Performance indicators	Target	Date to achieve target	2017–18 Actual results	2016–17 Actual results	2015–16 Actual results
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 time frames	100%	2017–18	No internal or external evaluations of the Treasury Management function were undertaken or published on the Department's website in 2017–18.	100%	100%

Budgetary financial resources (dollars)

2017–18 Main Estimates	2017–18 Planned spending	2017–18 Total authorities available for use	2017–18 Actual spending (authorities used)	2017–18 Difference (Actual spending minus Planned spending)
21,594,000,000	21,594,000,000	21,203,500,849	21,203,500,849	(390,499,151)

Human resources (full-time equivalents)

2017–18 Planned full-time equivalents	2017–18 Actual full-time equivalents	2017–18 Difference (Actual full-time equivalents minus Planned full-time equivalents)
28	28	0

Actual spending in the Treasury and Financial Affairs Program was \$390 million lower than planned. This decrease was mainly attributable to interest rates in 2017–18 being lower than anticipated by private sector economists at the time of the Fall Economic Statement 2016, as well as lower than anticipated bond buy-back expenses.

Information on the Department of Finance Canada’s lower-level programs is available in the [GC InfoBase](#).ⁱⁱ

Internal Services

Description

Internal Services are those groups of related activities and resources that the federal government considers to be services in support of Programs and/or required to meet corporate obligations of an organization. Internal Services refers to the activities and resources of the 10 distinct service categories that support Program delivery in the organization, regardless of the Internal Services delivery model in a department. The 10 service categories 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; and Acquisition Services.

Results

In 2017–18, the Department was designated as one of the National Capital Region’s Top Employers and one of Canada’s Top Employers for Young People, in part because of its commitment to the development of employees through learning initiatives, experiential learning and work assignments.

With respect to recruitment and talent management, the university recruitment and the economist development programs remain the flagship programs that attract and retain the Department’s high-performing workforce. A mid-level recruitment campaign was launched to attract experienced policy analysts to complement the Department’s existing recruitment strategies. The suite of learning and development programs are being reviewed, with a view to developing a departmental talent management strategy, to ensure that managing talent and promoting diversity are considered at every stage of employees’ careers within the Department.

To promote a healthy work environment, the Department continued to offer Informal Conflict Management System services, providing employees with strategies to resolve and prevent workplace issues. As well, the Department provided a valuable training opportunity through The Working Mind program. This program provides tools to both employees and managers to recognize and address mental health considerations in the workplace, while helping employees gain a better understanding of their own mental health. In addition, branch Wellness Ambassadors were identified to promote awareness and increase attention to wellness considerations in decision-making within the different branches of the organization.

The Department fostered diversity and inclusion in the workplace by carrying out a number of related department-wide activities. When considering diversity in recruitment, name-blind processes³ were run during the 2017–18 University Recruitment campaign and the focus on gender balance was increased in various recruitment processes, including executive staffing. In 2017–18, the Diversity Champion established the Diversity Committee, which raised awareness and sparked discussion through a number of activities. Further awareness was encouraged with the organization and promotion of various events for National Indigenous History Month and the preparation of Indigenous Cultural Competency Training for employees.

In 2017–18, many significant information management (IM) and information technology (IT) priorities and transformative projects were delivered to address the Department's business needs, modernize information management, increase employee mobility, and improve IT security. These included the implementation of a new Information Management Strategy to increase IM capacity by leveraging the latest available technologies (notably, the rollout of the SharePoint document management and collaboration platform); the development of the IT Security Policy Framework to define roles and responsibilities related to the implementation of security controls; and a number of other projects aimed at fostering a modern, mobile and digital workplace. The Department also developed an IT security roadmap to strengthen the department's IT security posture via the implementation of the Government of Canada Secret Infrastructure, Managed Secure File Transfer, and secure portable storage devices.

In support of government-wide modernization and transformation activities, the Department continued to support a number of strategic initiatives, including the migration of its IT infrastructure to a Shared Services Canada end-state data centre, and the adoption of cloud services for projects supporting the dissemination of the federal budget and improving internal web publishing.

3. Name-blind processes refer to the concealing of personal information that could lead to the identification of a candidate's ethnicity.

The Department continued to support the action plan on Open Government by making information on government finances available through Open.Canada.ca, including annual publications such as the Annual Financial Report of the Government of Canada, the Fiscal Reference Tables, and the Report on Federal Tax Expenditures. Starting with Budget 2017, the Department has made all data from budget charts and tables available in near real time to facilitate analysis by citizens and parliamentarians, and has increased the transparency of the pre-budget consultation process.

Budgetary financial resources (dollars)

2017–18 Main Estimates	2017–18 Planned spending	2017–18 Total authorities available for use	2017–18 Actual spending (authorities used)	2017–18 Difference (Actual spending minus Planned spending)
38,878,680	38,878,680	45,548,908	44,232,684	5,354,004

Human resources (full-time equivalents)

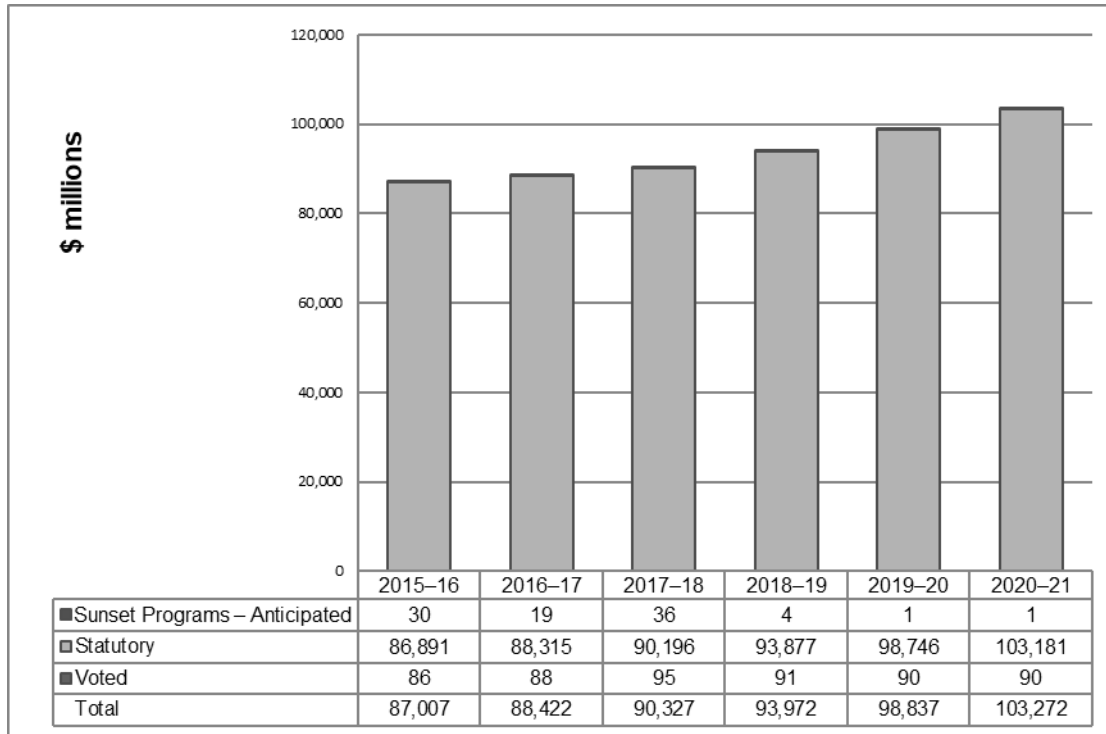
2017–18 Planned full-time equivalents	2017–18 Actual full-time equivalents	2017–18 Difference (Actual full-time equivalents minus Planned full-time equivalents)
232	254	22

Actual spending for Internal Services exceeded planned spending by \$5.4 million. This variance is attributable to collective bargaining increases and retroactive pay, additional investments in IT, and incremental staffing to support programs funded from the departmental carry forward.

Analysis of trends in spending and human resources

Actual expenditures

Departmental spending trend graph



In the graph above, the amounts from 2015–16 to 2017–18 represent actual expenditures, whereas the amounts from 2018–19 to 2020–21 represent planned expenditures as presented in the 2018–19 Departmental Plan.

The cumulative increase of \$9.3 billion in planned spending from 2018–19 to 2020–21 relates to:

- ▶ legislated and forecast increases for the Canada Health Transfer and Fiscal Arrangements with Provinces and Territories transfer payment programs (\$5.5 billion)
- ▶ an increase in market debt resulting from the upward revision of interest rates forecast by private sector economists, consistent with the Fall Economic Statement 2017 (\$3.8 billion)

Budgetary performance summary for Programs and Internal Services (dollars)

Programs and Internal Services	2017–18 Main Estimates	2017–18 Planned spending	2018–19 Planned spending*	2019–20 Planned spending*	2017–18 Total authorities available for use	2017–18 Actual spending (authorities used)	2016–17 Actual spending (authorities used)	2015–16 Actual spending (authorities used)
Economic and Fiscal Policy Framework	60,243,914	60,243,914	Not applicable	Not applicable	80,468,447	77,789,848	69,856,767	63,516,872
Transfer and Taxation Payment Programs	68,450,488,707	68,450,488,707	Not applicable	Not applicable	69,069,808,908	69,001,194,750	67,026,957,003	64,106,557,531
Treasury and Financial Affairs	21,594,000,000	21,594,000,000	Not applicable	Not applicable	21,203,500,849	21,203,500,849	21,282,396,928	22,793,429,403
Subtotal	90,104,732,621	90,104,732,621	93,932,481,327	98,799,238,604	90,353,778,204	90,282,485,447	88,379,210,698	86,963,503,806
Internal Services	38,878,680	38,878,680	39,069,589	38,099,889	45,548,908	44,232,684	42,341,540	43,808,353
Total	90,143,611,301	90,143,611,301	93,971,550,916	98,837,338,493	90,399,327,112	90,326,718,131	88,421,552,238	87,007,312,159

* Starting in 2018–19, departmental planned spending will be reported using the new Departmental Results Framework rather than the Program Alignment Architecture used in this report.

In 2017–18, actual spending for the Department of Finance Canada was \$183 million more than planned spending. The increase of \$551 million in the Transfer and Taxation Payment Programs Program is the result of some transfer payments being finalized after the publication of the 2017–18 Departmental Plan. The decrease of \$390 million in the Treasury and Financial Affairs Program is attributable to interest rates being lower than anticipated by private sector economists at the time of the Fall Economic Statement 2016, which formed the basis of the amount reported in the 2017–18 Departmental Plan.

Internal Services

The increase in actual spending in 2017–18 is attributable to retroactive pay for collective bargaining increases and additional investments in information technology funded from the departmental carry forward.

Actual human resources

Human resources summary for Programs and Internal Services
(full-time equivalents)

Programs and Internal Services	2015–16 Actual full-time equivalents	2016–17 Actual full-time equivalents	2017–18 Planned full-time equivalents	2017–18 Actual full-time equivalents	2018–19 Planned full-time equivalents	2019–20 Planned full-time equivalents
Economic and Fiscal Policy Framework	437	440	464	476	Not applicable	Not applicable
Transfer and Taxation Payment Programs	10	12	11	11	Not applicable	Not applicable
Treasury and Financial Affairs	29	28	28	28	Not applicable	Not applicable
Subtotal	476	480	503	515	534	530
Internal Services	271	254	232	254	228	228
Total	747	734	735	769	762	758

The decrease in the number of full-time equivalents from 2015–16 to 2016–17 was mainly attributable to a decrease in time-limited funding. The increase in the number of full-time equivalents from 2016–17 to 2017–18 is mainly attributable to increases in funding for key government priorities.

Expenditures by vote

For information on the Department of Finance Canada's organizational voted and statutory expenditures, consult the [Public Accounts of Canada 2017–2018](#).ⁱⁱⁱ

Government of Canada spending and activities

Information on the alignment of the Department of Finance Canada's spending with the Government of Canada's spending and activities is available in the [GC InfoBase](#).ⁱⁱ

Financial statements and financial statements highlights

Financial statements

The Department of Finance Canada's financial statements (unaudited) for the year ended March 31, 2018, are available on the [departmental website](#).^{iv}

Financial statements highlights

Condensed Statement of Operations (unaudited) for the year ended March 31, 2018
(dollars)

Financial information	2017–18 Planned results	2017–18 Actual results	2016–17 Actual results	Difference (2017–18 Actual results minus 2017–18 Planned results)	Difference (2017–18 Actual results minus 2016–17 Actual results)
Total expenses	90,172,020,118	90,198,441,124	88,439,602,960	26,421,006	1,758,838,164
Total revenues	109,903	380	111,481	(109,523)	(111,101)
Net cost of operations before government funding and transfers	90,171,910,215	90,198,440,744	88,439,491,479	26,530,529	1,758,949,265

Condensed Statement of Financial Position (unaudited) as of March 31, 2018
(dollars)

Financial information	2017–18	2016–17	Difference (2017–18 minus 2016–17)
Total net liabilities	727,750,599,465	715,388,005,299	12,362,594,166
Total net financial assets	176,976,869,787	170,002,153,112	6,974,716,675
Departmental net debt	550,773,729,678	545,385,852,187	5,387,877,491
Total non-financial assets	13,214,340	14,629,504	(1,415,164)
Departmental net financial position	550,760,515,338	545,371,222,683	5,389,292,655

Supplementary information

Corporate information

Organizational profile

Appropriate minister: William F. Morneau

Institutional head: Paul Rochon

Ministerial portfolio: Department of Finance

Enabling instrument: 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 following:

- ▶ Financial Administration Act
- ▶ Income Tax Act
- ▶ Payment Clearing and Settlement Act
- ▶ Federal-Provincial Fiscal Arrangements Act
- ▶ First Nations Goods and Services Tax Act
- ▶ Customs Act
- ▶ Customs Tariff
- ▶ Excise Act, 2001
- ▶ Excise Tax Act
- ▶ Proceeds of Crime (Money Laundering) and Terrorist Financing Act
- ▶ Special Import Measures Act
- ▶ Bank of Canada Act
- ▶ Cooperative Credit Associations Act
- ▶ Insurance Companies Act
- ▶ Trust and Loan Companies Act

Key legislation and acts are available on the [Department of Justice Canada's website](#).^v

Year of incorporation / commencement: 1867¹

Reporting framework

The Department of Finance Canada's Strategic Outcome and Program Alignment Architecture of record for 2017–18 are shown below.

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

Supporting information on lower-level programs

Supporting information on lower-level programs is available in the [GC InfoBase](#).ⁱⁱ

Supplementary information tables

The following supplementary information tables are available on the [Department of Finance Canada's website](#).^{vi}

- ▶ Departmental Sustainable Development Strategy
- ▶ Details on transfer payment programs of \$5 million or more
- ▶ Evaluations
- ▶ Fees
- ▶ Horizontal initiatives
- ▶ Internal audits
- ▶ Response to parliamentary committees and external audits

Federal tax expenditures

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 each year in the [Report on Federal Tax Expenditures](#).^{vii} This report also provides detailed background information on tax expenditures, including descriptions, objectives, historical information and references to related federal spending programs. The tax measures presented in this report are the responsibility of the Minister of Finance.

Organizational contact information

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Comments or questions regarding Department of Finance Canada publications and budget documents

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Appendix: definitions

appropriation (crédit)

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

budgetary expenditures (dépenses budgétaires)

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

Departmental Plan (plan ministériel)

A report on the plans and expected performance of an appropriated department over a three-year period. Departmental Plans are tabled in Parliament each spring.

Departmental Results Report (rapport sur les résultats ministériels)

A report on an appropriated department's actual accomplishments against the plans, priorities and expected results set out in the corresponding Departmental Plan.

evaluation (évaluation)

In the Government of Canada, the systematic and neutral collection and analysis of evidence to judge merit, worth or value. Evaluation informs decision making, improvements, innovation and accountability. Evaluations typically focus on programs, policies and priorities and examine questions related to relevance, effectiveness and efficiency. Depending on user needs, however, evaluations can also examine other units, themes and issues, including alternatives to existing interventions. Evaluations generally employ social science research methods.

experimentation (expérimentation)

Activities that seek to explore, test and compare the effects and impacts of policies, interventions and approaches, to inform evidence-based decision-making, by learning what works and what does not.

full-time equivalent (équivalent temps plein)

A measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents 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.

gender-based analysis plus (GBA+) (analyse comparative entre les sexes plus [ACS+])

An analytical approach used to assess how diverse groups of women, men and gender-diverse people may experience policies, programs and initiatives. The “plus” in GBA+ acknowledges that the gender-based analysis goes beyond biological (sex) and socio-cultural (gender) differences. We all have multiple identity factors that intersect to make us who we are; GBA+ considers many other identity factors, such as race, ethnicity, religion, age, and mental or

physical disability. Examples of GBA+ processes include using data disaggregated by sex, gender and other intersecting identity factors in performance analysis, and identifying any impacts of the program on diverse groups of people, with a view to adjusting these initiatives to make them more inclusive.

government-wide priorities (priorités pangouvernementales)

For the purpose of the 2017–18 Departmental Results Report, those high-level themes outlining the government’s agenda in the 2015 Speech from the Throne, namely: Growth for the Middle Class; Open and Transparent Government; A Clean Environment and a Strong Economy; Diversity is Canada’s Strength; and Security and Opportunity.

horizontal initiative (initiative horizontale)

An initiative where two or more departments are given funding to pursue a shared outcome, often linked to a government priority.

Management, Resources and Results Structure (structure de gestion, des ressources et des résultats)

A comprehensive framework that consists of an organization’s inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

non-budgetary expenditures (dépenses non budgétaires)

Net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance (rendement)

What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve, and how well lessons learned have been identified.

performance indicator (indicateur de rendement)

A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

performance reporting (production de rapports sur le rendement)

The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

plan (plan)

The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

planned spending (dépenses prévues)

For Departmental Plans and Departmental Results Reports, planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their Departmental Plans and Departmental Results Reports.

priority (priorité)

A plan or project that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s) or Departmental Results.

program (programme)

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 (architecture d'alignement des programmes)

A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

result (résultat)

An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

statutory expenditures (dépenses législatives)

Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

Strategic Outcome (résultat stratégique)

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

sunset program (programme temporisé)

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

target (cible)

A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

voted expenditures (dépenses votées)

Expenditures that Parliament approves annually through an Appropriation Act. The Vote wording becomes the governing conditions under which these expenditures may be made.

Endnotes

- i. The Minister's mandate letter, <https://pm.gc.ca/eng/mandate-letters>
- ii. GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- iii. Public Accounts of Canada 2017–2018, <http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html>
- iv. The Department of Finance Canada's financial statements (unaudited), <https://www.fin.gc.ca/fs-ef/drr-rrm18-eng.asp>
- v. Justice Laws Website, <http://laws-lois.justice.gc.ca/eng/>
- vi. Supplementary information tables, <https://www.fin.gc.ca/pub/drr-rrm/2018/st-ts-eng.asp>
- vii. Report on Federal Tax Expenditures, <http://www.fin.gc.ca/purl/taxexp-eng.asp>