



Canada Border Services Agency

Part III – Departmental Performance Report

2007–2008
Estimates

The Honourable Peter Van Loan, P.C., M.P.
Minister of Public Safety


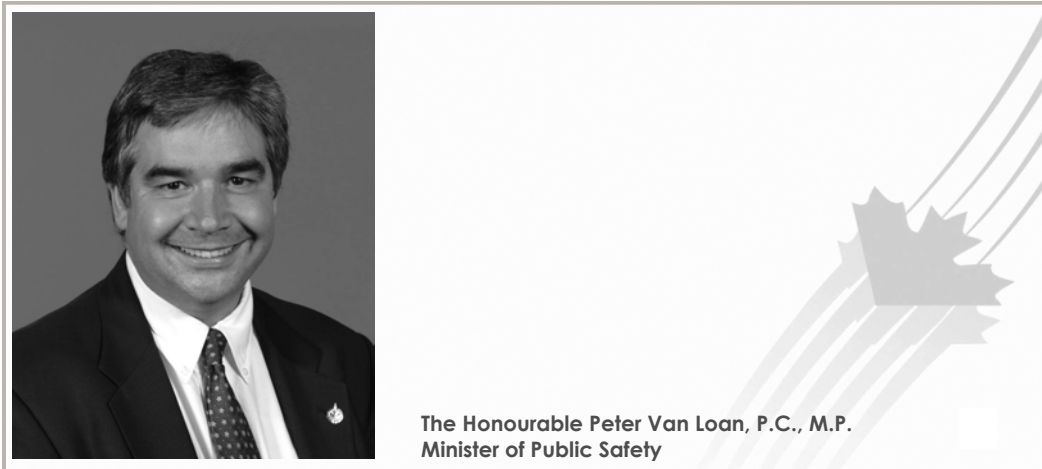


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SECTION I — DEPARTMENTAL OVERVIEW

MINISTER'S MESSAGE



As Minister of Public Safety, I am pleased to present to Parliament the Canada Border Services Agency's Departmental Performance Report for 2007–2008.

A major commitment of this government is to protect Canadians from the threats of crime and terrorism even as we facilitate a prosperous economy. In 2007–2008, the Agency supported this commitment by emphasizing the important vision of *a smart border, a smart organization*. This vision requires the development and implementation of leading-edge border management processes and technologies that improve Canada's border security and economic prosperity.

To support these efforts, the Agency worked with the United States in expanding the highly successful NEXUS program at numerous ports of entry. Budget 2008 recognized the value of this important trusted traveller program and provided \$14 million for the further development of NEXUS, as part of a \$75 million investment over two years to maintain existing levels of border service.

The Agency also worked towards its commitment of ensuring that its officers at the front line are equipped to do their jobs, and exceeded its schedule for training and deploying armed officers. By the end of 2007–2008, 294 armed officers were deployed throughout the country and 99 officers were hired to eliminate work-alone situations at 48 locations across Canada. The arming of officers and the elimination of work-alone sites will provide greater protection to officers at the border and to those engaged in specialized enforcement activities within Canada.

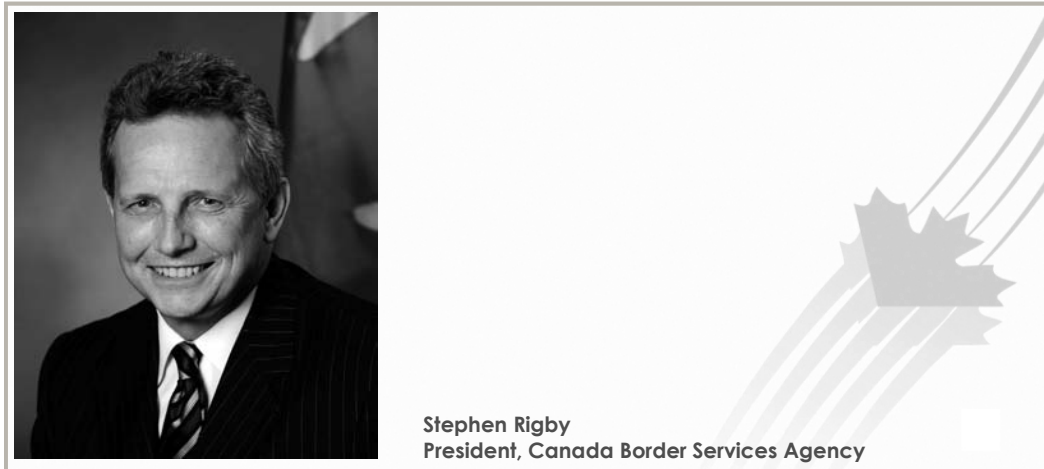
In February 2008, this government introduced legislation in Parliament to amend the *Customs Act*. The Agency is continuing its work to advance these important amendments that will improve border security by allowing for the more efficient assessment and targeting of risks and by enhancing the ability of its officers to interdict criminal activity at the border. At the same time, these changes will make a valuable economic contribution to Canada by streamlining trade and expediting low-risk shipments across the border.

While security remains a priority, it is equally critical that the border allow Canada's economy to continue to flourish. Our partnership with the United States remains strong, which is why border initiatives and policies such as the U.S. Western Hemisphere Travel Initiative will be implemented as smoothly as possible with due respect for our unique relationship and our mutual desire for North American prosperity and security.

Canada is fundamentally a welcoming nation. The administration of the Canadian border must reconcile this cherished aspect of our identity with the security imperatives of the 21st century. A smart border requires a smart organization. Fortunately, we are blessed with knowledgeable and enthusiastic employees who effectively balance their service and enforcement roles. For this reason, I am confident of our continued success in defending the safety, freedom and prosperity of all Canadians.

The Honourable Peter Van Loan, P.C., M.P.
Minister of Public Safety

PRESIDENT'S MESSAGE



During 2007–2008, the Canada Border Services Agency continued to provide Canadians with responsive, flexible and effective border service, while progressing towards our vision of *a smart border, a smart organization*.

As the new President of the Agency, I'm proud to reflect on a year when our mandate was strengthened by progress on a number of opportunities and challenges.

The Agency has made significant progress on major priorities such as arming officers, eliminating work-alone situations for officers and coordinating Canada's response to the U.S. Western Hemisphere Travel Initiative.

The NEXUS and FAST programs were expanded and memberships in both programs increased. Progress on implementing new detection equipment, international intelligence networks and eManifest, a major Crown project, affirmed the Agency's commitment to managing risk through innovation, partnerships and sophisticated targeting systems.

A number of major enforcement actions during the year reinforced the Agency's determination to prevent drugs and guns from risking the safety of Canadian communities. We also effectively managed our immigration responsibilities, including detentions and removals. Over the past four years, removals of inadmissible persons have increased 10 percent to over 12,000 in 2007–2008.

The Agency also responded to the Auditor General of Canada's October 2007 report that expressed concerns about the quality of border threat and risk assessments. The Agency agreed with the Auditor General's recommendations and continues to take steps to address the issues identified.

Indeed, as we approach five years as an Agency in the face of global economic, demographic and technological change, the optimal alignment of our resources is essential to ensuring the integrity of border programs. Taking stock of our strategies for risk management, partnerships, service delivery and corporate support will ensure that we continue to meet our dual mandate of border security and facilitation.

Our task is more than ever a 24/7, real-time responsibility with persistent and evolving challenges. Our dedicated and professional employees continue to meet these challenges head on as we position Canada as a leader in border management.

Stephen Rigby
President, Canada Border Services Agency

MANAGEMENT REPRESENTATION STATEMENT

I submit for tabling in Parliament, the 2007–2008 Departmental Performance Report for the Canada Border Services Agency.

This document has been prepared based on the reporting principles contained in the *Guide to the Preparation of Part III of the 2007–2008 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*:

- It adheres to the specific reporting requirements outlined in the Treasury Board of Canada Secretariat's guidelines;
- It is based on the Agency's Strategic Outcome and Program Activity Architecture that were approved by the Treasury Board;
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to the Agency; and
- It reports finances based on approved numbers from the Estimates and the Public Accounts of Canada.

Stephen Rigby
President, Canada Border Services Agency

SUMMARY INFORMATION

Reason for Existence

Who We Are

The Canada Border Services Agency (CBSA) contributes to the security and prosperity of Canada through the effective and efficient management of the border. The CBSA is an integral part of the Public Safety portfolio, which was established in December 2003 to protect Canadians and maintain a peaceful and safe society.

The *Canada Border Services Agency Act* gives the CBSA its mandate (see Table 1.1) to provide integrated border services that support national security and public safety priorities and facilitate the movement of persons and goods, including animals and plants, that meet all of the requirements under the program legislation.

Table 1.1: The CBSA's Vision, Mandate, Mission and Values

VISION A smart border, a smart organization	
MANDATE The Agency is responsible for providing integrated border services that support national security and public safety priorities and facilitate the movement of persons and goods, including animals and plants, that meet all of the requirements under the program legislation.	
Mission	Values
To ensure the security and prosperity of Canada by managing the access of people and goods to and from Canada.	<ul style="list-style-type: none">▪ Integrity▪ Respect▪ Professionalism

Benefits to Canadians

The CBSA is a key federal partner in ensuring the security and prosperity of Canada. As highlighted in the October 2007 Speech from the Throne, strengthening the security of Canadians, ensuring effective law enforcement and providing effective economic leadership for a prosperous future are key priorities of the Government of Canada. The mandate of the CBSA is aligned with these priorities, and the Agency delivers on its mandate by applying innovative approaches to border management, developing and maintaining strong partnerships at home and abroad, and actively monitoring and mitigating ongoing risks to ensure the security and prosperity of Canada. In carrying out its mandate, the CBSA benefits Canadians in five important ways, as outlined in the following table.

Table 1.2: The CBSA's Benefits to Canadians

CBSA ACTIVITIES	BENEFITS TO CANADIANS
The CBSA works cooperatively with its North American counterparts to implement a border strategy that relies on technology, information sharing and biometrics to create a smart and secure border.	The CBSA ensures that the border remains open to low-risk travellers and commerce and closed to crime and terrorism.
The CBSA dedicates significant efforts and resources to the development of leading-edge technological solutions to process travellers and commercial shipments in a more effective and efficient manner.	The CBSA facilitates the lawful flow of low-risk people and goods into Canada, which is essential to national economic vitality.
The CBSA applies a responsible enforcement program and an effective sanctions regime to persons and goods that contravene Canadian border laws.	The CBSA promotes compliance with border legislation and ensures a level playing field for all travellers and traders.
The CBSA collects import duties and taxes in excess of \$24 billion a year.	The CBSA provides a critical component of revenues for the Government of Canada.
The CBSA implements sound comptrollership measures and conducts internal audits and program evaluations.	The CBSA demonstrates fiscal prudence and management accountability.

Strategic Outcome and Program Activity Architecture

The CBSA's Treasury-Board-approved Program Activity Architecture (PAA) for 2007–2008 consists of one strategic outcome, four program activities and 12 program sub-activities. The PAA groups related program activities and program sub-activities and links them to the CBSA's strategic outcome (see Table 1.3). Having been in place for two fiscal years (2006–2007 and 2007–2008), the CBSA's PAA was aligned with the Agency's operations. It also reflected the way in which the resources under the Agency's control were allocated and managed, and provided the context for understanding the CBSA's work and scope of activities in 2007–2008.

As the Agency is relatively new, it continues to validate, refine and improve its PAA with a view to the future. After holding consultations with the Treasury Board of Canada Secretariat (TBS) in 2007–2008, the CBSA will implement a new PAA in 2009–2010.

Table 1.3: The CBSA's Strategic Outcome and Program Activity Architecture for 2007–2008

STRATEGIC OUTCOME: Efficient and effective border management that contributes to the security and prosperity of Canada.			
PROGRAM ACTIVITY: ACCESS			
ENSURE THE LAWFUL FLOW OF PEOPLE AND GOODS WHILE PROMOTING COMPLIANCE WITH BORDER LEGISLATION.			
PROGRAM SUB-ACTIVITIES:			
Trade Develop and deliver national programs and policies related to the administration of international trade agreements and domestic legislation with respect to the trade of commercial goods.	Goods Develop and deliver national programs and policies related to the admissibility and processing of goods.	People/Travellers Develop and deliver national programs and policies related to the admissibility and processing of people/travellers and their goods.	Recourse Develop and deliver the administrative review of CBSA decisions related to trade programs and enforcement sanctions.
PROGRAM ACTIVITY: SECURITY			
WITHIN THE CONTEXT OF THE GOVERNMENT'S SECURITY AGENDA, AND THROUGH EFFECTIVE BORDER MANAGEMENT, ENSURE THE SAFETY AND SECURITY OF CANADIANS.			
PROGRAM SUB-ACTIVITIES:			
Intelligence Collect, analyze, distribute and share intelligence on threats to national security. Guide and coordinate CBSA intelligence operations and provide direct support to CBSA front-line officers.		Enforcement Provide guidance on the enforcement of border legislation and ensure enhanced national security. Build key partnerships with domestic and international law-enforcement agencies.	
PROGRAM ACTIVITY: SCIENCE- AND TECHNOLOGY-BASED INNOVATION			
USE THE CBSA'S SCIENCE AND TECHNOLOGY CAPACITY TO MODERNIZE BORDER MANAGEMENT AND INCREASE THE EFFECTIVENESS AND EFFICIENCY OF BORDER OPERATIONS.			
PROGRAM SUB-ACTIVITIES:			
Business Solutions/Projects Interpret business requirements and translate them into technological and science-based solutions for effective border management. Design, develop and implement science and technology solutions to support the delivery of border services.	Information Technology Infrastructure and Operations Provide secure information technology infrastructure, maintain the quality of the performance of operational systems, and operate and maintain national systems for effective border management.	Laboratory and Scientific Services Provide laboratory and scientific services to CBSA programs, external partners and other government departments and agencies.	
PROGRAM ACTIVITY: CORPORATE MANAGEMENT AND DIRECTION			
PROVIDE CORPORATE DIRECTION, LEGAL SERVICES, HUMAN RESOURCES SERVICES AND COMPTROLLERSHIP DIRECTION TO SUPPORT AND MANAGE THE CBSA.			
PROGRAM SUB-ACTIVITIES:			
Corporate Direction Provide strategic direction and the framework for the CBSA. Provide legal advice and strategic and operational communications services, conduct internal audits, support the CBSA's governance structure and ensure the national direction of program support services.	Human Resources Provide human resources (HR) services and advice to the CBSA. Develop and implement an integrated framework of HR strategies, policies and programs, and provide functional guidance and support for operations.	Comptrollership Develop policy and provide direction for the CBSA on financial management, resource allocation, expenditure and revenue accounting, real property, environmental operations, information management, asset management, contracting, procurement, corporate security, telephony, accommodation and mail and records room services.	

Total Financial and Human Resources

The following tables provide summary data on the total financial and human resources (HR) of the CBSA for 2007–2008.

Table 1.4: Total Financial Resources

2007–2008		
Planned Spending	Total Authorities	Actual Spending
1,443,465	1,679,105	1,448,707

Planned spending comprises Main Estimates and additional funding earmarked for the CBSA in the 2007 Budget. **Total authorities** comprise Main Estimates, Supplementary Estimates and transfers from Treasury Board centrally financed votes. While funds were lapsed by the CBSA in 2007–2008, these funds were specifically approved by the Treasury Board for major projects such as the Arming Initiative and eManifest. These multi-year projects are complex, and the funds must remain earmarked for these projects.

Table 1.5: Total Human Resources

2007–2008		
Planned	Actual	Difference
13,023	13,802	(779)

Departmental Priorities

To help achieve its strategic outcome and program activities, the CBSA develops each year a strategic plan that identifies the Agency's priorities, goals and expected results for the following three years. Reviewed in the third quarter of each fiscal year, the strategic plan forms an integral part of the Agency's annual planning cycle. Table 1.6 outlines the CBSA's strategic (program and management) priorities and performance status for 2007–2008. It should be noted that these are multi-year priorities.

Table 1.6: The CBSA's Strategic Priorities

STRATEGIC OUTCOME: Efficient and effective border management that contributes to the security and prosperity of Canada.		
Strategic Priorities 2007–2008	Type	Performance Status
1. Effective delivery of programs and services	Ongoing	Successfully met*
2. Innovating for the border of the future	Ongoing	Successfully met*
3. Strong internal and external relationships	Ongoing	Successfully met*
4. A modern management regime	Ongoing	Successfully met*

Program Activities by Strategic Outcome

Table 1.7 sets out the CBSA's program activities by strategic outcome, expected results, performance status and spending. The Corporate Management and Direction program activity is reported on separately (as per TBS guidelines) and is provided in Section IV. Performance reporting on the Access, Security and Science- and Technology-based Innovation program activities is provided in Section II.

Table 1.7: The CBSA's Program Activities by Strategic Outcome

(Thousands of dollars)

Program Activity	Expected Results*	Performance Status	2007–2008		Contributes to the following CBSA strategic priorities
			Planned Spending	Actual Spending	
Strategic Outcome: Efficient and effective border management that contributes to the security and prosperity of Canada.					
Access	The flow of lawful people and goods is facilitated.	Successfully met*	661,688	687,378	Priorities 1, 2 and 3
Security	The border is protected against potential threats to Canada's safety and security.	Successfully met*	402,529	383,530	Priorities 1, 2 and 3
Science- and Technology-based Innovation	Innovative solutions contribute to the safety and security of Canada and facilitate the flow of persons and goods.	Successfully met*	379,248	377,799	Priorities 1, 2, 3 and 4

*These are ongoing, multi-year expected results.

SUMMARY OF DEPARTMENTAL PERFORMANCE

Performance Overview

During 2007–2008, the CBSA made strides in achieving its strategic priorities and the expected results for each program activity.

Under the Access program activity, the Agency successfully facilitated secure and convenient border crossings by coordinating a Government of Canada response to the U.S. Western Hemisphere Travel Initiative and negotiating the acceptance of alternative identification documents at U.S. land-border crossings. After holding consultations with industry and other government departments, the CBSA addressed commercial border issues by implementing a strategy to launch a Commercial Vision exercise that will result

in a 10-year vision for commercial processes at the border. Resource shortfalls were a key challenge in achieving results under the Core Services Review that will define core and non-core inspection services at ports of entry and develop economic models to quantitatively assess the economic benefits of new services. In response to this challenge, options are being developed for ministerial consideration in preparation for Budget 2009.

Under the Security program activity, the CBSA was successful in meeting or exceeding a number of its expected results. In particular, the Agency trained and equipped 294 CBSA officers with duty firearms, which exceeded the Agency's commitment of 250 officers trained by March 31, 2008. To reduce the incidence of illegal border crossings, the Agency installed new security devices (barriers, gates and camera systems) at 17 land-border locations most affected by this illegal activity. The Agency also took measures to eliminate work-alone situations at 48 of the 138 affected locations by hiring 99 new officers, exceeding the Agency's commitment of hiring 50 new officers by March 31, 2008. However, the Agency still faced staffing challenges at some remote locations due to the difficulty in attracting officers to these ports. The Agency also advanced its border emergency response capacity through the approval of a joint Canada–U.S. business resumption communication and coordination plan. This plan formalizes the communication process between Canada and the United States and industry in the event of disruptions to normal business at ports of entry.

In addition, the CBSA removed over 12,000 inadmissible people for the second consecutive year. Further, 14 percent of the removals were high-priority individuals including those involved in criminality, organized crime, war crimes or terrorism. Currently, 8 percent of the removals inventory consists of high-priority individuals.

The CBSA also deployed officers for the Container Security Initiative (CSI) in South Africa, signed a CSI agreement with Panama and opened negotiations with several other countries.

However, a complex litigation environment is a continuing challenge and has required dedicated resources. Specifically, the drafting and implementation of Bill C-3 (*An Act to amend the Immigration and Refugee Protection Act (certificate and special advocate) and to make a consequential amendment to another Act*) and associated litigation required considerable focus for 2007–2008. The increased workload arising from the Agency's additional responsibilities for criminal investigations and prosecutions related to offences under the *Immigration and Refugee Protection Act* will continue to cause resource pressures.

Under the Science- and Technology-based Innovation program activity, the Agency successfully completed the expansion of the NEXUS program in the air mode to eight international airports six months ahead of schedule, and in the land mode to 14 land-border locations across Canada. The Agency also completed the implementation of all information technology (IT) prerequisites that will allow the Agency to fulfill its responsibilities under the Security and Prosperity Partnership of North America. Key challenges under this program activity concern the fast pace of technological change and the pressures these changes place on the CBSA's legacy systems, as well as increased expectations on the part of the Agency's stakeholders, partners and industry with respect to the performance (response times) of today's automated systems.

Under the Corporate Management and Direction program activity, the capacity for recording and reporting \$24 billion in import duties and taxes was improved through the implementation of a new, stand-alone revenue ledger. The Agency also completed a controlled asset monitoring framework that will be used to monitor and evaluate the security controls on duty firearms and ammunition. Further progress under this program activity was delayed by challenges in recruiting technically qualified staff in the security field to support the delivery of security priorities and the expansion of the Security program activity. In addition, the delivery of CBSA-mandated services and stewardship functions remained challenging due to the need to continually re-examine the CBSA's service model within the Agency's existing resource allocation base.

There were also several HR successes under this program activity. A national border services officer recruitment process was launched in March 2007, which resulted in the processing of over 40,000 applications and the hiring of over 1,000 new officers. The Agency also improved its capacity to train recruits through the implementation of a three-phase Port of Entry Recruit Training program that prepares officers to perform their duties in an efficient, effective and professional manner. A blended learning approach that includes e-learning, classroom study and in-service training has increased the CBSA's training capacity from 700 to 1,200 officers per year. HR program areas continued to manage some key challenges for the organization, notably the implementation of the new Frontière/Border occupational group, the negotiation of a first collective agreement and new occupational health and safety issues arising from the implementation of the Arming Initiative.

Operating Environment

Providing Integrated Border Management

In 2007–2008, the CBSA addressed the key challenge of continuing to build the Agency into an integrated risk-based border management organization, balancing its dual mandate of securing the border while facilitating trade and travel. The Agency administers more than 90 acts and regulations and international agreements, many on behalf of other federal departments and agencies, the provinces and the territories. In 2007–2008, the CBSA carried out its responsibilities with a workforce of approximately 14,000 employees, including more than 6,400 uniformed border services officers who provided services at approximately 1,200 points across Canada.

The CBSA manages 119 land-border crossings and operates at 14 international airports. In 2007–2008, the CBSA processed an average of 264,000 travellers entering Canada each day. The Agency operates on a 24/7 basis at 61 land-border crossings and 10 international airports. Border services officers perform marine operations at three major ports (Halifax, Montréal and Vancouver) and at numerous marinas and reporting stations. CBSA officers also perform operations at 27 rail sites. The CBSA processes and examines international mail at three mail centres located in Montréal, Toronto and Vancouver.

In 2007–2008, the CBSA collected \$10.7 million in customs duties and \$53.4 million in the goods and services tax (GST)/harmonized sales tax (HST) each day. An average of almost 17,000 trucks arrived from the United States every day, of which nearly 11,000 were processed through southwestern Ontario border crossings. The Agency processed an average of 88,000 courier shipments daily and handled more than 13 million clearance releases for commercial goods.

Furthermore, the CBSA operates one of the largest, most complex and business-critical IT functions in the Government of Canada. The Agency's capacity in this area is being stretched due to an ever-evolving security environment, a demanding strategic agenda, an increased volume of transactions, and rising maintenance and service costs.

Ongoing Resource Pressures

Ensuring that the CBSA has an adequate resource base to meet demands and fulfill its strategic outcome is essential. In 2007–2008, the CBSA faced resource pressures in all four program activities as it continued to respond to increased demands for integrated border services, solidify its corporate infrastructure, accelerate border innovations and

modernize its management regime through the development of an Integrated Risk Management Framework (IRMF) and an integrated HR plan.

Risk Management

No nation, including Canada, can guarantee absolute safety against threats at the border. In processing millions of travellers every year and approving the entry of imported goods valued at billions of dollars, it is impossible to stop and check every individual and every piece of merchandise. As a risk-based organization, CBSA employees, supported by multiple risk-assessment tools, systems and techniques, make thousands of decisions that directly affect the security and prosperity of Canada. Therefore, the Agency's focus is on the continual improvement of its risk-management strategies and the development of a multi-layered approach to risk assessment and mitigation across the organization.

In the *2007 October Report of the Auditor General of Canada*, the Auditor General made a number of recommendations on the CBSA's activities in Chapter 5, "Keeping the Border Open and Secure." These included the recommendation that the Agency complete its development of an IRMF to guide the delivery of border services in support of the CBSA's mandate. The Agency concurred with the report's findings and took immediate action by increasing efforts and resources dedicated to risk management to ensure that the Auditor General's recommendations are implemented. To that end, the CBSA completed in 2007–2008 two of four key milestones in the development of the IRMF, leading to the launch of the implementation of the IRMF in 2008–2009. The Agency also refined its Enterprise Risk Profile and focused its action plan on the top six risks identified. Detailed information on these two initiatives is provided in Section IV.

Management Accountability and Modernization Initiatives

Addressing the demand for accountability is an ongoing priority for the CBSA. With the enactment of the *Federal Accountability Act* in December 2006, the Agency is responding in three key areas:

- implementing modern management practices (e.g. risk-management processes);
- strengthening management accountability as a result of its participation in the TBS Management Accountability Framework assessments; and
- implementing the Government of Canada's *Management, Resources, and Results Structure Policy* and strengthening the Agency's PAA, governance structure and performance measurement framework.

The CBSA also continued to modernize its HR management practices, which included the development of an integrated HR plan. The plan supports the Agency's efforts to build the requisite organizational capacity and infrastructure that will sustain not only its current but future operations.

Portfolio Partners

The CBSA collaborates with its portfolio partners on an ongoing basis in order to provide border services that balance the need to support national security and public safety while facilitating the cross-border movement of legitimate trade and travellers. Coordinated by Public Safety Canada, the Public Safety portfolio encompasses five agencies (see Figure 1.1) and three review bodies (the Commission for Public Complaints Against the RCMP, the Office of the Correctional Investigator and the RCMP External Review Committee). These agencies and review bodies collaborate on public safety matters and contribute to the security and prosperity of Canada while respecting each other's distinct mandates.

Figure 1.1: The Public Safety Agencies



Strategic Partners and Stakeholders

Given the nature of its work, the CBSA also works with many other governmental and non-governmental organizations to minimize risk and maximize security and economic advantages for Canada.

Government organizations

The CBSA works with a number of government organizations and manages legislation on their behalf, including Citizenship and Immigration Canada, the Canadian Food Inspection Agency, the Department of Finance Canada and the Canada Revenue Agency.

Citizenship and Immigration Canada (CIC): The CBSA supports CIC in the delivery of Canada's immigration program. This collaborative working relationship ensures that the objectives of the *Immigration and Refugee Protection Act* and associated regulations are met. In doing so, the CBSA provides immigration services at ports of entry and enforcement and intelligence services to CIC to ensure that persons wishing to enter Canada are admissible and pose no security risk to Canada and its citizens.

The Department of Finance Canada and the Canada Revenue Agency (CRA): The CBSA has strong partnerships with these organizations on matters related to the collection and reporting of the GST/HST and other revenues. The CRA is also one of the CBSA's major service providers with respect to the revenue and IT infrastructure systems that support the CBSA's operations. The CBSA maintains a close working relationship with the Department of Finance Canada on the administration of trade legislation such as the *Customs Tariff* and the *Special Import Measures Act*.

Partners in border protection

The CBSA also works in partnership with the RCMP to protect the border between ports of entry.

The Royal Canadian Mounted Police (RCMP): The RCMP enforces Canadian laws, prevents crime and maintains peace, order and security. This includes preventing, detecting and investigating offences against federal statutes; maintaining law and order and preventing, detecting and investigating crime in provinces, territories and municipalities where the RCMP has a policing contract; providing investigative and protective services to other federal departments and agencies; and providing Canadian and international law-enforcement agencies with specialized police training and research, forensic laboratory services, identification services and informatics technology.

In addition, the CBSA works closely with the Canadian Security Intelligence Service; federal, provincial and municipal police forces; and foreign border and enforcement agencies, particularly U.S. Customs and Border Protection (CBP) and U.S. Immigration

and Customs Enforcement to share best practices and help mitigate risks before the arrival of people and goods at the Canadian border.

Stakeholder committees

The Canada Border Services Advisory Committee (CBSAC): This committee provides independent advice and serves as a sounding board on major trends and developments that may affect the management of Canada's border, as well as on the priorities, business and operations of the Agency. The CBSAC, which meets annually, comprises some 22 stakeholders representing the private sector, the immigration community, travellers, academia and the general public.

The Border Commercial Consultative Committee (BCCC): This committee provides CBSA officials and commercial stakeholders with a forum for dialogue on Canada's border operations. The BCCC meets three times a year and its members represent 27 of the CBSA's major private-sector stakeholder organizations. The Agency is committed to consulting Canadian commercial stakeholders on the strategies, policies, operational programs and administrative procedures that govern and affect Canada's commercial trade.

The eManifest Stakeholder Partnership Network (eSPN): With representation from more than 30 trade associations, the eSPN provides a forum for external stakeholders and industry experts to share input and advice on the design and implementation of the eManifest initiative with the CBSA. Participants in the eSPN represent various industry stakeholders, including freight forwarders, importers and carriers. Ongoing consultations are being held throughout the eManifest phases to provide a forum for dialogue, input and advice, and to implement solutions that work for both the CBSA and the industry.

International Relations

The CBSA pursues its priorities and objectives and those of the Government of Canada in the broader international arena, both bilaterally with key partners and multilaterally through participation in institutions such as the World Customs Organization, the World Trade Organization and the G8. Challenges facing the Agency can be more effectively managed through cooperation with foreign governments and strong bilateral relationships with key partners, and through a concerted approach to collaborate with the greater border management community via key multilateral and regional forums.

On the multilateral front, such international engagement positions the Agency so that it can influence the development of international rules, standards and systems to reflect and advance Canadian values and interests.

Bilaterally, the CBSA establishes and maintains networks and undertakes cooperative arrangements with border management agencies in key partner countries. Over the past fiscal year, the Agency further strengthened its long-standing and unique cooperative relationship with its U.S. counterparts (i.e. U.S. CBP, U.S. Immigration and Customs Enforcement and the U.S. Department of Homeland Security). Reflecting Canada's growing and enriched relationship with Mexico, the CBSA is building much broader cooperation with Mexican customs and immigration authorities. Beyond North America, the Agency has signed a number of cooperative agreements with its counterparts in South Africa, the Netherlands and Panama to increase the efficiency of its border management activities.

The Agency also actively contributes to the Government of Canada's broad international priorities in, for example, Haiti and throughout the Americas, by providing technical assistance and sharing best practices with the CBSA's counterpart agencies. In addition, such cooperation benefits the Agency and Canadians because by working closely with Canadian counterparts abroad, risks can be addressed at their source rather than when travellers and goods arrive in Canada.

**SECTION II — ANALYSIS OF PROGRAM ACTIVITIES
BY STRATEGIC OUTCOME**

This section provides detailed performance reporting on the commitments stated in the 2007–2008 Canada Border Services Agency Report on Plans and Priorities (RPP). The performance reporting is based on the Treasury Board of Canada Secretariat (TBS)-approved Program Activity Architecture for the Canada Border Services Agency (CBSA) in 2007–2008. See Table 2.1. As per TBS guidelines, the analysis of the Corporate Management and Direction program activity is provided in Section IV.

Table 2.1: The CBSA's Strategic Outcome and Program Activity Architecture for 2007–2008

STRATEGIC OUTCOME: Efficient and effective border management that contributes to the security and prosperity of Canada.	
PROGRAM ACTIVITY: ACCESS	
Program Sub-activities	
<ul style="list-style-type: none"> ▪ Trade ▪ Goods 	<ul style="list-style-type: none"> ▪ People/Travellers ▪ Recourse
PROGRAM ACTIVITY: SECURITY	
Program Sub-activities	
<ul style="list-style-type: none"> ▪ Intelligence 	<ul style="list-style-type: none"> ▪ Enforcement
PROGRAM ACTIVITY: SCIENCE- AND TECHNOLOGY-BASED INNOVATION	
Program Sub-activities	
<ul style="list-style-type: none"> ▪ Business Solutions/Projects ▪ Information Technology Infrastructure and Operations 	<ul style="list-style-type: none"> ▪ Laboratory and Scientific Services
PROGRAM ACTIVITY: CORPORATE MANAGEMENT AND DIRECTION	
Program Sub-activities	
<ul style="list-style-type: none"> ▪ Corporate Direction ▪ Human Resources 	<ul style="list-style-type: none"> ▪ Comptrollership

PROGRAM ACTIVITY: ACCESS

THE ACCESS PROGRAM ACTIVITY ENSURES THE LAWFUL FLOW OF PEOPLE AND GOODS WHILE PROMOTING COMPLIANCE WITH BORDER LEGISLATION AND REGULATIONS.

The Access program activity contributes to the prosperity of Canada by ensuring the flow of lawful people and goods, promoting compliance with border legislation and ensuring a level playing field for legitimate trade and travellers. It includes the regional border operations and headquarters and support services involved in managing the access of people and goods into Canada. Through the Access program activity, the CBSA continually reviews its operating environment and procedures to identify innovative ways of improving the processing of people and goods without compromising national security or public safety.

Financial and Human Resources

Table 2.2: Access Program Activity — Financial Resources

(Thousands of dollars)

2007–2008		
Planned Spending	Total Authorities	Actual Spending
661,688	729,244	687,378

Table 2.3: Access Program Activity — Human Resources

(Full-time equivalents)

2007–2008		
Planned	Actual	Difference
7,923	8,888	(965)

The \$42 million difference between total authorities and actual spending is mainly the result of the following:

- \$20 million, mainly related to the following projects:
 - the Canada Post Corporation handling fee account (the resulting lapse is attributed to the reduced volume of items processed where duty applies); and
 - the difficulties experienced in identifying accommodations needed to house CBSA staff in the National Capital Region.
- a \$22 million lapse in capital expenditures, mainly related to delays in construction projects at ports of entry, such as St. Stephen, N.B., Douglas, B.C., and Lacolle, Que.

The Access program activity consists of four program sub-activities: Trade, Goods, People/Travellers and Recourse.

Program Sub-activity: Trade

A significant part of the CBSA's border management responsibilities is the administration of a facilitative and transparent trade program that supports the competitiveness of Canadian business. The Trade program sub-activity includes the development and delivery of national programs and policies relating to the administration of international trade agreements and domestic legislation with respect to the trade of commercial goods. Specific activities include reviewing tariff classifications, conducting valuation and origin reviews and audits, administering trade incentives, refusing entry of prohibited importations, collecting duties and taxes, taking anti-dumping and countervailing actions, and conducting verification activities to ensure compliance with the law.

Implementing the Trade Programs Directorate Fundamental Review

The Trade Programs Directorate Fundamental Review (2005–2006), a comprehensive examination of the various internal trade programs (tariff policy, origin, valuation and anti-dumping and countervailing), resulted in recommendations to better focus resources towards key activities and to increase flexibility in responding to changing priorities.

RPP Commitment

In 2007–2008, the CBSA committed to the continued implementation of the recommendations of the Trade Programs Directorate Fundamental Review to optimize the delivery and increase the flexibility of the programs. The Agency further planned to acquire and maintain subject-matter experts in each of the program areas. To meet the CBSA's objectives, compliance resources were to be realigned and consolidated in two phases to focus on cross-program activities that have common or similar processes. Phase I, the realignment of anti-dumping and countervailing compliance, was to occur in 2007–2008 while Phase II, the consolidation of other trade programs' compliance activities, was planned for the following fiscal year.

Performance Highlights and Results

- Key recommendations that were implemented to deliver programs more effectively and efficiently included the following:
 - compliance activities in the Anti-dumping and Countervailing Program were consolidated to enable more efficient delivery;
 - dedicated policy development units were established for each program to respond more effectively to changing priorities; and
 - increased consultations took place with the CBSA regions on tariff, origin and valuation issues. This will result in fewer challenges arising from inconsistencies or the inequitable treatment of Canadians.

Free trade agreements

The CBSA continues to assist Foreign Affairs and International Trade Canada (DFAIT) in the negotiation of Canada's free trade agreements (FTAs). *Advantage Canada*, the Government of Canada's economic plan released in November 2006, stated that through the Global Commerce Strategy, Canada would pursue regional and bilateral trade agreements to ensure that Canadian businesses can fully participate in global market opportunities.

RPP Commitment

In 2007–2008, the CBSA committed to continuing to provide key input to negotiations on customs procedures that form part of each FTA. During the implementation of the agreements, the CBSA was to ensure that any amendments to the relevant legislation and

regulations accurately reflect the provisions of the FTAs. The Agency would further be responsible for communicating with domestic stakeholders on the import and export requirements established in each of these agreements. Subject to the finalization of FTA negotiations, the CBSA was to develop and deliver associated regulatory requirements and communication packages for relevant stakeholders.

Performance Highlights and Results

- Negotiations were completed in support of FTAs with Korea and Colombia. The CBSA was responsible for the negotiation of the Customs Procedures chapters of these FTAs, which establish procedures to administer the rules used to determine whether a good is eligible for preferential tariff treatment under the terms of the FTA.
- Negotiations on FTAs were initiated with the Dominican Republic and the Hashemite Kingdom of Jordan. The CBSA was responsible for the negotiation of the Customs Procedures chapters of these FTAs and provided input on the development of the Trade Facilitation chapter. FTAs with these countries have the potential to deliver commercial benefits to many sectors of the Canadian economy and provide opportunities for Canadian exporters. In addition, an FTA with the Dominican Republic would also mean more security and predictability for Canadian investment in that country.
- The CBSA initiated legislative and regulatory amendments for the implementation of FTAs with Peru and the European Free Trade Association (EFTA). The CBSA was responsible for the negotiation of the Customs Procedures chapters of these FTAs and provided input on the development of the Trade Facilitation chapters. An FTA with Peru will stimulate the growth of Canada's commercial bilateral relationship with this country, help level the playing field for Canadian businesses and promote a more stable and predictable investment environment in key sectors of interest. The EFTA member countries continue to be significant economic partners for Canada.

Other international trade agreements initiatives

Canada's ongoing participation in a number of international forums, including the committees of the World Customs Organization (WCO) and the World Trade Organization (WTO), is essential to Canada's economic interests.

RPP Commitment

The CBSA committed to continue to provide assistance to DFAIT in presenting and defending Canada's position with respect to international agreements such as the WTO agreements concerning customs valuation, anti-dumping and countervailing duty measures, as well as at WTO trade dispute panels.

Performance Highlights and Results

- Expert representation, advice, support and analysis was provided to the Department of Finance Canada and DFAIT in presenting and defending Canada's position at the WTO Doha Round trade rules negotiations, at the WTO trade dispute panels and at meetings of the WTO committees on Anti-dumping Practices and on Subsidies and Countervailing Measures. The WTO rules govern the trade relations of the organization's 150 members. Canada seeks a broad and ambitious outcome to the Doha Round in order to secure a good deal for Canadian producers, manufacturers and service providers and to provide a more level playing field for Canadian exporters competing in global markets, while increasing Canadian and global economic growth, prosperity and development.
- The CBSA participated in the WCO-hosted meetings of the Harmonized System Committee, the Harmonized System Review Sub-Committee, the Technical Committee on Rules of Origin and the Technical Committee on Customs Valuation. Participation in these committees helps ensure that Canada contributes to international policies with respect to these issues, and ensures the consistent application of trade programs worldwide to the benefit of both Canadian importers and exporters.

Developing an Agency-wide Compliance Management Plan

The Compliance Management Plan (CMP) is an integrated business plan that will help the CBSA manage compliance activities across the organization. The CMP will include the development of a comprehensive, integrated strategy for planning and reporting on compliance activities conducted across the Agency, at the border, after release and within client service environments. It will also allow the CBSA to accurately report on compliance levels and risks in a timely manner, to incorporate Agency priorities into one integrated strategy, and to produce useful information for resource allocation decisions based on compliance priorities and the results of compliance activities.

RPP Commitment

In 2007–2008, the CBSA committed to tasking a working group with conducting a thorough and inclusive review of the existing CMP in order to give consideration to expanding its scope to address all legacy functions and to work towards developing a national strategy. Ultimately, this strategy will identify priorities for compliance activities and be used to assess compliance risks, analyze results and re-evaluate priorities.

Performance Highlights and Results

As part of its review, the working group identified key CMP inputs, including the following:

- compliance priorities for stakeholder branches;
- export and other government department (OGD) activities; and
- integrated CBSA priorities and strategic activities.

Program Sub-activity: Goods

By managing the entry of hundreds of thousands of trucks, ships, rail containers and aircraft carrying millions of dollars in goods arriving at Canada's border each day, the CBSA plays a vital role in ensuring the access of legitimate goods to the Canadian economy. In support of the ever-increasing volumes of trade, the Agency develops and delivers national programs and policies related to the admissibility and processing of goods. Through the Goods program sub-activity, the Agency provides information and assistance to importers and exporters and works with multiple federal partners to administer an extensive variety of legislation. CBSA officers working in the highway, air, marine and rail modes, as well as in postal and courier processing centres, conduct examinations and inspections to ensure compliance with all border laws.

Movement of Goods Framework

A key initiative of the CBSA is the development of the Movement of Goods Framework, an integrated policy framework for border processes that supports the effective delivery of programs and services. This all-inclusive framework ensures that field operations and clients receive consistent and effective policy interpretation and guidance, and supports OGD programs that are administered at the border.

RPP Commitment

In 2007–2008, the CBSA committed to focusing its efforts on the development of the Movement of Goods Framework. Work towards this integrated policy framework was to comprise enhancements to the commercial process mapping system, including the postal and courier processes; internal and external consultations on commercial policies requiring priority updating; ongoing work to update, revise and publish policies; continued work with OGD partners to promote an electronic data interchange (EDI) interface with clients towards the goal of a single-window interface; an implementation plan to modernize the CBSA's Administrative Monetary Penalty System (AMPS); a preliminary report for the postal, broker and account security reviews; and the launch of the courier review.

Performance Highlights and Results

- The commercial process mapping system (including postal and courier processes) was made available on the CBSA intranet. By having these processes available online, program areas can consistently update their models, review the complete commercial flow of goods and determine how changes may or may not impact the programs. This mapping system is a training tool for CBSA employees and can be used to develop future policies and programs. As such, all users, including border

services officers, have a better understanding of the commercial process and have access to a “one-stop shop” to view the various commercial flows. The mapping system shows how all of the programs affecting the movement of goods work together and identifies potential gaps in CBSA processes.

- The Courier/Low-Value Shipment (LVS) Program Review is on track. The program was mapped and an initial analysis was completed by researching international best practices and conducting consultations with other customs administrations. The review team also consulted with internal and external stakeholders to identify current process issues related to the Courier/LVS program, including the threshold for LVS shipments and the proper process for duty and tax payments. As a result of these consultations, short-, medium- and long-term recommendations were identified that will promote more efficient reporting and accounting processes and enhanced targeting capabilities. The recommendations include exploring the feasibility of introducing the CBSA’s EDI interface into the current program, as well as developing more effective targeting methods. By using more intelligence-based targets, low-risk shipments will be released more quickly, which will help ensure the most efficient use of program resources, improve program delivery to CBSA clients and stakeholders, enhance border security and support trade facilitation.
- Phase I (needs analysis) of the Postal Program Review was successfully completed. Gaps, such as infrastructure constraints, outdated technology and lack of advance information, were identified and options for an effective, efficient and modernized Postal Program were explored, including the use of advance information in the postal stream.
- The development of the CBSA’s new long-term Commercial Vision began. This included extensive research and consultation and planning sessions with external and internal stakeholders such as the Border Commercial Consultative Committee (BCCC), academia, CBSA commercial program and policy groups, as well as CBSA senior management. The Commercial Vision will guide planning and investment in commercial programs over the next 10 years, which will help ensure that anticipated trade trends and border challenges are met and that all programs work together to achieve the CBSA’s strategic goals.
- Under the Broker Licensing and Account Security Program Review, a preliminary proposal for short-term changes was presented to and supported by the BCCC, which included changes to the Goods and Services Tax Option and the Importer Direct Option programs to simplify and streamline the administrative processes, and an expanded mandate for the Licensing Advisory Committee.
- A modernization plan for AMPS was put into place, policy proposals were developed and consultations were conducted. The plan addresses internal and external stakeholder concerns about the lack of consistency in penalty structures, amounts and application. This is helping the CBSA to streamline the existing AMPS regime

because the plan simplifies and clarifies penalties and reduces the number of penalties by collapsing current contraventions where feasible based on risk assessments.

Building and maintaining program expertise

Over the next three years, a major focus for the CBSA is building and maintaining program expertise and understanding to ensure the effective delivery of programs and services.

RPP Commitment

In 2007–2008, the CBSA committed to undergoing a review of the skill sets required for the delivery of the food, plant and animal (FPA) program related to imports. Under the review, the CBSA was to identify best practices, needs and gaps in FPA program service delivery and enable the Agency to work towards national consistency in the delivery of the FPA program.

Performance Highlights and Results

- The CBSA completed an analysis and evaluation of the skill sets required for CBSA officers to administer and deliver the FPA program, which involved extensive internal and external consultations.
- Training modules on core FPA and traveller agriculture and agri-food administrative monetary penalties were developed and rolled out nationally, three FPA program sessions were delivered in the Northern Ontario Region, and work continued with the CBSA's training and learning teams on specialized in-service training modules.
- Core equivalency testing for legacy CBSA officers was developed to ensure that all officers have the expertise necessary to effectively deliver FPA inspection programs and services.
- Standard operating procedures (SOPs) for FPA program activities were developed and are based on Canadian Food Inspection Agency (CFIA) policies. These procedures assist CBSA officers in their day-to-day duties by ensuring that they have the necessary information to issue penalties and can educate Canadians on the importance of compliance to protect Canada's natural resources and economy.
- The integration of the redress process for administrative monetary penalties into the Recourse mandate was completed and the appropriate expertise was acquired. This will ensure a consistent approach to the review of all administrative monetary penalty appeals at the CBSA.

Program Sub-activity: People/Travellers

The CBSA develops and delivers national programs and policies related to the admissibility and processing of people/travellers and their goods including customs processing and the processing of plant, animal and food products accompanying individuals at the border. The Agency also develops the policies, procedures, alliances and working partnerships needed to maintain immigration border control, while facilitating the entry of lawful people. CBSA officers are responsible for examining foreign nationals seeking entry into Canada and for making appropriate decisions regarding their status. Through the People/Travellers program sub-activity, the CBSA is working to explore all options to simplify and accelerate the entry process for eligible individuals, including alternative inspection programs and low-risk traveller programs such as the NEXUS program in the land, air and marine modes.

Movement of People Framework

The Movement of People Framework aims to develop a long-term strategy for the movement of people across Canada's border. This framework is a combination of strategic visioning and program review of CBSA business processes. The goal is to deliver a vision for improved processing and streaming of persons arriving at the border that expedites the flow of low-risk travellers and places a heightened focus on high-risk travellers based on best practices in customs, immigration and food inspection programs.

RPP Commitment

In 2007–2008, the CBSA committed to reviewing the gaps and opportunities identified in studies of the primary and secondary inspection line functions, the travellers program and the results of internal and external consultations. These reviews will serve as a basis for developing a vision for the future processing of people.

Performance Highlights and Results

- The program review phase of the Movement of People Framework was successfully completed. The strengths and weaknesses of the people-related processes were identified, initiatives to integrate and streamline these processes were reported on, and gaps in data collection in the primary and secondary inspection line functions were documented. By documenting these gaps, the CBSA has been able to take steps to improve the quality of the information collected.
- An automated and interactive presentation describing the people-related processes was completed, which will help develop the long-term Movement of People Vision and serve as a valuable training tool for CBSA employees.
- With the successful completion of these key milestones, the Agency is ready to launch the next phase in 2008–2009, the development of a new Movement of People Vision.

Core Services Review

The CBSA is faced with growing demands from stakeholders, particularly in the air industry, for publicly funded international passenger clearance services. The Agency is unable to provide additional services with its current resource levels without affecting other programs or wait times. A key challenge for the CBSA is how to respond to increasing demands for border services while simultaneously strengthening its corporate infrastructure. To address these issues, the CBSA launched a Core Services Review, a multi-year initiative, in 2005.

RPP Commitment

In 2007–2008, the CBSA committed to conducting consultations with external stakeholders in the air mode with a view to developing an operational model and various policy options for this mode.

Performance Highlights and Results

- The Core Services Review was mandated to develop options for review by the Government of Canada to address increasing pressures related to the expansion of passenger clearance services, particularly in the air mode. Key milestones in 2007–2008 included the following:
 - consultations were conducted with air industry stakeholders from across Canada;
 - an extensive data collection exercise was conducted in the air and marine (cruise ship and ferry) modes for 2005–2006 and 2006–2007. Data will be collected on an ongoing basis and reported annually to assess trends in international passenger volumes at airports and marine ports across Canada; and
 - the initial phase of the Core Services Review in the air mode was completed.
- Together, these achievements will help the CBSA develop policy options, evaluation criteria and an operational model that will provide a fair and transparent means of assessing service requests.

Program Sub-activity: Recourse

Fair treatment and a commitment to the rights of individuals and groups with whom the CBSA interacts are fundamental pillars of the Agency's relationships and operations. Through the Recourse program sub-activity, the CBSA develops recourse-related programs and policies and delivers the administrative review of CBSA decisions related to trade programs and enforcement sanctions. The goal is to provide clients with the fair, impartial and timely resolution of disputes. The CBSA's recourse programs provide policy and procedural clarification on border management matters not only to the importing and exporting community but also to federal and international partners. Through this sub-activity, the Agency ensures a level playing field for travellers and traders and manages the appeals process for disputes before the Canadian International Trade Tribunal (CITT), the Canadian Human Rights Commission and the courts.

Administrative reviews

The Recourse program is responsible for providing clients with a fair and impartial review of the decisions and actions taken in support of border services legislation. The CBSA is committed to ensuring that the recourse process is accessible and transparent. The recourse framework is an ongoing initiative at the CBSA that will continue to identify the various forms of redress provided by the Agency.

RPP Commitment

Although no specific RPP commitment was stated, the CBSA focused on making and supporting timely and consistent recourse decisions that contribute to the security, protection and economic prosperity of Canada.

Performance Highlights and Results

- The CBSA continued to provide a fair and impartial review mechanism for importers and travellers in cases of a dispute concerning actions taken in support of border services legislation. In 2007–2008,
 - over 4,100 requests were received for the review of enforcement sanctions and other actions (e.g. administrative reviews of enforcement sanctions that have been appealed further to the Federal Court as well as reviews of complaints before the Canadian Human Rights Commission); and
 - over 1,900 requests were received for the review of trade program decisions (e.g. trade administration disputes [re-determinations]) and CITT and Federal Court appeals of trade administration decisions.

- Figures 2.1 and 2.2, respectively, show the intake and disposal comparisons over a three-year period for the administrative reviews of enforcement sanctions, including appeals to the Federal Court, complaints before the Canadian Human Rights Commission and trade program decisions, including CITT appeals.

Figure 2.1: Number of Administrative Reviews of Enforcement Sanctions and Other Actions: Intake and Disposal Comparison (2005–2006 to 2007–2008)

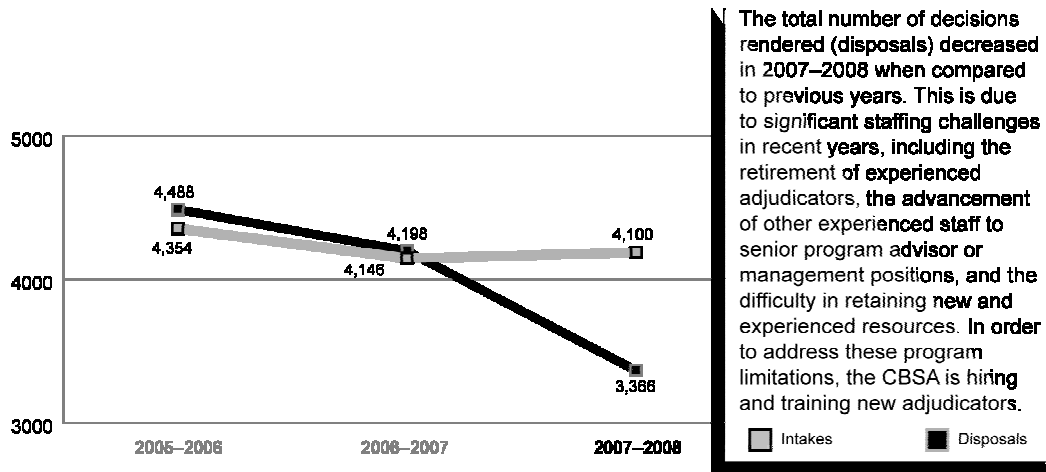
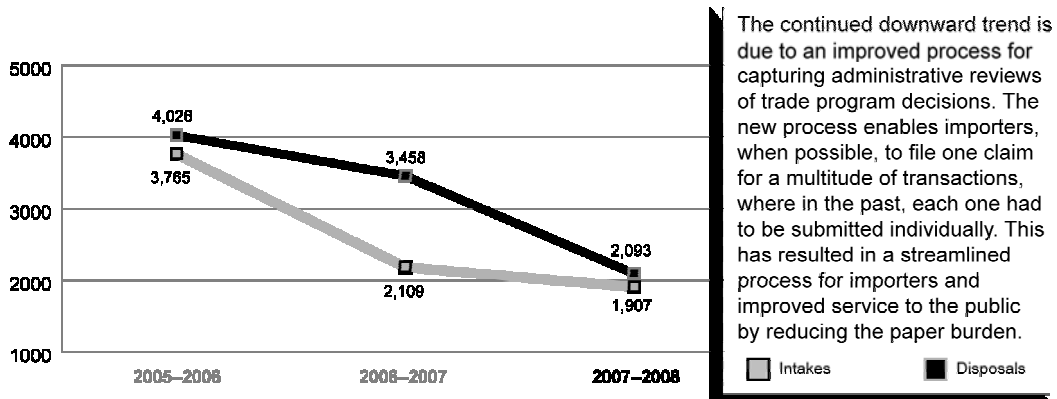
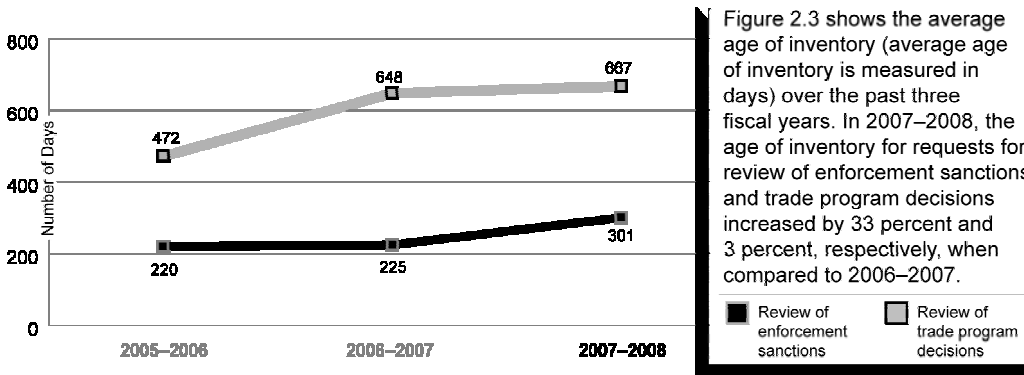


Figure 2.2: Number of Administrative Reviews of Trade Program Decisions: Intake and Disposal Comparison (2005–2006 to 2007–2008)



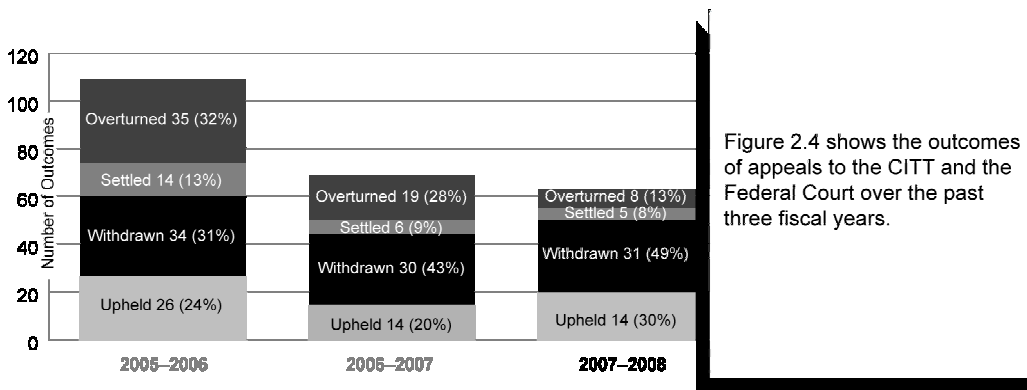
- Figure 2.3 shows that the average age of inventory has increased over the past three fiscal years because the ability to provide a timely response to an administrative review is sometimes beyond the CBSA’s control. There continued to be instances when a request could not be processed while the Agency awaited a court decision or other information. This increases the time it takes to resolve a dispute and may have a negative impact on the clients’ perception of the redress process.

Figure 2.3: Average Age of Inventory (2005–2006 to 2007–2008)



- Over the last three fiscal years, approximately 12 percent of the reviews of trade program decisions and approximately 2 percent of the reviews of enforcement sanctions were appealed further to the CITT or the Federal Court. The CBSA was successful in 64 percent of these cases.
- The number of overturned decisions decreased from 35 to 8 decisions in three years and now represents only approximately 13 percent of appeals. The fact that the CITT and the Federal Court are overturning fewer cases is an indication that the original decisions taken by the CBSA were accurate. See Figure 2.4 for the breakdown of the appeal outcomes for the past three fiscal years.

Figure 2.4: Outcomes of Appeals to the CITT and the Federal Court (2005–2006 to 2007–2008)



PROGRAM ACTIVITY: SECURITY

*WITHIN THE CONTEXT OF THE GOVERNMENT'S SECURITY AGENDA,
AND THROUGH EFFECTIVE AND EFFICIENT BORDER MANAGEMENT,
ENSURE THE SAFETY AND SECURITY OF CANADIANS.*

The Security program activity contributes to the achievement of the CBSA's strategic outcome, encompassing the CBSA functions that ensure the safety and security of Canadians. It includes most of the CBSA's international operations, some border operations and headquarters and support services. Through the Security program activity, the CBSA continually examines its operating environment and processes to identify new ways of improving border security without impeding the cross-border movement of legitimate trade and travellers.

Financial and Human Resources

Table 2.4: Security Program Activity — Financial Resources

(Thousands of dollars)

2007–2008		
Planned Spending	Total Authorities	Actual Spending
402,529	480,758	383,530

Table 2.5: Security Program Activity — Human Resources

(Full-time equivalents)

2007–2008		
Planned	Actual	Difference
4,069	3,472	597

The \$97 million difference between total authorities and actual spending is mainly the result of the following:

- \$60 million, mainly related to the following projects:
 - the arming of CBSA officers and efforts to address work-alone situations, specifically the staffing and procurement delays;
 - the Container Security Initiative – Advance Interdepartmental Reporting (the agreements with participating nations were not consummated within originally planned time frames);

- the procurement of specialty equipment for purposes such as radiation detection (the procurement was extremely challenging due to the limited number of qualified suppliers); and
- the difficulties experienced in identifying accommodations needed to house CBSA staff in the National Capital Region.
- a \$37 million lapse in capital expenditures, mainly related to delays in the following:
 - the arming of CBSA officers and efforts to address work-alone situations (specifically the construction delays at the Learning Centre in Rigaud, Que., and certain regions requiring facility upgrades to eliminate work-alone situations);
 - the construction projects at ports of entry, such as St. Stephen, N.B., Douglas, B.C., and Lacolle, Que.; and
 - the procurement of speciality equipment for purposes such as radiation detection (the procurement was extremely challenging due to the limited number of qualified suppliers).

The Security program activity consists of two program sub-activities: Intelligence and Enforcement.

Program Sub-activity: Intelligence

The CBSA relies on intelligence-based decision-making to identify high-risk travellers and contraband goods bound for Canada. In accordance with its multiple borders approach, the CBSA screens people and goods at several points along the travel continuum: at the earliest opportunity overseas, in transit and upon arrival at the Canadian border. Receiving and reviewing documentation in advance improves the Agency's ability to target and interdict inadmissible people and goods, and acts as a deterrent to those contemplating illegal immigration activities or the importation of goods that pose a threat to public health and safety.

The Intelligence program sub-activity includes initiatives related to the collection, analysis, distribution and sharing of intelligence regarding threats to national security, including terrorism, war crimes, organized crime, smuggling, fraud and irregular migration. It also includes guiding and coordinating the CBSA's intelligence operations across Canada and abroad, and providing direct support to the Agency's front-line officers.

Migration integrity officers

The migration integrity officer (MIO) program encompasses intelligence gathering, analysis and reporting related to visa or immigration application fraud, organized crime, irregular migration, public security and terrorism, war crimes and crimes against humanity. It aims to protect the integrity of the Canadian immigration selection system,

the refugee determination process and the safety, security and good order of Canadian society, including the interdiction of persons inadmissible to Canada.

At present, the CBSA has 44 MIOs and three intelligence liaison officers located in 39 key locations abroad. Information is gathered from and training is provided to a network of contacts with host-country officials, officials from other governments in the designated region, airline personnel and law-enforcement agents, and the information is used by CBSA senior management, operational staff and OGDs.

RPP Commitment

In 2007–2008, the CBSA committed to continuing work with Citizenship and Immigration Canada (CIC) and DFAIT to support its employees abroad. The Agency was to enhance the information-sharing protocols used by its officers abroad, the CBSA's National Risk Assessment Centre, CBSA Headquarters (HQ) and OGDs. The success of these commitments was to be measured by the number of improperly documented travellers intercepted before departure, reports from MIOs, feedback from partners and statistical information in monthly activity reports.

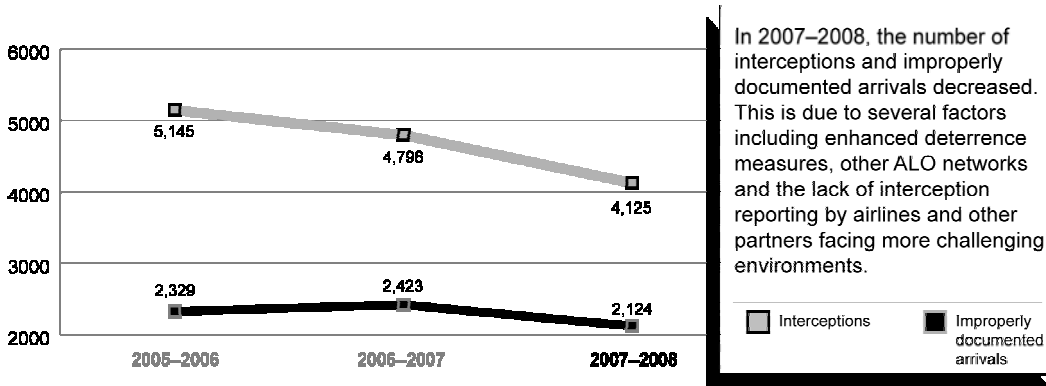
Performance Highlights and Results

- The CBSA led two successful overseas interdiction exercises with international partners in Seoul, Korea, and in Hong Kong. Eighteen immigration liaison officers from 10 countries took part and were supported by the Hong Kong Immigration Service and Korean immigration authorities. These exercises provided immigration liaison officers with a forum to share best practices and information to successfully prevent fraud and irregular migration.
- Canadian Experience Class (CEC) funding was obtained for 12 new positions and preparations were started for mid-2008 deployment. This will enhance the Agency's anti-fraud detection efforts. The CEC is a new economic immigration initiative that aims to facilitate the transition for temporary residents with Canadian work experience to become permanent residents.
- MIO training was expanded through the availability of new and enhanced training modules, which enhanced program delivery.
- MIOs delivered training sessions to over 9,000 individuals, including representatives from airlines and local law-enforcement agencies, to help improve the ability of these partners to identify and intercept improperly documented travellers.
- Successful interdiction activities, increased intelligence capacities and more consistent procedures for MIOs helped "push the border out" and prevent inadmissible persons from coming to Canada.
- As shown in Figure 2.5, the CBSA's interception rate abroad (i.e. the percentage of improperly documented people seeking to fly to Canada that were intercepted

abroad) has remained relatively constant and high: 69 percent in 2007–2008, 67 percent in 2006–2007 and 69 percent in 2005–2006, despite the fact that MIOs increasingly need to divert resources to manage additional tasks related to the CBSA’s mandate.

- The number of interceptions and improperly documented arrivals decreased this past fiscal year as a result of several factors, including the following:
 - enhanced deterrence measures used by the MIO network are helping to make air routes to Canada less attractive for inadmissible persons who are seeking other options (such as land borders or inland routes, or choosing final destinations other than Canada);
 - other airline liaison officer (ALO) networks deployed by like-minded countries are helping to deter improperly documented persons from using air routes; and
 - the lack of interception reporting by airlines and other partners due to high staff turnover and competing priorities. MIOs made significant efforts to increase their liaison visits with airlines and provided continual support to airlines (giving training, being a physical presence at the airport, handling telephone calls, etc.) and developed relationships that have been key to airline reporting.

Figure 2.5: Number of Interceptions and Improperly Documented Arrivals (2005–2006 to 2007–2008)



Container Security Initiative

Canada continues to partner with the United States on the Container Security Initiative (CSI) that aims to protect containerized shipping, the primary system of global trade, from being exploited or disrupted by terrorists. This multinational program is designed to safeguard global maritime trade while allowing cargo containers to move faster and more efficiently through the supply chain at seaports worldwide.

RPP Commitment

In 2007–2008, the CBSA committed to providing continued support for its partnership with the United States on the CSI. As part of this partnership, and in accordance with the

Agency's multiple borders strategy of "pushing the border out," the CBSA was to focus on deploying officers to foreign countries. There the officers would work with local authorities to target and verify shipping containers and identify high-risk containers before they are loaded onto vessels destined for North America.

Performance Highlights and Results

- A comprehensive training program was established for new CSI officers, equipping them with the knowledge and tools required to execute their duties in a safe and efficient manner.
- A memorandum of cooperation (MOC) was negotiated and signed with the South African Revenue Service committing Canada and South Africa to work together to identify, screen and seal high-risk containers at the earliest opportunity and to implement the CSI. Two CBSA officers were assigned to South Africa in January 2008.
- A MOC was negotiated and signed with Panama and a plan was developed for 2008–2009 to implement the CSI and deploy CBSA officers to Panama. Discussions were also initiated on the development of MOCs with Japan, Malaysia, Thailand and Singapore.

War Crimes Program

Canada has affirmed that it is not and will never become a safe haven for persons involved in war crimes, crimes against humanity or genocide, regardless of when or where the events occurred. This is consistent with domestic legislation as well as with Canada's commitment to international justice. The CBSA, the RCMP, the Department of Justice (DOJ) and CIC coordinate Canada's War Crimes Program. Under the program, the CBSA focuses on post-World War II cases (i.e. modern-day war crimes).

Under the provisions of the *Immigration and Refugee Protection Act* (IRPA), the CBSA takes a three-pronged approach to deal with modern-day war criminals:

- prevent suspected war criminals from reaching Canada by providing recommendations to CIC officials in order for them to make final determinations on immigrant, refugee and visitor visa applications from abroad;
- exclude war criminals from the refugee determination process in Canada; and
- remove, through the immigration admissibility hearing process, war criminals who have already entered Canada.

RPP Commitment

In 2007–2008, the CBSA and its War Crimes Program partners committed to continue providing a highly effective service to protect Canadian values. The Agency's focus was to remain on two key components of the program: operational coordination and allegation management. The CBSA was to measure its success in terms of the number of persons

complicit in war crimes, crimes against humanity or genocide who were determined to be inadmissible to Canada, excluded from the refugee determination process as a result of their prior actions or removed from Canada. Also, the Agency was to focus on continuing to enhance partnerships with other like-minded countries to share information and best practices and maximize program effectiveness.

Performance Highlights and Results

- As noted in the 2006–2007 10th War Crimes Program annual report, the activities of War Crimes Program partners prevented 361 persons complicit or involved in war crimes or crimes against humanity from coming to Canada.
- CBSA immigration hearing officers intervened on behalf of the Minister of Citizenship and Immigration at hearings held by the Immigration and Refugee Board of Canada in 82 cases, resulting in the exclusion of 31 cases from the refugee determination process. In addition, 35 persons involved or complicit in war crimes or crimes against humanity were removed from Canada.
- The processing of war crimes cases was streamlined by enhancing existing triage processing of cases to boost efficiency and reduce backlogs. This was facilitated by the creation of an inventory management team and by establishing standardized case processing times for refugees in collaboration with CIC. Moreover, the quality of war crimes referrals was improved through outreach and training initiatives conducted with CIC.
- The CBSA and the DOJ war crimes sections co-developed and delivered their annual war crimes training workshop in March 2008, which was attended by CBSA representatives and OGDs. These annual workshops facilitate the sharing of knowledge on modern war crimes and increase awareness of the War Crimes Program by key Government of Canada partners.
- Outreach and training to Canadian missions overseas continued, including war crimes training to officers working at the Canadian mission in Damascus, Syria.
- The Agency continued to maintain a close working relationship with war crimes units in Australia, the United Kingdom and the United States under the *Four Country Conference Memorandum of Understanding (MOU) With Respect to Investigations Relating to Genocide, War Crimes and Crimes against Humanity*, which was signed in April 2007.

Program Sub-activity: Enforcement

A primary function of CBSA front-line officers is to identify and take appropriate enforcement action to minimize the risks of dangerous people and goods entering and remaining in Canada. Through the Enforcement program sub-activity, the CBSA provides guidance in the enforcement of all border legislation and ensures enhanced national security by developing appropriate policies and procedures and by equipping border services officers with the tools they need to do their jobs. This work also includes building key partnerships with domestic and international law-enforcement agencies, promoting partnerships and sharing information. Additional responsibilities related to this program sub-activity include the investigation of individuals who commit offences counter to Canadian border legislation; the making of recommendations for prosecution; and the detention and removal of people who have no legal right to remain in Canada, especially those who pose a threat to Canadian society.

Illegal firearms seizures and trafficking

The CBSA places a high priority on the detection and interdiction of illegal firearms and prohibited weapons. All non-reported firearms are seized and forfeited to the Crown.

In 2004, the Government of Canada approved the Investments to Combat the Criminal Use of Firearms (ICCUF) Initiative. Funding was dedicated annually to improve the collection, analysis and sharing of intelligence and other information related to firearms. This resulted in the national placement of nine regional intelligence firearms liaison officers (RIFLOs), whose primary objective is to liaise with partners (e.g. the RCMP and other Canadian law-enforcement agencies, and the U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives) and gather intelligence to combat illicit firearms smuggling. CBSA RIFLOs provide subject matter expertise to border services officers at ports of entry and Canadian mail processing centres, particularly with respect to the identification of firearms and weapons that may be encountered at the land border, at airports and in the postal stream.

RPP Commitment

Although no RPP commitment was stated, the CBSA was to focus on the prevention of illegal firearms trafficking by organized criminals and gangs by seizing firearms and improving the collection, analysis and sharing of intelligence and other information related to firearms.

Performance Highlights and Results

- The CBSA seized a total of 671 firearms in 2007–2008: 148 non-restricted firearms (similar to last year), 323 restricted firearms (a 45 percent increase from last year) and 200 prohibited firearms (a 44 percent increase from last year).
- The CBSA worked closely with other law-enforcement agencies in joint forces operations such as the Ontario Provincial Weapons Enforcement Unit and the Toronto Police Service's Guns and Gangs Task Force, as well as with international partners. These efforts helped to complete a detailed analysis of intelligence and enforcement actions in order to develop a better understanding of the nature of firearms trafficking.
- The CBSA provided intelligence and other support to law-enforcement partners in Canada in order for them to conduct firearms trafficking investigations related to organized crime.
- The CBSA improved its own intelligence capacity in cooperation and coordination with ICCUF partners, providing actionable and timely intelligence to increase seizures of firearms at Canada's border.

Arming

In Budget 2006, the CBSA received approximately \$90.5 million to start the process of arming CBSA officers. The Agency continues its efforts to ensure that its Arming Initiative is implemented properly, professionally and without unnecessary delay. The CBSA also remains dedicated to transparency and consultation with key stakeholders, including union representatives, throughout the planning and implementation phases.

RPP Commitment

In 2007–2008, the CBSA committed to continuing consultations with other federal and provincial departments and agencies, as well as with other governments that have undertaken similar arming initiatives. The Agency recognizes the importance of ensuring that its Arming Initiative is comprehensive and appropriate and will work towards developing and revising related human resources (HR) and operational policies and processes in addition to ensuring that adequate training is put in place before implementation.

To ensure a smooth process and an effective transition, the CBSA was to identify six key activities for 2007–2008, which are the following: the selection of a CBSA duty firearm, training development, policy development, information technology (IT) support, the construction and renovation of facilities and other infrastructure, and the establishment of an implementation strategy. By March 31, 2008, the CBSA was to have a minimum of 250 officers trained and equipped with duty firearms. With this in mind, the Agency was to begin training CBSA officers in July 2007, deploy the first set of armed officers in August 2007 and move forward to train and equip a total of 4,800 officers.

Performance Highlights and Results

- Through competitive procurement processes, the Agency procured the Beretta Px4 Storm 9mm as the CBSA duty firearm, as well as holsters, ammunition and other supporting equipment. To ensure the proper tracking and control of these assets, information systems and processes were developed and implemented. In addition, 49 ports of entry and inland offices were upgraded to ensure safe storage facilities.
- During the first year of the Arming Initiative, ending on March 31, 2008, 20 CBSA trainers were hired and certified, 13 CBSA duty firearm courses were held and 294 CBSA officers were armed and deployed to 24 land border ports of entry and 12 inland offices.
- In July 2007, the first CBSA duty firearm courses were piloted, resulting in the first deployment of armed officers in August 2007. The selection of officers for training was based on traffic volumes at ports of entry and an analysis of risk, and included land border ports of entry and inland enforcement offices.
- The CBSA continued to work closely with the RCMP, most notably in developing and delivering the three-week CBSA Duty Firearm Course tailored to the Agency's work environment and in training use-of-force trainers to deliver the course. Partnerships with other law-enforcement organizations were explored to identify opportunities to collaborate in delivering training and re-certification, sharing facilities and streamlining procurement.
- Training courses took place at interim facilities in Chilliwack, British Columbia, and Ottawa, Ontario. Once the expansion of the CBSA Learning Centre in Rigaud, Quebec, is completed in 2009–2010, recruits will be trained in the use of the duty firearm at this facility which, in turn, means more armed officers will be deployed to the regions.
- The Corporate Administrative System was enhanced to ensure that CBSA officers have all of the prerequisites before attending training and that armed officers maintain their proficiency levels within the required time frames. With these enhancements, the validity of all prerequisites (e.g. Possession and Acquisition Licence, first aid certificate, medical assessments) will be tracked electronically to ensure compliance with related policies.
- Supporting operational and HR policies were implemented in July 2007, including a duty to accommodate strategy and a policy on employee support programs. To help the organization manage the change from having an unarmed to an armed workforce, awareness sessions were delivered to over 350 regional managers. A network of regional coordinators has also been established to provide support to the regions and to provide regional input on the implementation of the Arming Initiative.
- A communications strategy and a cohesive approach to Critical Incident Stress Management (CISM) in the workforce were developed, along with CISM SOPs that are comparable to those of other Canadian enforcement agencies. Training is ongoing for peer volunteers in International Critical Incident Stress Foundation (ICISF)

intervention techniques. Internal trainers were certified by the ICISF to deliver training to the peer volunteers. Given the complexities surrounding the management of critical incidents, CISM awareness training packages were developed for CBSA officers attending duty firearms training to ensure that they are aware of the procedures to follow during a critical incident.

- As of March 31, 2008, there were nine incidents across the country where a duty firearm was drawn; however, a duty firearm was never discharged.

Ending work-alone situations

In Budget 2006, the CBSA received approximately \$4.5 million to eliminate work-alone situations. The Agency continues to ensure that its Doubling-up Initiative to end work-alone situations is implemented properly, professionally and without unnecessary delay.

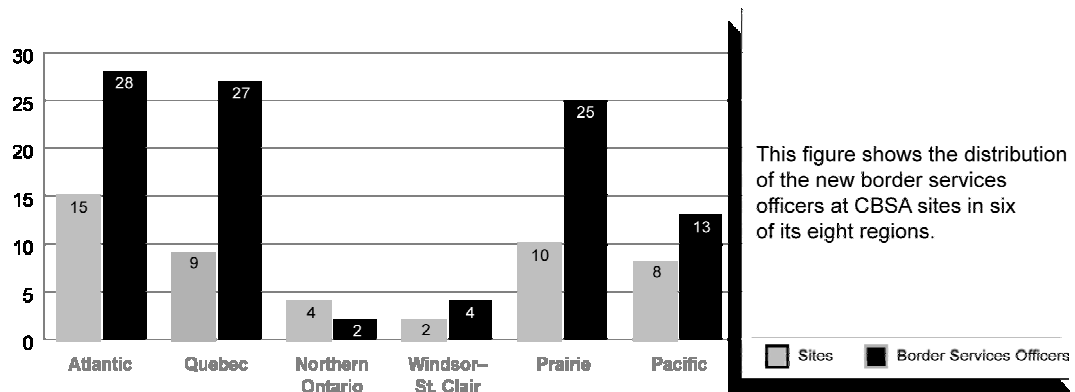
RPP Commitment

In 2007–2008, the Agency committed to continuing its efforts to eliminate work-alone situations for border services officers by conducting a review of priority sites where “doubling up” is required and assessing the operational and HR impacts of this initiative. The Agency also committed to continuing consultations with the unions, the regions and branches to highlight areas of concern and identify solutions to potential issues before implementation. Plans were also under way to take on 400 new permanent officers, with a minimum of 50 officers hired and trained by March 31, 2008.

Performance Highlights and Results

- The target of staffing a minimum of 50 new border services officers in 2007–2008 was exceeded. As of March 31, 2008, 99 officers were hired to eliminate work-alone situations at 48 of the 138 affected locations. See Figure 2.6 for the regional distribution of the new officers.
- The plan to eliminate work-alone situations was developed in consultation with the CBSA regions and branches and representatives of the Customs Excise Union (CEUDA).
- To accommodate a second officer at some facilities, the CBSA started a review of the infrastructure requirements. The Agency identified a minimum of nine ports of entry that cannot accommodate an additional officer without significant renovation, expansion or replacement.
- The recruitment and subsequent retention of potential officers was identified as a challenge. Staffing at some remote locations is difficult because it is hard to attract potential recruits to these ports of entry. When the requirement to double up is factored in, the challenge becomes even greater. This will be addressed in 2008–2009 with the issuance of a new process specifically for staffing at remote ports of entry.

Figure 2.6: Regional Distribution of Border Services Officers Hired in 2007–2008



Document analysis

The CBSA continues to work on document fraud analysis by delivering products and training to ensure that its officers are able to detect document fraud, pursue enforcement actions and keep pace with an international environment that is highly adaptive in the exploitation of documents and fraud-detection programs.

RPP Commitment

In 2007–2008, the CBSA committed to continuing its work on document analysis by producing a full range of training packages, document alerts and tools related to travel document fraud and document security issues. These products were to be distributed to CBSA officers overseas, OGDs, airlines and international migration control partners in order to combat irregular migration, including smuggling and trafficking, and to increase the detection and prevention of document and identity fraud.

Performance Highlights and Results

- A one-day basic document examination course was developed and delivered to all border services officer recruits to assist them in detecting document fraud. A five-day intermediate document examination course was also developed and delivered to document trainers and experienced regional CBSA officers who already possess some document knowledge.
- Intermediate-level document training was delivered to two provincial driver’s licence agencies in connection with the rollout of enhanced driver’s licence programs. This training is also being delivered to key CBSA employees and partner agencies in preparation for the 2010 Winter Olympics in order to increase the ability of the CBSA and its partners to identify fraudulent documents.
- Nine document information bulletins on new documents and 24 document alerts on fraudulent documents were issued and distributed within the Agency and to partners

in Canada and abroad. These bulletins and alerts increase the ability of the CBSA and its partners to interdict improperly documented travellers.

- The Document Examination Network, comprising HQ and regional intelligence document specialists, continues to build a consistent and uniform approach to document assessment and analysis in order to enhance document expertise within the Agency.
- Document examination technical tools were deployed to the CBSA regional document examination centres to enhance examination and imaging capacities nationally.

Partners in Protection Program

The Partners in Protection (PIP) program enlists the cooperation of private industry in efforts to enhance border security, combat organized crime and terrorism, increase awareness of customs compliance issues, and help detect and prevent contraband smuggling. Under this program, the CBSA has developed strategic partnerships with private industry to secure the flow of low-risk, legitimate goods and travellers across the border. The PIP program continues to undergo an evaluation to assess its effectiveness, to ensure its compliance with the WCO's Framework of Standards to Secure and Facilitate Global Trade and to identify possible avenues to make the program more compatible with its U.S. counterpart, the Customs-Trade Partnership Against Terrorism program.

RPP Commitment

In 2007–2008, the CBSA committed to re-examining and upgrading the PIP program's membership requirements, regional delivery capacity, officer training, operational and administrative support and enforcement measures in order to provide a stronger and more effective security program. This was to include drafting and negotiating the minimum security standards for all modes of transportation, conducting internal and external consultations with the trade supply industry and other relevant partners, and negotiating joint training and on-site security validations.

Performance Highlights and Results

- A security profile document was drafted and SOPs were developed for the suspension, cancellation and re-instatement of PIP memberships and appeals of these decisions. This provided a more secure and efficient application process for the PIP program and clearly articulated the rights and obligations of PIP members should a breach of the program agreement occur.
- Extensive consultations to develop the upgraded PIP program were conducted with industry and existing PIP members, which helped to increase acceptance and adoption of the revised PIP program among the target community.

- The preliminary results of a Marketing Works study conducted in 2007–2008 indicated that PIP membership (currently at 2,200 members) is expected to more than double in the next two years due to the anticipated and significant growth in the marine, air and rail modes.

Removals

The CBSA's removal priorities continue to be individuals who pose a threat to the security of Canada, such as those involved in terrorist activities, organized crime and crimes against humanity, followed by failed refugee claimants and other inadmissible persons. The Agency removes those under removal orders as soon as possible, ensuring that appropriate measures are taken to remove persons securely while respecting human rights.

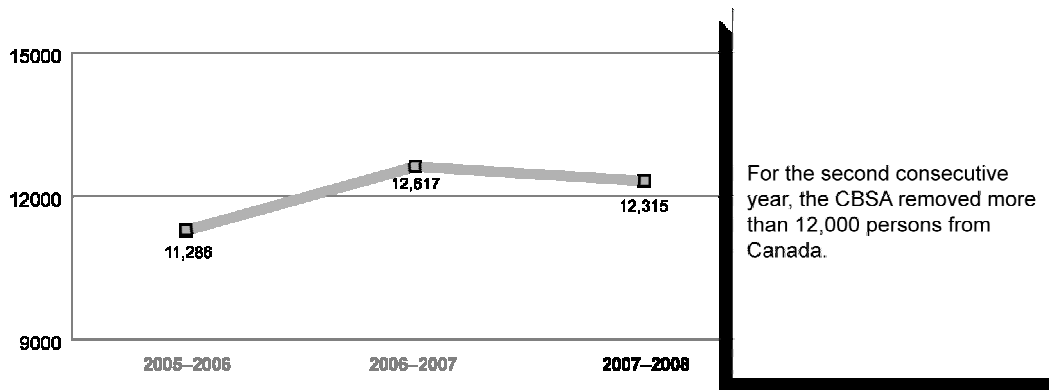
RPP Commitment

In 2007–2008, the Agency committed to the continued exploration of collaborative means for removals, in addition to tracking the number of removals of persons who have no legal right to remain in Canada. The CBSA was to make the most effective and efficient use of its resources by focusing on the removal of high-risk individuals wherever possible. Also, the Agency was to assess its success through the number of inadmissibility reports written, arrests made and removals concluded.

Performance Highlights and Results

- 12,315 persons were removed in 2007–2008 (see Figure 2.7) of which 1,724 were high-priority removals, demonstrating the CBSA's continued emphasis on removing those who pose a threat to the security of Canada.
- The CBSA participated in two charter removals with the United States, removing 28 people from Canada; removals to China increased from 238 to 315.
- The timing of pre-removal risk-assessment processing and removals were better coordinated with CIC, which increased program efficiency and resulted in a more effective removal process for high-priority cases and a more realistic removals inventory.
- The implementation of standardized financial coding for removals as well as closer teamwork between the regions, HQ and the Agency's overseas missions resulted in improved efficiency in removals and in tracking removal costs.
- The CBSA participated in international forums such as the G8, the Four Country Conference and the Intergovernmental Consultations on Migration, Asylum and Refugees to share best practices related to removals and encourage countries of origin to accept the return of their nationals.

Figure 2.7: Number of Persons Removed from Canada (2005–2006 to 2007–2008)



Criminal investigations

The safety of Canadians is enhanced by the investigation and prosecution of border security offences, such as the use of fraudulent documents to gain access to Canada and the smuggling or unlawful import/export of controlled, regulated or prohibited goods. Pursuing crimes related to the movement of goods promotes economic security, ensures the business community maintains confidence in Canada’s trade and border legislation, and promotes a level playing field for Canadian businesses. Pursuing crimes related to the illicit movement of persons across the border supports Canada’s immigration program and deters others from seeking unlawful entry into Canada.

RPP Commitment

In 2007–2008, the CBSA committed to the continued expansion of its border-related investigative activities by working with internal partners to enhance enforcement activities pursuant to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* amendments made through Bill C-25. In this respect, the integration of the CBSA’s main lines of business (customs, immigration and food, plants and animals) into the criminal investigations program continued. The CBSA was to gauge the success of its investigative work by the number of cases investigated and the number of prosecution recommendations made to and pursued by the Office of the Director of Public Prosecutions.

Performance Highlights and Results

- The CBSA continued the implementation of its new IRPA prosecution responsibilities in support of Canada’s immigration program, and enhanced its internal and external partnerships through the signing of an annex to the MOU with the CFIA and through the resultant prosecutions.
- The CBSA further integrated its main lines of business, which resulted in an increased workload on the criminal investigations program. However, the overall program results (i.e. the number of criminal investigations and prosecutions)

remained on target and the number of charges laid for offences was consistent with previous years and within the identified targets for 2007–2008. See Figures 2.8 and 2.9.

Figure 2.8: Number of Criminal Investigative Cases (2006–2007 to 2007–2008)

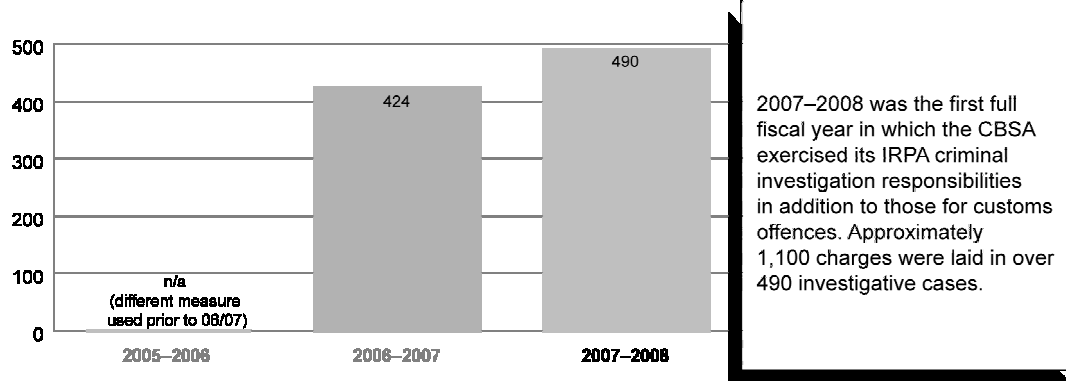
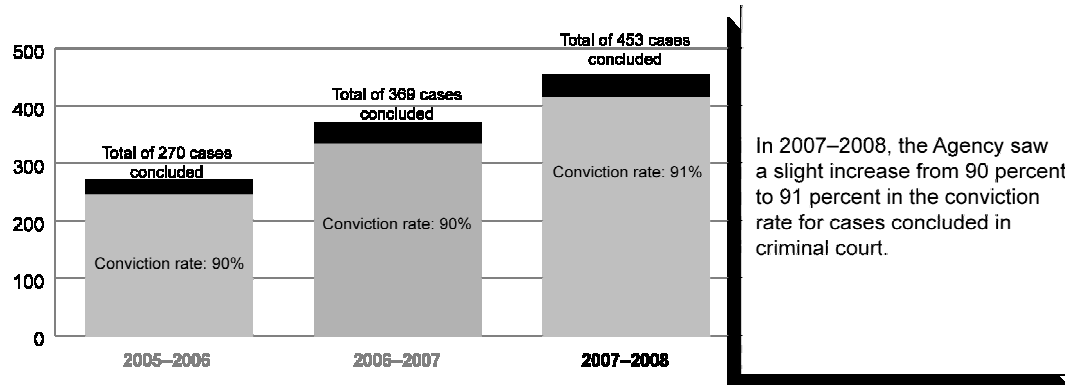


Figure 2.9: Number of Cases Concluded and Conviction Rates (2005–2006 to 2007–2008)



Note: In 2007–2008, the conviction rate included data on overall criminal investigations for the three business lines (customs, immigration and food, plants and animals). Overall criminal investigation rates were not provided for 2006–2007; the 95 percent reported last year was only for IRPA convictions.

Business resumption planning

The CBSA remains committed to responding to any potential threats to the well-being and safety of Canadians. As part of the Agency’s strategy to identify and mitigate these threats, it is working proactively with the United States to develop coordinated business resumption protocols, security technology and disaster recovery systems at the border in the event of an unexpected disaster or increased alert. These efforts will support the continuity of border operations in the event of an emergency.

In January 2007, the Government of Canada announced an investment in the CBSA of \$12 million over two years for business resumption planning. Another \$24 million over five years was provided through Treasury Board submissions.

This funding is being used to further harmonize and strengthen Canada–U.S. plans, to help ensure that plans are in place to enable the lawful flow of trade and travel during an emergency, to enable the Agency to provide IT infrastructure and application services at ports of entry and to maintain the integrity of information and the information flow to and from the United States when under various threat situations.

RPP Commitment

In 2007–2008, the CBSA committed to providing continued support for the Canada–U.S. business resumption planning partnership. This was to include participating in joint training and joint planning exercises on incident response and recovery with U.S. Customs and Border Protection (CBP). These cross-border activities were to further ensure that throughout 2007–2008, emergency response plans continued to be tested, evaluated and adapted to secure Canada’s readiness in the event of an emergency.

Performance Highlights and Results

- Partnerships and relationships with other departments and agencies, including the RCMP, the Department of National Defence, Transport Canada and U.S. CBP were established, fostered through the development of emergency response plans and validated through tabletop exercises.
- The CBSA–U.S. CBP working group developed a draft joint communication and coordination plan for business resumption that formalizes the process for inter-agency communications and communications with industry. This joint plan was validated in tabletop exercises held in April 2007 in Vancouver, British Columbia, and tested the capacity to exchange information between the two border agencies and with industry during an emergency. The CBSA President and the Commissioner of U.S. CBP approved the plan in August 2007, which now serves as a model for other bilateral protocols.
- Identified action items were further developed in support of bilateral protocols, including the prioritization of various types of goods and cargo during an emergency. Having plans and protocols in place will help ensure that the CBSA can respond rapidly and efficiently during a high-volume and/or high-risk emergency at the border. As the closure or restriction of access to a port of entry can have a widespread impact, it is critical that departments/agencies have these protocols in place in order to address the range of scenarios that could affect the border.
- The CBSA actively contributed to the North American plan for the avian and pandemic influenza, which was tabled at the North American Leaders’ Summit in

Montebello, Quebec, in August 2007. By strengthening the plans to create mutually acceptable border interventions to delay the spread of influenza strains into North America, the CBSA will be positioned to ensure the minimal disruption of border operations in the event of a pandemic while protecting the Canadian public.

- In November 2007, the CBSA's *Emergency Preparedness, All Hazards Approach* manual was published and distributed to all regions and is now available on the CBSA intranet. The manual will help the Agency respond to emergencies that threaten border services operations.

Alleviating port running

The CBSA is committed to mitigating identified risks at Canada's border. Managing the security of Canada's border while facilitating legitimate trade and travel is a vital component of the CBSA's risk-management approach. To reduce the incidence of port running (illegal crossings at land border ports of entry) at problem locations, the CBSA reallocated \$9.7 million in 2006–2007 and 2007–2008.

RPP Commitment

In 2007–2008, the Agency committed to putting in place the necessary infrastructure to help reduce occurrences of port running. The CBSA was to focus on identifying problem locations and developing and defining port-running mitigation measures to be implemented in the field.

Performance Highlights and Results

- The CBSA initially targeted 18 ports of entry as priority sites since they accounted for approximately 59 percent of annual port-running incidents. In 2007–2008, however, the CBSA expanded the project to cover 65 land ports of entry to further alleviate the incidence of port running at the land border. These 65 land ports of entry represent approximately 74 percent of port-running incidents that took place in 2007–2008.
- Mitigation devices such as gates, barriers and closed-circuit televisions were installed at 17 sites by March 31, 2008. The installation of these devices is to be completed at the targeted 65 land ports of entry by the end of 2008.
- In examining the volume of traffic and corresponding low risk of port running at the balance of the land border crossings, the CBSA working group determined that the implementation of measures to alleviate the incidence of port running would not be required at these locations.

Radiation detection technology

The CBSA uses a variety of technology solutions to conduct effective, non-intrusive inspections that enable officers to focus on high-risk travellers and goods. Radiation detection equipment aims to safeguard the Canadian public and trade and combat terrorism by protecting infrastructure at critical border points that might be the target of terrorism. As part of this project, the CBSA has introduced hand-held and mobile systems for detecting radiation in cargo entering Canada. It has also purchased fixed or “portal” radiation detectors, which have been installed at various sites across Canada. These portals enable radiation detection in an automated, comprehensive and non-intrusive manner.

RPP Commitment

In 2007–2008, the CBSA committed to significantly expanding its radiation portal network at major ports of entry. The success of this project was to depend on close collaboration with other law-enforcement agencies and industry stakeholders to ensure the effective implementation of the new portals.

Performance Highlights and Results

- The Agency collaborated with industry stakeholders and other law-enforcement agencies to determine the ideal procedures and locations for the portals and to activate new portals on both the East and West coasts.
- Automated radiation detection portals are operational at 9 of 11 marine sites nationwide, where virtually all containers are scanned for radiation in an early and comprehensive manner. Alerts issued by the portals were analyzed promptly by the National Risk Assessment Centre and supported by the Agency’s scientists. When secondary examinations were required, carborne radiation detectors and other portable devices were made available to CBSA officers.
- The CBSA continued to issue and manage the radiation dosimeter program. Under this program, devices are worn by certain front-line personnel for health and safety purposes.
- A radiation detection training package was developed and training was delivered. Also, an online training module on the use of dosimeters (devices used for measuring the quantity of ionizing radiation) was developed.
- In February 2008, the CBSA participated in a nuclear emergency simulation with government and industry stakeholders, which successfully validated radiation emergency protocols. Extensive consultations are ongoing with stakeholders and first-responder agencies, and the CBSA is taking the lead on certain inter-agency training initiatives related to nuclear emergencies in order to increase interoperability between partners and refine emergency protocols.

PROGRAM ACTIVITY: SCIENCE- AND TECHNOLOGY-BASED INNOVATION

UTILIZE THE CBSA'S SCIENCE AND TECHNOLOGY CAPACITY TO MODERNIZE BORDER MANAGEMENT AND INCREASE THE EFFECTIVENESS AND EFFICIENCY OF BORDER OPERATIONS.

The CBSA continually strives to innovate for the border of the future through the use and application of advanced technology. The Science- and Technology-based Innovation program activity implements new methods and ideas to improve the quality of service, gather and analyze advance information, deliver innovative solutions in a timely manner, lessen the compliance burden, facilitate legitimate trade and travel, and support revenue collection systems. This program activity includes a diverse range of scientific, analytical and technology services and solutions for the CBSA to identify and interdict high-risk people and goods, collaborate and share information with program partners, and provide systems and scientific solutions to process people and goods effectively in a risk-based environment.

This program activity also includes laboratory and scientific services that are concentrated in two streams: 1) analysis and 2) sensor development, testing and integration. Operationally, this means analyzing commodities, including narcotics, foods, alcohol, tobacco and metals, as well as travel, taxation and manifest documents, in order to determine authenticity, origin, identity and composition. From a research and engineering perspective, systems are evaluated for vulnerabilities and countermeasures; risk-assessment algorithms are developed for various business situations; and solutions are developed for areas including (i) narcotics detection, (ii) chemical, biological, radiological, nuclear and explosive detection, (iii) surveillance and (iv) biometrics-related systems.

Through this work, the CBSA's laboratory supports the Agency's officers (including those on the front lines) by providing expert testimony to all levels of the judiciary, ensuring due diligence with respect to the introduction of technologies and conducting research into emerging technologies, methods and solutions that can further shape and enhance border management. All the work at the laboratory supports government safety, security and trade facilitation priorities and plays an essential role in discharging the CBSA's regulatory and international obligations through its expertise in science and engineering.

Financial and Human Resources

Table 2.6: Science- and Technology-based Innovation Program Activity — Financial Resources

(Thousands of dollars)

2007–2008		
Planned Spending	Total Authorities	Actual Spending
379,248	469,103	377,799

Table 2.7: Science- and Technology-based Innovation Program Activity — Human Resources

(Full-time equivalents)

2007–2008		
Planned	Actual	Difference
1,031	1,442	(411)

The \$91 million difference between total authorities and actual spending is mainly the result of the following:

- \$86 million, mainly related to the following projects:
 - the Security and Prosperity Partnership of North America:
 - implementation of the eManifest project, which received Treasury Board approval to start in fall 2008, and
 - the Passenger Name Record program;
 - the delayed installation of the Primary Automated Lookout System (PALS) hardware at ports of entry;
 - the Container Security Initiative – Harmonized Risk Scoring and Advance Trade Data;
 - the Electronic Primary Inspection Line kiosks at Vancouver International Airport (project approval delayed until January 2008);
 - the Canadian Police Information Centre Web site; and
 - the difficulties experienced in identifying accommodations needed to house CBSA staff in the National Capital Region.
- a \$5 million lapse in capital expenditures, mainly related to delays to the following:
 - the construction projects at ports of entry, such as St. Stephen, N.B., Douglas, B.C., and Lacolle, Que.; and
 - the delayed installation of the PALS hardware at ports of entry.

The Science- and Technology-based Innovation program activity consists of three program sub-activities: Business Solutions/Projects, Information Technology Infrastructure and Operations, and Laboratory and Scientific Services.

Program Sub-activity: Business Solutions/Projects

Under this program sub-activity, the CBSA interprets business requirements and translates them into technological and science-based solutions. The Agency also designs, develops and implements science and technology solutions to support the delivery of border services through major projects. This includes new systems and programs for facilitating the entry of travellers and goods, such as the NEXUS and Free and Secure Trade (FAST) programs, and risk-assessment systems supporting border security. The Agency also places strong emphasis on planning and systems architecture to maximize efficiency and ensure interoperability with other systems within the Agency and with external partners.

People

Western Hemisphere Travel Initiative

In October 2006, the *Fiscal Year 2007 Homeland Security Appropriations Act* was signed into law in the United States. On March 27, 2008, the United States announced the final rule for the implementation of the Western Hemisphere Travel Initiative (WHTI) in the land and marine modes. As a result, on June 1, 2009, Canadian citizens will be required to present a valid passport or a NEXUS or FAST card or another approved secure document to enter the United States at its land and marine ports of entry.

The CBSA continues to work closely with its U.S. counterparts to ensure that the relationship between Canada and the United States and their economies remain strong and that any potential impacts of the WHTI on legitimate travel or trade at the border are minimized.

RPP Commitment

The Agency committed to ensuring that the U.S. WHTI is properly implemented, while enhancing security and facilitating the passage of low-risk people and goods. The CBSA was to continue its participation in discussions with the United States to ensure that the WHTI is implemented to the satisfaction of both countries.

Performance Highlights and Results

- The CBSA's WHTI task force led the Government of Canada response to the U.S. WHTI. It developed and implemented a Cabinet-approved response to help ensure the WHTI is implemented to the satisfaction of both Canada and the United States. The Government of Canada successfully (i) negotiated a delay in the implementation of the WHTI at the land and marine borders, (ii) secured a commitment from the U.S. Department of Homeland Security for the acceptance of birth certificates for minors

in lieu of passports and (iii) obtained approval in principle of enhanced driver's licences (EDLs) and certificates of Indian Status as WHTI-compliant documents.

- The CBSA implemented the Canadian plan to mitigate any potential negative impacts of the U.S. WHTI implementation at the land and marine borders by initiating the development of EDL programs in four Canadian provinces (British Columbia, Manitoba, Ontario and Quebec) and conducting a national communications campaign that included public notices, radio and Internet advertising to advise Canadians of the upcoming changes in U.S. border processing.
- In January 2008, British Columbia developed a voluntary EDL in cooperation with the CBSA and CIC that serves as an alternative to a passport for entry by land and water from Canada into the United States. The EDL addresses security concerns by establishing both the identity and nationality of the holder. EDL programs like the one in British Columbia will help facilitate the flow of legitimate travellers and goods across the Canada–U.S. land and marine borders.

Passenger Name Record enhancements

The Advance Passenger Information/Passenger Name Record (API/PNR) program is designed to protect Canada by enabling the CBSA to perform a risk assessment of travellers (passengers and crew) before their arrival in Canada. Through this program, high-risk air travellers are identified while en route, before they arrive at Canada's international airports.

RPP Commitment

In 2007–2008, the CBSA committed to completing a new method of acquiring PNR data, receiving PNR data for all European carriers and enhancing its compliance with European Union (EU) privacy regulations.

Performance Highlights and Results

- The Agency continued to hold consultations with stakeholders and to develop a new method for acquiring PNR data. However, due to the impact of transitioning on the airline industry and related technical complexities, the new method of acquiring PNR data was not completed in 2007–2008. It is now expected to be completed by spring 2010.
- The CBSA started collecting PNR data from 8 new airline carriers; at present, 65 airline carriers are providing PNR data.
- By offering all commercial carriers an interim solution, the CBSA enhanced its compliance with EU requirements.

NEXUS Air/NEXUS land border expansion

NEXUS Air is a binational program jointly developed by the CBSA and U.S. CBP. Because NEXUS members can use automated kiosks equipped with iris biometric technology, NEXUS Air provides an alternative primary inspection process that expedites secure passage into Canada and the United States for low-risk, frequent air travellers.

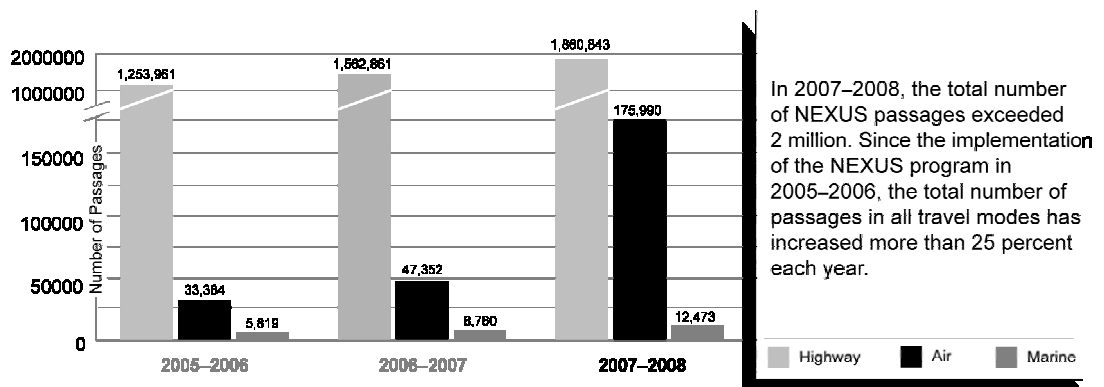
RPP Commitment

The CBSA committed to expanding NEXUS Air to all Canadian international airports housing U.S. pre-clearance areas as a priority for 2007–2008 and to further expand the NEXUS program at the land border.

Performance Highlights and Results

- The expansion of NEXUS Air was successfully completed at six international airports (Halifax, Ottawa, Winnipeg, Calgary, Edmonton and Vancouver) six months ahead of schedule. In addition, the expansion of NEXUS in the land mode was successfully completed at 14 land border locations across Canada. These expansion efforts further strengthen the border clearance process for low-risk, pre-approved travellers into Canada and the United States.
- The Montréal NEXUS Enrolment Centre was expanded, increasing the operational capacity required to enrol the ever-growing number of NEXUS applicants.
- Since the implementation of the NEXUS program in 2005–2006, the number of applicants has increased nearly 500 percent: there are over 180,000 active members, almost double the number in 2005–2006. In addition, NEXUS passages in all travel modes (highway, air and marine) increased approximately 58 percent since the program’s implementation in 2005–2006. See Figure 2.10.

Figure 2.10: Number of NEXUS Passages (2005–2006 to 2007–2008)



Primary Automated Lookout System replacement

The PALS replacement initiative aims to replace a rapidly aging system comprising equipment that is no longer being manufactured. The PALS replacement initiative will provide border services officers with a modern tool that can be used to perform automated risk assessments of both travellers and vehicles as they seek entry into Canada. It will also enable officers to query travellers against enforcement records stored in both the CBSA and CIC enforcement databases and integrate licence plate reader technology with document reader technology.

RPP Commitment

In 2007–2008, the CBSA committed to deploying the necessary equipment and software to ensure the proper replacement of PALS.

Performance Highlights and Results

- New licence plate readers were deployed at 15 of 32 sites, resulting in a 13 percent improvement in the accuracy of licence plate readings.
- The design and development of the Integrated Primary Inspection Line highway application was completed. The new software provides the CBSA with state-of-the-art technology that can be used to process travellers and vehicles quickly and efficiently.

Electronic Primary Inspection Line

The Electronic Primary Inspection Line (E-PIL) is a pilot project undertaken in partnership with the Vancouver Airport Authority (VAA). It uses self-serve kiosk technology to partially automate the preliminary screening of travellers holding a valid Canadian passport or permanent resident card seeking to enter Canada at an airport.

E-PIL is a free service that does not require any pre-registration or enrolment processing fee. This project aims to reduce wait times for primary processing and therefore enable the more efficient use of resources to focus on other CBSA border security functions.

RPP Commitment

Although no RPP commitment was stated, the CBSA was to continue the development of the E-PIL pilot project.

Performance Highlights and Results

- The implementation of the pilot project was deferred until fall 2008 due to redesign delays related to the *Declaration Card*. However, the following milestones were achieved in 2007–2008:
 - \$2.7 million in funding was secured from the Treasury Board.
 - A partnership with the VAA was developed to implement a viable solution to passenger volume issues. The VAA proposed this partnership to the CBSA in order

to address the projected significant increase (approximately 6 percent) in passenger volume per year. The CBSA recognized that simply increasing the number of primary inspection line booths is not a sustainable or desirable solution and that new approaches to screen passengers are required.

- The analysis and design phase of the E-PIL project was initiated.
- A draft communications strategy was prepared for external audiences (e.g. Canadian business and pleasure travellers, airlines, the media, the 2010 Winter Olympic Games safety and security committee) and for internal audiences (e.g. border services officers, CEUDA officials, airport authority employees). The communications strategy will inform Canadian travellers that a new convenient option for crossing the border is available at Vancouver International Airport, inform travellers and staff on how the E-PIL process will work and promote the advantages of E-PIL (shorter wait times, etc.).

Commercial

eManifest

An innovative strategy that the CBSA employs to manage the border is the use of advance information to identify and stop high-risk people and goods before they get to Canada. With the successful implementation of the marine and air components of the Advance Commercial Information (ACI) initiative, the CBSA is now planning Phase III of ACI, known as eManifest.

A major priority under the Security and Prosperity Partnership of North America (SPP), eManifest will solidify the Agency's commitment to providing CBSA officers with electronic pre-arrival cargo information so that they are equipped with the right information to identify health, safety and security threats related to commercial goods before the goods arrive in Canada. eManifest will require the electronic transmission of advance cargo and conveyance information from carriers for all highway and rail shipments. In addition, the electronic transmission of advance secondary data will be required from freight forwarders and the electronic transmission of advance importer admissibility data will be required from importers or their brokers.

RPP Commitment

The CBSA committed to building on its work in 2006–2007 and to launching an in-transit pilot project in 2007–2008. The goal of the pilot project is to automate the existing multi-step, paper-based process carriers now use for in-transit highway shipments between Canada and the United States by introducing systems notifications between the CBSA and U.S. CBP.

The CBSA, through the eManifest Stakeholder Partnership Network (eSPN), also committed to working with stakeholders to define and put into practice a public-private consultation model that will draw on the partners' collective expertise throughout the deployment of eManifest. eSPN offers the trade community and the Agency's internal stakeholders the opportunity to collaborate on eManifest issues and design features. In addition, the CBSA was to complete the initial feasibility study of this initiative and submit a plan to the Treasury Board for final approval in 2007–2008.

Performance Highlights and Results

- In November 2007, the CBSA obtained effective project approval from the Treasury Board, confirming both the funding and approval to proceed with the development and implementation of eManifest.
- The functionality for the in-transit pilot project was developed and implementation is scheduled for 2008–2009.
- In February 2008, Bill C-43, an *Act to Amend the Customs Act*, was tabled to provide a foundation for the eManifest initiative, which will enhance pre-arrival trade data for truck and rail cargo, and customs controlled areas.
- The completed legislative framework will enable the CBSA to effectively outline future required amendments to the *Customs Act*.
- Business transformation and implementation planning was initiated in order to streamline business planning activities and align current business processes mapping.
- Systems linkages and notification enhancements to legacy systems were initiated to further align stakeholder program information within existing systems.
- The eSPN was established to provide a forum for the CBSA and industry to share their expertise and input in the design, development and implementation of eManifest, and to facilitate the communication of key project matters to external stakeholders.
- Additional details on eManifest, a major Crown project, are provided in the e-tables that are posted on the TBS Web site at <http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/index-eng.asp>.

Harmonized Risk Scoring — Advance Trade Data

The Harmonized Risk Scoring — Advance Trade Data initiative addresses information gaps in the supply chain by harmonizing targeting processes with the standards established by the WCO (in partnership with U.S. CBP), incorporating additional trade data for increased risk assessment, creating an end-to-end assessment in the commercial supply chain and intercepting threats at the point of origin.

RPP Commitment

The CBSA committed to completing a feasibility study of this initiative and submitting a plan to the Treasury Board for final approval.

Performance Highlights and Results

- The CBSA developed and obtained stakeholder sign-off on the enhanced scoring methodology. Effective project approval was not received in 2007–2008.
- An analysis of the components of the Harmonized Risk Scoring — Advance Trade Data Initiative and a review of the U.S. Notice of Proposed Rule Making (NPRM), or “10+2,” were initiated. The NPRM will require carriers to submit “10+2” additional pieces of information to enhance the security of the marine environment as the United States works towards finalizing the NPRM. This will help the CBSA determine the level of harmonization that can be achieved between U.S. CBP’s security filing and the CBSA’s advanced trade data requirements. Harmonization between the two countries would provide one common reporting requirement for the trade community. At the same time, the Harmonized Risk Scoring — Advance Trade Data initiative supports the common Canada and U.S. goals of facilitating low-risk international trade while enhancing continental security.

Advance Interdepartmental Reporting Initiative

The Advance Interdepartmental Reporting Initiative (AIRI) is a strategy for developing and implementing a single-window approach for the electronic collection, integration, consolidation and dissemination of advance commercial information in the Government of Canada. This initiative enables the CBSA to deliver on its goal of developing a comprehensive architecture for commercial trade. It also enables the Agency to work with federal and industry partners to expand advance electronic reporting to streamline and better administer the programs of OGDs and agencies at the border.

RPP Commitment

In 2007–2008, the CBSA committed to developing two components of the AIRI: a project plan and a business strategy for the Interdepartmental Marine Conveyance Initiative (IMCI) and the OGD Single Window Initiative.

The IMCI is intended to enhance the reporting of advance information required from the marine industry to enable government agencies to assess potential security and terrorist threats to Canada. The OGD Single Window Initiative is a joint initiative between the CBSA and OGDs and agencies wishing to receive release information electronically on commercial import data. Importers and brokers who have undergone the required testing can send transactions according to OGD requirements electronically versus presenting paper packages at the office of release. OGD programs have been identified as possible

participants in the first phase (Pathfinder) of the IMCI. Participation in the Pathfinder phase gives the OGDs a better understanding of their volumetrics and compliance rates, enabling them to analyze their programs to develop more efficient and effective business processes.

Performance Highlights and Results

IMCI:

- The development of high-level business requirements for the IMCI was initiated, the project charter was approved and needs assessments were being conducted for Transport Canada and the Canadian Coast Guard. These milestones are helping the CBSA to successfully implement this initiative, which will eliminate duplicate reporting by the marine industry to federal departments and agencies, thereby reducing costs and the paper burden for industry and the Government of Canada.

OGD Single Window Initiative:

- OGD partners were engaged in high-level business needs assessments to identify business processes and legislative and regulatory changes. The OGD Single Window Initiative document has been distributed to stakeholders and is available on the CBSA's Web site. The CBSA's continued participation in the development of the WCO Data Model ensures that current and future data requirements identified by participating OGDs will be supported.

Program Sub-activity: Information Technology Infrastructure and Operations

Innovative, reliable systems are essential for effective border management. Within this program sub-activity, the CBSA provides secure IT infrastructure, maintains the quality performance of operational systems, and operates and maintains national systems that support the movement of people and goods arriving at the border and the collection of revenues from duties and taxes. This includes researching security-based technological solutions and best practices to increase the effectiveness and efficiency of border operations, security and enforcement. The Agency also provides support to users in related fields and partners in other organizations.

Advancing and delivering on core infrastructure commitments

The IT infrastructure prerequisites will allow for new hardware infrastructure and the faster implementation of new systems, as well as system enhancements. The prerequisites are essential for the development of future key initiatives and programs (including all CBSA SPP priority deliverables) and will increase the CBSA's IT development capacity through more efficient and effective testing. The IT prerequisites for the SPP deliverables

encompass the Synchronous Technology and Application Release (STAR) configuration, independent service delivery and re-engineering solutions.

Another core infrastructure commitment is the CIC transition project, under which 71 existing work sites will be extended and 40 new sites will be established on the CBSA–Canada Revenue Agency network and IT infrastructure. In addition, obsolete PCs will be replaced, workstations will be converted to CBSA standard configurations, software licences will be transferred, shared printers and peripheral devices will be re-installed, and system connectivity to CIC shared applications will be provided.

RPP Commitment

One of the key core infrastructure commitments for the CBSA in 2007–2008, and for the next four years, is the implementation of IT infrastructure prerequisites.

Performance Highlights and Results

- The STAR configuration was fully implemented and Phase I of the independent service delivery was completed. The IT prerequisites will improve time-to-market (i.e. reduced product delivery times) and increase the quality of the STAR configuration, with the end result of improving border security and the processing of people and goods at the border.
- Under the CIC transition project, all remaining national components were transferred. An important component of the Port of Entry Vision, this project will ensure that all CBSA employees are working on the same IT platform with a common tool set.
- In 2007–2008, the CBSA maintained 24/7 operations and a number of automated commercial and traveller systems, including the Accelerated Commercial Release Operations Support System, the Customs Commercial System, the Customs Electronic Commerce Platform, the Integrated Primary Inspection Line and the Passenger Information System. The CBSA's automated commercial systems remained available to internal and external clients 96.5 percent of the time; the traveller systems were available 99.5 percent of the time. In rare cases when an outage did occur, the Agency immediately reacted to and resolved the problem with minimal disruption to border operations through established procedures.

Program Sub-activity: Laboratory and Scientific Services

The CBSA has a world-class laboratory that offers a diverse range of scientific, analytical and research advisory services. Within this program sub-activity, the Agency provides laboratory and scientific services to internal programs and external partners, departments and agencies. The CBSA's research on scientific products and solutions helps modernize border management and increases the effectiveness and efficiency of border operations, particularly in relation to security and enforcement. The Agency also has the capacity to perform in-house physical and chemical analyses of industrial commodities and the forensic examination of documents.

Five-year laboratory strategy

The CBSA has developed a five-year laboratory strategy and an associated action plan. This strategy describes the direction that the CBSA intends to take over the next three to five years to advance and shape the next generation of its innovation, science and technology initiatives.

RPP Commitment

Although no RPP commitment was stated, the CBSA was to finalize its five-year laboratory strategy, which will support the Agency's objectives to employ more evidence-based decision-making, modern technology and innovative approaches.

Performance Highlights and Results

- Key milestones were achieved in finalizing the five-year laboratory strategy, including the following:
 - The strategy was finalized and development started on a framework for the science and engineering forecast.
 - A new Science and Engineering Strategy and Operations Division and an Advance Technology Section were established to explore emerging technologies and initiate work in new areas relevant to the border environment.
 - The CBSA established a science and engineering authority function that links directly with the Agency's objectives to leverage more scientific technology, innovative approaches and evidence-based decision making.

SECTION III — SUPPLEMENTARY INFORMATION

DEPARTMENTAL LINKS TO GOVERNMENT OF CANADA OUTCOMES

The following table shows the Canada Border Services Agency's (CBSA) actual spending for 2007–2008 and aligns the Agency's program activities with Government of Canada outcome areas. As per Treasury Board of Canada Secretariat guidelines, performance reporting on the Corporate Management and Direction program activity is provided in Section IV.

Table 3.1: CBSA Links to Government of Canada Outcome Areas

STRATEGIC OUTCOME: Efficient and effective border management that contributes to the security and prosperity of Canada.

(Thousands of dollars)

Program Activity	Actual Spending 2007–2008			Alignment to Government of Canada Outcome Area
	Budgetary	Non-budgetary	Total	
Access	687,378	-	687,378	▪ A strong and mutually beneficial North American partnership
Security	383,530	-	383,530	▪ Safe and secure communities
Science- and Technology-based Innovation	377,799	-	377,799	▪ A strong and mutually beneficial North American partnership ▪ Safe and secure communities
Total	1,448,707	-	1,448,707	

Table 3.2 outlines the major contribution that the CBSA program activities make to Government of Canada outcome areas.

Table 3.2: CBSA Program Activity Contributions to Government of Canada Outcome Areas

GOVERNMENT OF CANADA OUTCOME AREAS		
Program Activity	Policy Area	Government of Canada Outcome Area
Access	International Affairs	Through the work of the Access program activity, the CBSA ensures the lawful flow of people and goods while promoting compliance with border legislation and regulations.
Security	Social Affairs	Through the work of the Security program activity, the CBSA ensures the safety and security of Canadians within the context of the Government of Canada's security agenda and through effective and efficient border management.
Science- and Technology-based Innovation	International Affairs/ Social Affairs	Through the work of the Science- and Technology-based Innovation program activity, the CBSA uses its science and technology capacity to modernize border management and increase the effectiveness and efficiency of border operations.

COMPARISON OF PLANNED TO ACTUAL SPENDING (INCLUDING FULL-TIME EQUIVALENTS)

Table 3.3: Comparison of the CBSA's Planned Spending to Actual Spending

(Thousands of dollars)

Program Activity	2005–2006 Actual	2006–2007 Actual	2007–2008			
			Main Estimates	Planned Spending	Total Authorities	Actual
Access	682,349	719,283	677,708	679,398	749,978	708,112
Less: Respendable revenue	(15,327)	(20,898)	(17,710)	(17,710)	(20,734)	(20,734)
Net - Access	667,022	698,395	659,998	661,688	729,244	687,378
Security	300,599	358,366	401,580	402,529	480,758	383,530
Science- and Technology- based Innovation	200,841	223,959	378,787	379,248	469,103	377,799
Total	1,168,462	1,280,710	1,440,365	1,443,465	1,679,105	1,448,707
Less: Non-respendable revenue	(43,993)	(54,654)		(42,219)		(62,627)
Plus: Cost of services received without charge	111,685	119,300		111,463	129,284	129,284
Total Agency Spending	1,236,154	1,345,356	1,440,365	1,512,709	1,808,389	1,515,364
Full-time Equivalents	12,077	12,383		13,023		13,802

VOTED AND STATUTORY ITEMS

Table 3.4: The CBSA's Voted and Statutory Items

(Thousands of dollars)

Vote or Statutory Item	Truncated Vote or Statutory Wording	2007–2008			
		Main Estimates	Planned Spending	Total Authorities	Actual
10	Operating expenditures	1,242,329	1,245,151	1,429,161	1,263,345
15	Capital expenditures	52,819	52,819	99,364	34,903
(S)	Contributions to employee benefit plans	145,217	145,495	149,791	149,791
(S)	Spending of proceeds from the disposal of surplus Crown assets			262	141
(S)	Refunds of amounts credited to revenues in previous years			519	519
(S)	Collection agency fees			8	8
	Total	1,440,365	1,443,465	1,679,105	1,448,707

The \$230 million difference between total authorities and actual is mainly the result of the following:

- \$166 million as a net operating lapse, mainly related to delays in the following:
 - the Security and Prosperity Partnership of North America (\$90 million):
 - the implementation of the eManifest project, which received Treasury Board approval to start in fall 2008 (\$84 million), and
 - the Passenger Name Record program (\$6 million);
 - the arming of CBSA officers and efforts to address work-alone situations, specifically the staffing and procurement delays (\$23 million);
 - the delayed installation of the Primary Automated Lookout System (PALS) hardware at ports of entry (\$7 million);
 - the Container Security Initiative — Advance Interdepartmental Reporting (the agreements with participating nations were not consummated within originally planned time frames) (\$10 million);
 - the procurement of specialty equipment for purposes such as radiation detection (the procurement was extremely challenging due to the limited number of qualified suppliers) (\$4 million);
 - the Container Security Initiative — Harmonized Risk Scoring and Advance Trade Data (\$3 million);
 - the difficulties experienced in identifying accommodations needed to house CBSA staff in the National Capital Region (\$3 million);
 - the contracting delays due to technology and equipment specifications (\$3 million);
 - the Canada Post Corporation handling fee account (the resulting lapse is attributed to the reduced volume of items processed where duty applies) (\$3 million);
 - the Electronic Primary Inspection Line booths at Vancouver International Airport (project approval was delayed until January 2008) (\$2 million);
 - the Canadian Police Information Centre Web site (\$2 million); and
 - government advertising programs (\$2 million).
- a \$64 million lapse in capital expenditures, mainly related to delays in the following:
 - the arming of CBSA officers and efforts to address work-alone situations, specifically the construction delays at the Learning Centre in Rigaud, Que., and certain regions requiring facility upgrades to eliminate work-alone situations (\$26 million);
 - the construction projects at ports of entry, such as St. Stephen, N.B., Douglas, B.C., and Lacolle, Que. (\$17 million);
 - the delayed installation of PALS hardware at ports of entry (\$8 million); and
 - the procurement of specialty equipment for purposes such as radiation detection (the procurement was challenging due to the limited number of qualified suppliers) (\$7 million).

LIST OF ELECTRONIC TABLES

The following tables are available on the Treasury Board of Canada Secretariat's Web site at <http://www.tbs-sct.gc.ca>.

Sources of Respendable and Non-respendable Revenue

For supplementary information on the CBSA's sources of respendable and non-respendable revenue, please visit <http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/index-eng.asp>.

User Fees/External Fees

For supplementary information on the CBSA's user fees/external fees, please visit <http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/index-eng.asp>.

Details on Project Spending

For supplementary information on the CBSA's project spending, please visit <http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/index-eng.asp>.

Status Report on Major Crown Projects

- Air cargo security
- eManifest

For supplementary information on the CBSA's major Crown projects, please visit <http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/index-eng.asp>.

Horizontal Initiatives

For supplementary information on the CBSA's horizontal initiatives, please visit http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-rhbd/profil_e.asp.

Sustainable Development Strategy

For supplementary information on the CBSA's Sustainable Development Strategy, please visit <http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/index-eng.asp>.

Response to Parliamentary Committees and External Audits

For supplementary information on the CBSA's response to parliamentary committees and external audits, please visit <http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/index-eng.asp>.

Internal Audits and Evaluations

For supplementary information on the CBSA's internal audits and evaluations, please visit <http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/index-eng.asp>.



FINANCIAL STATEMENTS OF DEPARTMENTS AND AGENCIES (INCLUDING AGENTS OF PARLIAMENT) AND REVOLVING FUNDS FINANCIAL STATEMENTS

Statement of Management Responsibility

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2008 and all information contained in these statements rests with Canada Border Services Agency's (Agency) management. These financial statements have been prepared by management in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the Agency's financial transactions. Financial information submitted to the *Public Accounts of Canada* and included in the Agency's *Departmental Performance Report* is consistent with these financial statements.

Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the *Financial Administration Act*, are executed in accordance with prescribed regulations, within Parliamentary authorities, and are properly recorded to maintain accountability of Government funds. Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout the Agency.

The financial statements of the Agency have not been audited.

Stephen Rigby, President
Ottawa, Canada
August 8, 2008

Sylvain St-Laurent, Senior Financial Officer
Ottawa, Canada
August 8, 2008

Canada Border Services Agency
Statement of Operations (Unaudited)
For the Year Ended March 31
(in thousands of dollars)

	2008			2007	
	Access	Security	"Science & Technology"	Total	Total
Revenues					
Tax revenues					
Excise taxes (Note 4)	19,586,767	0	0	19,586,767	21,370,613
Customs import duties	3,902,834	0	0	3,902,834	3,704,222
Excise duties	1,235,082	0	0	1,235,082	895,237
	<u>24,724,683</u>	<u>0</u>	<u>0</u>	<u>24,724,683</u>	<u>25,970,072</u>
Non-tax revenues					
Interest, penalties and fines	31,457	52	54	31,563	27,928
Seized property	22,135	0	0	22,135	15,727
Sale of goods and services	18,837	1,646	159	20,642	22,820
Forfeitures of cash bonds	0	2,050	0	2,050	2,057
Miscellaneous	604	341	355	1,300	1,828
Gain on sale of assets	64	36	38	138	214
	<u>73,097</u>	<u>4,125</u>	<u>606</u>	<u>77,828</u>	<u>70,574</u>
Total Revenues	<u>24,797,780</u>	<u>4,125</u>	<u>606</u>	<u>24,802,511</u>	<u>26,040,646</u>
Operating Expenses					
Salaries and employee benefits	644,881	294,218	156,527	1,095,626	1,044,122
Professional and special services	79,708	83,766	97,052	260,526	197,890
Transportation and telecommunication	24,509	30,530	12,754	67,793	54,728
Rental of land and buildings	26,259	15,035	15,525	56,819	52,611
Amortization	12,788	12,131	7,459	32,378	28,431
Materials and supplies	12,796	8,091	5,213	26,100	19,017
Repair and maintenance	11,795	7,385	6,663	25,843	27,948
Consumable machinery and equipment (parts)	5,995	8,537	4,939	19,471	18,072
Other	3,591	3,733	1,059	8,383	5,646
Bad debts (Recovery)	(35,434)	0	0	(35,434)	50,996
Total Expenses	<u>786,888</u>	<u>463,426</u>	<u>307,191</u>	<u>1,557,505</u>	<u>1,499,461</u>
Net Results	<u>24,010,892</u>	<u>(459,301)</u>	<u>(306,585)</u>	<u>23,245,006</u>	<u>24,541,185</u>

The accompanying notes form an integral part of these financial statements.

Canada Border Services Agency
Statement of Financial Position (Unaudited)
At March 31
(in thousands of dollars)

	<u>2008</u>	<u>2007</u>
ASSETS		
Financial assets		
Cash	1,271,299	2,066,739
Accounts receivable and advances (Note 5)	406,050	17,444
Taxes receivable (Note 6)	1,376,608	1,295,042
Total financial assets	<u>3,053,957</u>	<u>3,379,225</u>
Non-financial assets		
Prepaid expenses	266	159
Inventory	7,205	3,806
Tangible capital assets (Note 7)	334,580	312,329
Total non-financial assets	<u>342,051</u>	<u>316,294</u>
TOTAL	<u><u>3,396,008</u></u>	<u><u>3,695,519</u></u>
LIABILITIES AND EQUITY OF CANADA		
Liabilities		
Accounts payable and accrued liabilities (Note 8)	2,020,323	176,183
Payable to provinces (Note 9)	6,907	8,242
Taxes payable	22,570	23,666
Deposit accounts (Note 10)	39,547	40,823
Employee severance benefits (Note 11)	182,784	168,061
	<u>2,272,131</u>	<u>416,975</u>
Equity of Canada	1,123,877	3,278,544
TOTAL	<u><u>3,396,008</u></u>	<u><u>3,695,519</u></u>

Contingent liabilities (Note 12)

Contractual obligations (Note 13)

The accompanying notes form an integral part of these financial statements.

Canada Border Services Agency
Statement of Equity of Canada (Unaudited)
For the Year Ended March 31
(in thousands of dollars)

	<u>2008</u>	<u>2007</u>
Equity of Canada, beginning of year	3,278,544	3,197,810
Net results	23,245,006	24,541,185
Current year appropriations used (Note 3)	1,448,707	1,281,100
Revenue not available for spending	(24,803,029)	(26,041,424)
Change in net position in the Consolidated Revenue Fund (Note 3)	(2,174,632)	180,573
Services provided without charge from other government departments (Note 14)	129,281	119,300
Equity of Canada, end of year	<u><u>1,123,877</u></u>	<u><u>3,278,544</u></u>

The accompanying notes form an integral part of these financial statements.

Canada Border Services Agency
Statement of Cash Flow (Unaudited)
For the Year Ended March 31
(in thousands of dollars)

	<u>2008</u>	<u>2007</u>
Operating activities		
Net results	23,245,006	24,541,185
Non-cash items:		
Services provided without charge by other government departments	129,281	119,300
Amortization of tangible capital assets	32,378	28,431
Loss on disposals and adjustments to capital assets	(6,118)	(8,866)
Legal Services (Justice) expense	0	435
Bad debt expense	264	158
Contaminated sites expense	(98)	(59)
Variations in Statement of Financial Position:		
(Increase) in accounts receivable and advances	(388,606)	(9,364)
(Increase) in tax receivables	(81,566)	(123,583)
(Increase) in prepaid expenses	(107)	(159)
(Increase) Decrease in inventory	(3,399)	552
Increase in accounts payable and accrued liabilities	1,844,140	16,279
(Decrease) Increase in payable to provinces	(1,335)	673
(Decrease) Increase in deposit accounts	(1,276)	1,153
(Decrease) in tax payables	(1,096)	(470)
Increase in employee severance benefits	14,723	49,773
Cash generated by operating activities	<u>24,782,191</u>	<u>24,615,438</u>
Capital investment activities		
Acquisitions of tangible capital assets	(48,815)	(40,210)
Proceeds from disposal of tangible capital assets	138	214
Cash used by capital investment activities	<u>(48,677)</u>	<u>(39,996)</u>
Financing activities		
Net cash forwarded to the Government of Canada	(25,528,954)	(24,579,751)
Net cash used	<u>(795,440)</u>	<u>(4,309)</u>
Cash, beginning of year	<u>2,066,739</u>	<u>2,071,048</u>
Cash, end of year	<u><u>1,271,299</u></u>	<u><u>2,066,739</u></u>

The accompanying notes form an integral part of these financial statements.

1. Authority and Objectives

The Canada Border Services Agency is responsible for providing integrated border services that support national security and public safety priorities and facilitate the free flow of persons and goods. The *Canada Border Services Agency Act* received royal assent on November 3, 2005. The Agency is a departmental corporation named in Schedule II of the *Financial Administration Act* and reports to Parliament through the Minister of Public Safety. The Agency is funded through appropriations from the Government of Canada.

The Agency is responsible for the administration and enforcement of the following acts or portions of these acts: the *Customs Act*, the *Customs Tariff*, the *Excise Act*, the *Excise Tax Act*, the *Citizenship Act*, the *Immigration and Refugee Protection Act*, as well as other acts on behalf of other federal departments and provinces.

In delivering efficient and effective border management that contributes to the security and prosperity of Canada, the Agency operates under the following program activities:

- (a) The Access program activity ensures the lawful flow of people and goods while promoting compliance with border legislation/regulations.
- (b) The Security program activity, within the context of the government's security agenda, and through effective and efficient border management, ensures the safety and security of Canadians.
- (c) The Science- and Technology-Based Innovation ("Science and Technology") program activity utilizes the science and technology capacity of the Canada Border Services Agency to modernize border management and increase the effectiveness and efficiency of border operations.

2. Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Significant accounting policies are as follows:

(a) Parliamentary appropriations

The Agency is financed by the Government of Canada through Parliamentary appropriations. Appropriations provided to the Agency do not parallel financial reporting according to generally accepted accounting principles since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the statement of operations and the statement of financial position are not necessarily the same as those provided through appropriations from Parliament. Note 3 provides a high-level reconciliation between the bases of reporting.

(b) Net Cash Forwarded to the Government of Canada

The Agency operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by the Agency is deposited to the CRF and all cash disbursements made by the Agency are paid from the CRF. The net cash forwarded to the Government of Canada is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal government.

(c) Change in net position in the Consolidated Revenue Fund

The change in net position in the Consolidated Revenue Fund is the difference between the net cash provided by Government and appropriations used in a year, excluding the amount of non-responsible revenue recorded by the Agency. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.

(d) Tax revenues

Tax revenues reported in this statement include revenues assessed under the authority of the *Customs Act*, the *Customs Tariff*, the *Excise Act* and the *Excise Tax Act*. These taxes include: excise taxes, which consist of the goods and services tax (GST) and the harmonized sales tax (HST), excise duties and customs import duties. Domestic HST and GST, as well as the input tax credits accorded for GST/HST paid on importations and domestic transactions, are not reflected in these statements as the Canada Revenue Agency is responsible for their administration.

The determination of the Agency's tax revenues is based on the taxes and duties assessed that relate to goods authorized by the Agency to enter into Canada during the fiscal year that ended March 31. These revenues are recognized at the time the goods are released.

The Canadian customs and tax systems are predicated on self-assessment where importers are expected to understand the laws and comply with them. This has an impact on the completeness of duty and tax revenues when importers fail to comply with laws, for example, if they do not declare or incorrectly declare goods imported. The Agency has implemented systems and controls in order to detect and correct situations where importers are not complying with the various acts it administers. These systems and controls include performing audits of importer records where determined necessary by the Agency. Such procedures cannot be expected to identify all undeclared or incorrectly declared importations or other cases of non-compliance. The Agency does not estimate the amount of unreported duties and taxes. However, such amounts are included in revenues when assessed.

(e) Non-tax revenues

Non-tax revenues reported in this statement include revenues collected on behalf of the Government of Canada under the *Immigration and Refugee Protection Act*, the *Agriculture and Agri-Food Administrative Monetary Penalties Act* and other similar legislation.

Non-tax revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenue.

(f) Expenses

All expenses are recorded on an accrual basis:

- Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment. The liability for vacation pay and compensatory leave is calculated at the salary levels in effect at the end of the year for all unused vacation pay and compensatory leave benefits accruing to employees.
- Services provided without charge by other government departments for accommodation, workers' compensation benefits, the employer's contribution to the health and dental insurance plans and legal services are recorded as operating expenses at their estimated cost.

(g) Cash

Cash includes amounts received in Agency offices or by Agency agents as at March 31 but not yet deposited to the credit of the CRF of the Government of Canada.

(h) Accounts receivable and advances

Accounts receivable and advances are stated at amounts expected to be ultimately realized; a provision is made for doubtful accounts where recovery is considered uncertain.

(i) Taxes receivable

Taxes receivable represent duties and taxes and other revenues assessed or estimated by the Agency but not yet collected. All receivables are stated at amounts ultimately expected to be realized. A provision is made for doubtful accounts where recovery is considered uncertain. This allowance for doubtful accounts reflects management's best estimate of the collectibility of amounts assessed but not yet paid.

(j) Inventory

Inventory consists of forms, publications and uniforms and is not intended for resale. Items in the inventory are valued at cost using the weighted average cost method. Items that are considered obsolete are written off. The cost of inventory is charged to operations in the period in which the items are used.

(k) Tangible capital assets

All tangible capital assets having an initial cost of \$10,000 or more are recorded at their acquisition cost. Amortization of capital assets, except land, is performed on a straight-line basis over the estimated useful lives of the assets as follows:

<u>Asset class</u>	<u>Amortization period</u>
Buildings	30 years
Works and infrastructure	40 years
Machinery and equipment	10 years
Information technology equipment	5 years
In-house-developed software	7 years
Purchased software	3 years
Vehicles	5 years
Assets under construction	Once in service, determined in accordance with asset type

(l) Taxes payable

Taxes payable to importers represent refunds and related interest resulting from assessments completed after March 31 for excise duties, customs import duties and GST/HST for current or prior year imports.

(m) Employee future benefits

- (i) Pension benefits: Eligible employees participate in the Public Service Superannuation Plan, a multi-employer plan administered by the Government of Canada. The Agency's contributions to the Plan are charged to expense in the year incurred and represent the Agency's total obligation to the Plan. Current legislation does not require the Agency to make contributions for any actuarial deficiencies of the Plan.

- (ii) Severance benefits: Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

(n) Contingent liabilities

Contingent liabilities are potential liabilities, which may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

(o) Environmental liabilities

Environmental liabilities reflect the estimated costs related to the management and remediation of contaminated sites. Based on management's best estimates, a liability is accrued and an expense recorded when the contamination occurs or when the Agency becomes aware of the contamination and is obligated or is likely to be obligated to incur remedial costs. If the likelihood of the Agency's obligation to incur these costs is either not determinable or unlikely, or if an amount cannot be reasonably estimated, the costs are disclosed as contingent liabilities in the notes to the financial statements.

(p) Measurement uncertainty

The preparation of these financial statements, in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable.

The most significant items where estimates are used are contingent liabilities, environmental liabilities, the liability for employee severance benefits, the allowances for doubtful accounts and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

3. Parliamentary Appropriations

The Agency receives most of its funding through Parliamentary appropriations. Items recognized in the statement of operations and the statement of financial position in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, the Agency has different net results for the year on a government funding basis than on an accrual accounting basis.

These differences are reconciled below:

(a) Reconciliation of net results to current year appropriations used

	<u>2008</u>	<u>2007</u>
	<i>(in thousands of dollars)</i>	
Net results	(23,245,006)	(24,541,185)
Adjustments for items affecting net results but not affecting appropriations		
Add (Less):		
Revenue not available for spending	24,803,029	26,041,424
Services provided without charge	(129,281)	(119,300)
Amortization of tangible capital assets	(32,378)	(28,431)
Employee severance benefits	(14,723)	(49,773)
Other	14,745	(61,845)
	<u>24,641,392</u>	<u>25,782,075</u>
Adjustments for items not affecting net results but affecting appropriations		
Add:		
Acquisition of tangible capital assets	48,815	40,210
Inventory purchased	3,399	0
Prepaid expenses	107	0
	<u>52,321</u>	<u>40,210</u>
Current year appropriations used	<u><u>1,448,707</u></u>	<u><u>1,281,100</u></u>

(b) Appropriations provided and used

	<u>2008</u>	<u>2007</u>
	<i>(in thousands of dollars)</i>	
<u>Parliamentary appropriations</u>		
Vote 10 – Operating expenditures	1,429,161	1,264,927
Vote 15 – Capital expenditures	99,364	51,674
	<u>1,528,525</u>	<u>1,316,601</u>
<u>Statutory amounts</u>		
Contributions to employee benefit plans	149,791	136,844
Spending proceeds from disposal of surplus crown assets	262	365
Refunds of amounts credited to revenues from previous years	519	718
Collection agency fees	8	0
	<u>150,580</u>	<u>137,927</u>
<u>Available for use in subsequent years</u>		
Vote 10 – Operating expenditures	(165,816)	(151,775)
Vote 15 – Capital expenditures	(64,462)	(21,529)
	<u>(230,278)</u>	<u>(173,304)</u>
Appropriations available for future years	(120)	(124)
Current year appropriations used	<u><u>1,448,707</u></u>	<u><u>1,281,100</u></u>

(c) Reconciliation of net cash provided by (forwarded to) Government to current year appropriations used

	<u>2008</u>	<u>2007</u>
	<i>(in thousands of dollars)</i>	
Net cash provided by (deposited to) Government	(25,528,954)	(24,579,751)
Revenue not available for spending	24,803,029	26,041,424
Change in net position in the Consolidated Revenue Fund		
Variation in accounts receivable	325,268	(132,947)
Variation in accounts payable and accrued liabilities	1,840,433	7,455
Other adjustments	8,931	(55,081)
	<u>2,174,632</u>	<u>(180,573)</u>
Current year appropriations used	<u><u>1,448,707</u></u>	<u><u>1,281,100</u></u>

4. Excise Taxes

Effective January 1, 2008, the GST and HST rates applied against imported goods were reduced from 6% and 14% to 5% and 13% respectively. The excise tax revenue amount appearing in the statement of operations reflects the reduction in the rates. Revenues from excise taxes are remitted in monthly installments to the Department of Finance Canada on the basis of a remittance schedule set by that department. The amounts remitted represent the participating provinces' share of the HST collected by the Agency under the terms of the Comprehensive Integrated Tax Coordination Agreement.

The following table presents details of the excise tax revenues:

	<u>2008</u>	<u>2007</u>
	<i>(in thousands of dollars)</i>	
GST/HST (net)	19,448,447	21,290,302
Excise tax-gasoline	91,955	56,615
Other excise tax	46,365	23,696
Total excise taxes	<u><u>19,586,767</u></u>	<u><u>21,370,613</u></u>

5. Accounts Receivable and Advances

The following table presents details of the accounts receivable and advances:

	<u>2008</u>	<u>2007</u>
	<i>(in thousands of dollars)</i>	
Receivables from other Federal Government departments and agencies	400,581	12,905
Receivables from external parties	4,338	3,650
Employee advances and other receivables	1,832	1,510
	<u>406,751</u>	<u>18,065</u>
Less: allowance for doubtful accounts on external receivables	(701)	(621)
Total	<u>406,050</u>	<u>17,444</u>

6. Taxes Receivable

Taxes receivable represent the customs duties, excise taxes, GST and HST due to the Receiver General for Canada as a result of importations into Canada.

The following table presents details of taxes receivable:

	<u>2008</u>	<u>2007</u>
	<i>(in thousands of dollars)</i>	
Taxes receivable	1,498,855	1,450,393
Less: allowance for doubtful accounts	(122,247)	(155,351)
Net taxes receivable	<u>1,376,608</u>	<u>1,295,042</u>

7. Tangible Capital Assets

(in thousands of dollars)

Capital asset class	Cost				Accumulated amortization				2008	2007
	Opening balance	Acquisitions	Transfers, disposals, write-offs	Closing balance	Opening balance	Amortization	Transfers, disposals, write-offs	Closing balance	Net book value	Net book
Land	4,402	802	0	5,204	0	0	0	0	5,204	4,402
Buildings	142,232	5,327	0	147,559	45,574	4,873	0	50,447	97,112	96,658
Works and infrastructure	1,124	0	0	1,124	335	21	0	356	768	789
Machinery and equipment	63,832	1,422	(3,390)	61,864	27,262	5,777	(3,055)	29,984	31,880	36,570
Information technology equipment, in-house-developed and purchased software	122,788	837	8,915	132,540	49,019	19,173	(1,861)	66,331	66,209	73,769
Vehicles	24,348	3,224	(817)	26,755	18,360	2,534	(817)	20,077	6,678	5,988
Assets under construction	94,153	37,203	(4,627)	126,729	0	0	0	0	126,729	94,153
Total	452,879	48,815	81	501,775	140,550	32,378	(5,733)	167,195	334,580	312,329

8. Accounts Payable and Accrued Liabilities

The following table presents details of accounts payable and accrued liabilities:

	<u>2008</u>	<u>2007</u>
	<i>(in thousands of dollars)</i>	
Payables to external parties	45,877	45,088
Payables to other Federal Government Departments and agencies	1,876,369	48,948
Accrued salary, vacation pay and compensatory leave	98,077	82,147
Total	<u>2,020,323</u>	<u>176,183</u>

9. Payable to Provinces

The following table presents details on the memorandums of understanding (MOUs) that have been established between the provinces and the Agency, whereby the Agency collects provincial sales, alcohol and tobacco taxes on behalf of the provinces and remits these collections directly to the provinces.

	<u>2008</u>	<u>2007</u>
	<i>(in thousands of dollars)</i>	
Payable to provinces, beginning of year	8,242	7,569
Receipts from taxpayers	102,245	78,779
Refunds to taxpayers	(1,249)	(1,578)
Payments to provinces	(102,331)	(76,528)
Payable to provinces, end of year	<u>6,907</u>	<u>8,242</u>

10. Deposit Accounts

The deposit accounts were established to record cash and securities required to guarantee payment of customs duties and excise taxes on imported goods pursuant to the *Customs Act* and the *Excise Tax Act* and to guarantee the compliance of transporters and individuals with the provisions of the *Immigration and Refugee Protection Act*.

The following table presents details on the deposit accounts:

	<u>Opening</u>		<u>Closing</u>
	<u>Balance</u>	<u>Receipts</u> <u>Payments</u>	<u>Balance</u>
	<i>(in thousands of dollars)</i>		
Guarantee deposit accounts	36,248	12,432 (14,198)	34,482
Other deposit accounts	4,575	490 0	5,065
Total deposit accounts	<u>40,823</u>	<u>12,922</u> <u>(14,198)</u>	<u>39,547</u>

11. Employee Severance Benefits

(a) Pension benefits

The Agency's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of two percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Quebec pension plan benefits and they are indexed to inflation.

Both the employees and the Agency contribute to the cost of the Plan. The 2007-2008 expense amounts to \$26,513,000 (\$21,622,000 in 2006-2007), which represents approximately 2.6 times the contributions made by employees.

The Agency's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

(b) Severance benefits

The Agency provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future appropriations. Information about the severance benefits, measured as at March 31, is as follows:

	<u>2008</u>	<u>2007</u>
	<i>(in thousands of dollars)</i>	
Accrued benefit obligation, beginning of year	168,061	118,288
Expense for the year	26,158	59,390
Benefits paid during the year	(11,435)	(9,617)
Accrued benefit obligation, end of year	<u>182,784</u>	<u>168,061</u>

12. Contingent Liabilities

(a) Contaminated sites

Liabilities are accrued to record the estimated costs related to the management and remediation of contaminated sites where the Agency is obligated or likely to be obligated to incur such costs. The Agency identified one additional site in 2008 (one additional site in 2007) where such action is possible and for which a liability of \$770,000 (\$870,000 in 2007) has been recorded. The Agency's ongoing efforts to assess contaminated sites may result in additional environmental liabilities related to newly identified sites, or changes in the assessments or intended use of existing sites. These liabilities will be accrued in the year in which they become known.

(b) Claims and litigation

Claims have been made against the Agency in the normal course of operations. Legal proceedings for claims totalling approximately \$121,000,000 (\$191,000,000 in 2007) were still pending as at March 31, 2008. In addition, appeals for previously assessed customs duties, excise duties, GST and HST have been received in the amount of \$89,000,000 (\$76,000,000 in 2007).

Some of these claims and appeals may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability and expense are recorded in the financial statements. As at March 31, 2008, the Agency has recorded an estimated liability of \$290,000 (\$290,000 in 2007) in relation to claims and appeals.

13. Contractual Obligations

The nature of the Agency's activities can result in large multi-year contracts and obligations whereby the Agency will be obligated to make future payments when the services are received.

The only significant contractual obligation that can be reasonably estimated relates to an immigration detention centre located in Toronto. Total contractual obligation for this centre amounts to \$23,000,000 for the next fiscal year.

14. Related Party Transactions

The Agency is related in terms of common ownership to all Government of Canada departments, agencies and Crown corporations. The Agency enters into transactions with these entities in the normal course of business and on normal trade terms. Also during the year, the Agency received services, which were obtained without charge from other government departments as presented in part (a).

(a) Services provided without charge:

During the year, the Agency received without charge from other departments, accommodation, legal services, workers' compensation coverage and the employer's contribution to the health and dental insurance plans. These services without charge have been recognized in the Agency's statement of operations as follows:

	<u>2008</u>	<u>2007</u>
	<i>(in thousands of dollars)</i>	
Accommodation	56,388	52,062
Employer's contribution to the health and dental insurance plans	67,509	62,388
Workers' compensation coverage	523	452
Legal services	4,861	4,398
	<u>129,281</u>	<u>119,300</u>

The Government has structured some of its administrative activities for efficiency and cost-effectiveness such that one department performs these on behalf of all without charge. The costs of these services, which include payroll and cheque issuance services provided by Public Works and Government Services Canada are not included as an expense in the Agency's statement of operations.

b) Administration of programs:

The Agency has arrangements with the Canada Revenue Agency for the provision of information technology services, which are paid for on a quarterly basis (total of \$131,590,000 for 2008 and \$97,406,000 in 2007).

SECTION IV — OTHER ITEMS OF INTEREST

CORPORATE MANAGEMENT AND DIRECTION

The Corporate Management and Direction program activity provides the corporate direction, human resources (HR) services, comptrollership direction and legal services to support and manage the Canada Border Services Agency (CBSA). It is also responsible for implementing modern management processes and promoting organizational effectiveness.

The Corporate Management and Direction program activity consists of three program sub-activities: Corporate Direction, Human Resources and Comptrollership.

Program Sub-activity: Corporate Direction

The strategic direction and framework for the CBSA is provided through the Corporate Direction program sub-activity. This includes the overall direction and coordination for the CBSA, legal advice on the CBSA's operations and policies, strategic and operational communications, internal audits, strategic planning (including risk management), research and evaluation studies, advice and guidance, support for the governance structure and decision-making capacity, the management of intergovernmental and internal relations, and ensuring the national direction of program support services for the regions.

Internal audit

The CBSA's internal audit function supports positive changes and includes providing value-added quality services and reports to the President, the Audit Committee and CBSA senior management. By liaising between the Agency and the Office of the Auditor General of Canada (OAG) and other external review organizations, and by conducting internal audits on Agency programs and activities, the internal audit function demonstrates the CBSA's stewardship of public funds and assets, its management accountability and leadership, and how the CBSA achieves program results.

RPP Commitment

Although no commitment was stated in the CBSA's 2007–2008 Report on Plans and Priorities (RPP), the CBSA was to deliver nine internal audits based on its multi-year, risk-based plan. In addition, the Agency was to coordinate a major external audit to be conducted by the OAG; the resulting report was entitled the *2007 October Report of the Auditor General of Canada*.

Performance Highlights and Results

In addition to conducting nine internal audits, the Agency coordinated a major external audit conducted by the OAG. The report can be found on the OAG's Web site at http://www.oag-bvg.gc.ca/internet/English/parl_oag_200710_e_23823.html. Chapter 5, "Keeping the Border Open and Secure," examined whether the CBSA's approach to border management is based on threat and risk assessments and achieves the desired levels of border openness and security. Conducted between October 2006 and May 2007, the OAG audit made 14 recommendations that addressed five major areas:

- strengthening the Agency's risk-management framework and practices;
- improving controls and monitoring;
- documenting referral decisions and examination results to enhance performance measurement;
- developing and evaluating national training programs; and
- implementing emergency response plans.

The Agency's response to the audit's recommendations is included in the report. The CBSA has developed a management action plan that sets out the key milestones for the ongoing implementation of the OAG's recommendations, some of which have already been implemented in the above-referenced areas. These recommendations are making a valuable contribution to the improvement of the CBSA's performance in terms of governance, accountability and controls.

Risk management

A key activity in the implementation of a modern management regime at the CBSA is the development and implementation of an Integrated Risk Management Framework (IRMF) that is consistent with related Treasury Board policies and best practices in other departments. The IRMF, which integrates existing risk-based strategies, processes and tools into a comprehensive, Agency-wide framework, will ensure there is a consistent approach, controls and indicators for identifying, managing and monitoring risks across all Agency programs, and serve to transparently integrate risk into management decision making and priority setting.

RPP Commitment

Although no RPP commitment was stated, the CBSA was to build on its early stages of integrated risk management and to develop an IRMF.

Performance Highlights and Results

- The CBSA completed two of four milestones in the development of its IRMF: a gap analysis of risk-management practices and a needs-assessment report, as recommended

in the *2007 October Report of the Auditor General of Canada*. The implementation of the final IRMF is scheduled to begin in 2008–2009.

- The Agency completed an Enterprise Risk Profile (ERP) with the following results:
 - The CBSA refined the 12 enterprise risks identified in 2006–2007 and focused on managing the top six risks: financial resources sufficiency, staff capability and capacity, system/technology sufficiency, transformation/change management, response capability, and errors and omissions.
 - The Executive Management Committee continually monitors and reviews progress in mitigating key corporate risks.
 - The CBSA's ERP and strategically aligned planning cycle is current, approved and open to potential new, higher level risks.
 - Corporate planning is more informed by risk management.
 - Accountabilities are assigned for the implementation of mitigation strategies.
 - Mitigation strategies are being implemented to address the Agency's organizational sustainability and operational effectiveness.

Implementing a strong performance measurement platform

The CBSA's performance measurement platform includes reports and tools that enable the Agency to track its progress towards meeting its vision and priorities and to concisely demonstrate results and the benefit of programs and activities to Canadians.

RPP Commitment

In 2007–2008, the Agency committed to making its performance measurement platform more robust to better support decision making. Specifically, the CBSA was to revise and complete the development of the Program Activity Architecture (PAA), including results, indicators and accountabilities in accordance with Treasury Board of Canada Secretariat (TBS) guidelines.

Performance Highlights and Results

- Following the amendment of its PAA in 2007–2008, the CBSA created a task force to develop a Performance Measurement Framework (PMF). By doing so, the Agency moved forward in establishing a comprehensive performance measurement platform. This platform uses existing tools and reports that include results statements, indicators and accountabilities as required by the TBS's *Management, Resources, and Results Structure Policy*. The new PAA and PMF were implemented on April 1, 2008.

Stabilizing and strengthening the access to information and privacy function

In accordance with the principles of open government and protecting the privacy of individuals, the CBSA must comply with the statutory requirements of the *Access to Information Act* and the *Privacy Act*. To that end, the Agency is further reducing access

to information and privacy (ATIP) request backlogs, enabling the CBSA to meet legislative requirements for most requests. The Agency is also finalizing the organizational structure and developing a training and recruitment plan for the ATIP function to ensure future consistency with requirements.

RPP Commitment

In 2007–2008, the CBSA committed to further reducing its ATIP request backlogs, enabling the Agency to meet legislative requirements for the majority of requests. Also, the Agency was to finalize the organizational structure and develop a training and recruitment plan for the ATIP function to ensure future consistency with requirements.

Performance Highlights and Results

- The Agency’s backlog was reduced by more than 60 percent, from 752 requests to 284 requests carried forward into 2007–2008; 443 requests were carried forward from 2005–2006 into 2006–2007. In addition, most requests are now completed within legislated time frames. Table 4.1 shows the number of received and completed access to information requests and the significant improvement made in completing those requests on time over the past three fiscal years. The number of requests carried forward from one year to the next does not appear in the number of decisions received.

Table 4.1: Access to Information Requests (2005–2006 to 2007–2008)

2005–2006 to 2007–2008			
Fiscal Year	Received	Completed	On Time
2005–2006	670	402	156
2006–2007	945	1,064	320
2007–2008	1,030	1,197	781

International affairs

Through its partnerships with new global players and regional leaders, the CBSA is identifying a number of priority partnerships through which to engage on issues related to national security and the international movement of goods and persons. Key partners include other government departments, primarily Citizenship and Immigration Canada, Foreign Affairs and International Trade Canada, the RCMP, the Canadian International Development Agency and Transport Canada; foreign border management administrations; multilateral organizations such as the World Customs Organization (WCO); and the private sector. The CBSA’s participation in a number of international forums provides the Agency with the opportunity to influence the evolution of accepted rules and standards affecting the global movement of goods and persons.

RPP Commitment

Although no RPP commitment was stated, the CBSA was to continue to maintain and develop strong international partnerships and relationships, enhance bilateral cooperation and participate in key border management forums, including the WCO, the World Trade Organization, the G8, the Four Country Conference and Border Five, a new informal forum on customs and border management policy issues.

Performance Highlights and Results

- The CBSA pursued more robust partnerships with the United States, the United Kingdom, Australia, the European Commission, France, Germany, Japan, New Zealand and the Netherlands. The Agency also forged effective partnerships with Chile, Mexico and South Africa. In addition, the CBSA hosted more than 30 high-level international delegations in Canada to discuss issues of mutual importance and held numerous working-level visits and meetings.
- The CBSA and U.S. Customs and Border Protection (CBP) moved forward on key bilateral Security and Prosperity Partnership of North America initiatives, including NEXUS, the Free and Secure Trade program, the Container Security Initiative (CSI) and the Advance Passenger Information/Passenger Name Record (API/PNR) program. The CBSA, U.S. CBP and Mexico Customs and their respective sectors cooperated in promoting the implementation of the WCO Framework of Standards to Secure and Facilitate Global Trade (SAFE) and in providing capacity-building assistance in Argentina and El Salvador.
- The Agency signed a customs mutual assistance agreement with the Netherlands and memoranda of cooperation on the CSI with South Africa and Panama, and began CSI negotiations with Japan; met with European Union officials on API/PNR data to discuss the need to initiate negotiations for a new agreement; enhanced bilateral cooperation through several non-binding arrangements; initiated a customs arrangement with Chile; and coordinated a mutual recognition arrangement between Canada and the United States under the Partners in Protection and Customs-Trade Partnership Against Terrorism programs.
- The CBSA President continued for the second year as WCO Vice-Chair and regional representative of the Americas and the Caribbean region. This role enables the Agency to develop and strengthen its partnerships within that region.
- Capacity-building programs and activities were initiated under the WCO (the most significant being the Columbus Programme — Aid for SAFE trade) and at the bilateral level. In support of the objectives outlined in the Agency's International Strategic Framework and to contribute to the Government of Canada's foreign, trade and aid policies, the CBSA participated in capacity-building projects to provide supply-chain security and trade-facilitation administration to assist a number of

countries, including Costa Rica, El Salvador, Guatemala, Haiti, Mexico, Panama and St. Lucia in the Americas and the Caribbean; South Africa and Benin in Africa; and the Ukraine in Europe.

Values and ethics

The CBSA continues to implement its Values and Ethics Program Action Plan. This includes carrying out activities to help employees identify, assess and resolve ethical issues in keeping with the responsibilities outlined in the *Values and Ethics Code for the Public Service* and the *CBSA Code of Conduct*. The CBSA's national values and ethics advisors, working with an Agency-wide network, consult with other departments and agencies to benefit from their best practices and establish a robust values and ethics regime.

RPP Commitment

In 2007–2008, the CBSA committed to move forward with its Values and Ethics Program Action Plan and to measure and track the Plan's effectiveness.

Performance Highlights and Results

- The CBSA focused on designing and delivering values and ethics training sessions for Port of Entry Recruit Training (POERT) recruits, providing ethics awareness sessions in the regions and at CBSA Headquarters (HQ), and designing and delivering information sessions to build awareness of the provisions of the *Public Servants Disclosure Protection Act*, which came into force in April 2007.
- The Agency continued to consult with other departments and share best practices, many of which have been incorporated into the design of a core values and ethics training module for all employees, which will be piloted and implemented in 2008–2009.

Informal Conflict Management System

The CBSA's Informal Conflict Management System (ICMS), through a network of ICMS regional advisors, coordinators and trained volunteer mediators, continues to raise the profile and understanding of the ICMS as an alternative to a formal dispute.

RPP Commitment

In 2007–2008, the CBSA was to devote particular attention to including union representatives on committees and working groups, building consultation infrastructures and resolving issues of concern by way of both informal and formal processes.

Performance Highlights and Results

- The CBSA and the unions signed a formal pledge of commitment to the principles of the ICMS and to effectively manage conflict at the Agency.

- Awareness and understanding of the ICMS as an alternative to formal dispute resolution at the Agency increased. The ICMS policy framework was created, which provides information on the ICMS service, activity measures, roles of the regional ICMS advisors and a grievance abeyance process and related principles. Table 4.2 outlines the services provided and work undertaken by the ICMS team over the past fiscal year.

Table 4.2: ICMS Services Provided in 2007–2008

ICMS Services 2007–2008	
ICMS Services Provided	No. of Employees/Sessions
Employees who were provided with advice and program information	672
Employees who were provided with conflict coaching	403
Facilitated discussions	78
Mediations	28
Group sessions	18
Employees who attended a training or skill-building session	1,169
Employees who attended awareness sessions	2,578

Program Sub-activity: Human Resources

HR services and advice are provided through the Human Resources program sub-activity. This includes developing and implementing an integrated framework of HR strategies, policies and programs; providing functional guidance and support for operations; developing and delivering training and learning strategies and products; developing sound staffing and classification programs for the CBSA; providing labour relations strategies and advice; promoting occupational health and safety; and implementing collective agreements for the CBSA.

Developing an integrated HR plan

An integrated HR plan identifies current and future HR needs for the CBSA and optimal strategies and activities for HR management programs and services such as recruitment, retention, learning, employee development, employment equity, official languages, classification, wellness and succession management.

RPP Commitment

In 2007–2008, the Agency committed to developing a more detailed, integrated HR plan that would serve as a link between HR management and the Agency’s overall strategic plan.

Performance Highlights and Results

- A more detailed, integrated HR plan was developed based on six key priorities; the plan is expected to be finalized in 2008–2009.
- An HR planning toolkit was developed to help managers prepare HR plans in a rigorous manner and to support consistency across the Agency.
- HR plans and strategies were developed for eight regions.
- HR planners were trained across the country to build HR planning capacity.

Developing a leadership framework that will include a support network

The Agency continues the development of its leadership framework in support of the CBSA's priority of a modern management regime. The framework focuses on the unique learning needs of the Agency's managers.

RPP Commitment

As part of the CBSA's HR planning in 2007–2008, the Agency committed to develop a leadership framework that would help it attract, develop and retain the best, brightest and most creative leaders; build a CBSA leadership capacity to develop sound policy; deliver excellent service; and meet evolving CBSA business goals.

Performance Highlights and Results

- The CBSA's leadership strategy was launched to define the various avenues to build leadership capacity.
- A CBSA-specific leadership course entitled "Gateway to Leadership...The Adventure Begins!" was piloted to address leadership knowledge and skills.
- A standard meeting agenda and tool was developed and piloted within selected regions and branches to facilitate meetings with employees on the CBSA's vision, mission and mandate.
- Nineteen CBSA employees participated in the Management Trainee Program and Career Assignment Program.

Implementing the CBSA learning framework

The CBSA began the phased-in implementation of its learning framework to help the Agency plan and report based on strong metrics, support government-wide priorities and initiatives, and create a learning organization.

RPP Commitment

In 2007–2008, the CBSA committed to launching its learning framework in phases to provide the support required to its high-performing employees. In recognizing the

importance of continual learning in the workplace, the Agency would create a CBSA learning policy, develop an Agency-wide learning plan and design a trainer certification program by the end of the fiscal year.

Performance Highlights and Results

- 171 CBSA managers attended the course “The Essentials of Managing in the Public Service” and validated their delegated authorities.
- Training products were updated for the POERT program, which is designed for new border services officers; POERT in-service products were delivered in all regions; POERT online distance learning and CBSA employee orientation e-learning products were completed; and 1,243 officer recruits attended POERT in 2007–2008.
- The CBSA’s Training and Learning Policy was published, which articulates the Agency’s accountabilities, roles and responsibilities under the training and learning function.
- The CBSA Strategic Learning Direction 2008–2011 was introduced to identify training and learning priorities in alignment with the CBSA’s business goals.
- The trainer certification program was under way. By the end of the fiscal year, there were 18 certified trainers. In addition, trainers continued to be certified in specific courses such as the in-service portion of the POERT program and training related to the *Immigration and Refugee Protection Act*.

Implementing the CBSA national targeting training program

A recommendation was made in the *2007 October Report of the Auditor General of Canada* to promote consistency and quality in the targeting process. As a result, the need for national targeting training products and improved processes was a priority for the CBSA in 2007–2008.

RPP Commitment

Although no RPP commitment was stated, the CBSA was to act on a key recommendation of the OAG report and take steps to design and develop national targeting training products and improved processes.

Performance Highlights and Results

- The Agency developed an action plan to address the OAG recommendation. It included the design and development of national products that are as inclusive as possible to all relevant systems of each targeting mode.
- A working group was organized in February 2008 and it determined that a single targeting training program, the “Foundations of Targeting,” would be required to include all elements common to targeting, regardless of the mode.

Labour relations

The *Public Service Labour Relations Act* specifically recognizes that harmonious labour-management relations are essential to a productive and effective public service.

RPP Commitment

In 2007–2008, the CBSA committed to continuing its collaborative efforts with labour unions through communication and sustained dialogue with the aim of achieving the fair, credible and efficient resolution of matters of concern. These efforts were expected to improve the Agency's efficiency and productivity, and to enhance the Agency's progress on its initiatives by increasing their acceptance by employees. Particular attention was to be given to including union representatives on committees and working groups, building consultation infrastructures and resolving issues of concern by way of both informal and formal processes.

Performance Highlights and Results

- The Agency collaborated with the labour unions on a regular and ad hoc basis through labour-management discussions on key subjects such as the Employee Assistance Program, employment equity, health and safety policies, disability and accommodation case management, and doubling up work-alone situations.
- The CBSA built consultation infrastructures by establishing regional and local labour-management consultation committees in addition to the existing National Labour-Management Consultation Committee, which meets twice a year.

Occupational health and safety

The CBSA is committed to protecting the health and safety of its employees by complying with all health and safety requirements, and by ensuring that employees have the necessary equipment, training, instruction and supervision to safely carry out their duties.

RPP Commitment

In 2007–2008, the CBSA committed to taking action on a number of fronts to promote and maintain an effective national health and safety program that protects the health and safety of all its employees in the workplace. Also, the Agency was to continue to work in concert with union representatives via the national Policy Health and Safety Committee to ensure that appropriate consultation takes place on all health and safety concerns affecting employees.

Key initiatives were to include the development and implementation of mandatory health and safety training and awareness programs; the development of preventative measures to eliminate or control, to the greatest extent possible, the occurrences of injuries in the

future; and the provision of health and safety advice and guidance throughout the Agency to support the development and implementation of new programs.

Performance Highlights and Results

- Ongoing consultation with the unions on national health and safety concerns took place through the quarterly meetings of the Policy Health and Safety Committee.
- Union consultation on health and safety issues took place at the local level through more than 150 workplace health and safety committees.
- An occupational health and safety section on the Agency's intranet provides employees with up-to-date information.
- Health and safety advisories were issued in response to specific health and safety issues.
- A mandatory e-learning awareness training package, launched in March 2008, provides employees with information on their health and safety roles and responsibilities in the workplace.
- Over 75 mandatory training sessions were provided to approximately 1,200 managers and supervisors.
- A Workplace Hazardous Materials Information System e-learning tool was implemented for employees who work in areas where hazardous products may be found.
- In January 2007, the CBSA Hazard Prevention Program was launched to help managers identify and address site-specific health and safety hazards.
- The critical incident statistics for 2007–2008 can be found on the CBSA's Web site at <http://cbsa.gc.ca/agency-agence/reports-rapports/menu-eng.html#work-travail>

Employment equity

The CBSA is committed to implementing representative hiring practices to respond to the constantly changing fabric of Canadian society and eliminating barriers to employment for designated groups. The Agency seeks to implement programs intended to ensure that the CBSA is being inclusive and representative of the diversity of Canada.

RPP Commitment

In 2007–2008, the CBSA committed to continuing to build a representative workforce that reflects the diversity of the Canadian population, to undertake the development and communication of a policy on the duty to accommodate throughout the Agency, to undertake a targeted workforce analysis to identify the under-representation of designated groups for key occupations and to initiate an employment systems review to identify any barriers to employment.

Performance Highlights and Results

An employment equity network was created comprising a national champion and members representing the four designated groups to help build a strong employment equity program. Table 4.3 shows that the CBSA's representation rates significantly exceeded the workforce availability rates in all four designated groups in 2007–2008.

Table 4.3: CBSA Representation and Workforce Availability Rates for 2007–2008

CBSA Representation and Workforce Availability Rates		
2007–2008		
Designated Group	CBSA Representation Rate (%)	Workforce Availability Rate (%)
Aboriginal peoples	3.3	2.5
Women	52.7	41.3
Members of visible minorities	11.3	8.9
Persons with disabilities	6.6	3.4

Frontière/Border group

The CBSA anticipates moving forward with its Frontière/Border (FB) occupational group, a group that was built on the Agency's tailored classification standard and structure that applies to the core business functions of border operations, management and program support.

RPP Commitment

Collective bargaining was expected to start in 2007–2008 for CBSA employees who will be classified in the FB group.

Performance Highlights and Results

- The job classification elements of the FB group were implemented and all affected employees were informed of their new FB job classification.
- Following the exchange of proposals by the parties in April 2007, collective bargaining began in May 2007 to negotiate the first collective agreement for the FB group.

Recruitment of border services officers

Border services officers are the feeder group for many of the Agency's positions, as well as the largest single contingent of the Agency. National recruitment for officers requires significant upfront planning with the eight CBSA regions and the CBSA Learning Centre in Rigaud, Quebec. Factors such as the wide variation in local labour markets, different needs at the local level and the capacity of the CBSA Learning Centre have challenged the effectiveness of recruiting practices.

As a result, the Agency implemented a national recruitment process that meets the Public Service Commission of Canada's policy on national area of selection and addresses ongoing recruitment needs.

RPP Commitment

The first national poster was to be ready in spring 2007. As individuals who are recruited through the national recruitment program complete their mandatory training and becoming available for placement, it will be easier to staff remote geographic areas and this will greatly increase the CBSA's flexibility.

Performance Highlights and Results

- The national border services officer recruitment process was launched in May 2007; 40,000 applicants were processed to create a national pool of over 1,300 partially qualified recruits. From this pool, over 1,000 new border services officers were trained and hired.
- The Agency partially addressed labour market challenges by attending regional job fairs, distributing marketing materials, promoting post-secondary recruitment and advertising in various recruitment venues.
- Some challenges of the national process were addressed, such as dealing with large applicant volumes, attracting applicants for small/isolated ports of entry, competing with other law-enforcement employers and taking too long to recruit.
- The Future of Recruitment Initiative was launched in early 2008 to focus on new strategies for marketing and outreach, recruitment, training and partnering with Canadian academic institutions. The initiative focuses on border services officer recruitment as a first phase priority and will expand to other key recruitment challenges.

Program Sub-activity: Comptrollership

Through the Comptrollership program sub-activity, policy development and direction for the CBSA is provided on financial management, resource allocation, expenditure and revenue accounting, real property, environmental operations, information management, asset management, contracting, procurement, corporate security, internal affairs, telephony, accommodation, and mail and records services.

Client-based accounts receivable, cash collection and refund payment processes and systems

The CBSA is establishing an integrated system and supporting processes for the collection of tax revenues, fees and penalties on a client-account basis to support the Agency's reporting of these revenues on an accrual basis and the issuance of audited financial statements. Some existing legacy systems either do not meet OAG requirements

or have inadequate internal controls. The integrated system will result in quicker and more efficient accounts receivable collection, increased interest revenues from overdue accounts, a reduction in bad debts and more efficient overdue accounts processing.

RPP Commitment

In 2007–2008, the CBSA was to launch a multi-year project to modernize, re-engineer and integrate the business processes and supporting systems associated with client management, the reporting of tax-related revenues and receivables, and the provision of information to support the development of trade and fiscal policy.

Performance Highlights and Results

- A new general ledger for the management of tax revenue and related amounts was successfully implemented. It provides greater flexibility in accounting and the reporting of financial information internally and to central agencies, and enables a more efficient year-end close process.
- Given the size and complexity of the multi-year project, the revenue ledger was implemented separately and in advance of other elements. Although the ledger provided almost immediate benefits in recording and reporting revenues, it has delayed the progress of an overall project plan, which was originally scheduled for completion by March 31, 2008.
- A feasibility study was started to identify business and government stakeholder requirements and explore viable solutions to achieve the identified future state of tax revenue management and reporting. An analysis of preliminary options was also completed. When completed in 2008–2009, the feasibility study will ensure that all valid solutions are identified and evaluated. It will also present a schedule of deliverables for the recommended solutions, including an implementation plan and a cost analysis for each solution.

Ensuring readiness to undergo financial statement audits

The CBSA's first financial statement audit will be conducted by the OAG on the 2008–2009 fiscal year. In late 2006, the CBSA completed an audit readiness assessment that reviewed the Agency's ability to sustain an efficient financial statement audit.

RPP Commitment

In response to the audit readiness review, the CBSA committed to putting in place policies and procedures to control financial reporting and develop internal control frameworks for revenue and salary processes, as well as work towards supporting system and process solution options.

Performance Highlights and Results

- The Agency completed and posted on its intranet all of the policies and procedures required to control its financial reporting.
- Documentation began on key control processes, and a high-level salary control framework was developed.
- Process and documentation improvements for the information technology (IT) control environment were also addressed. This work positions the CBSA to successfully sustain an audit of its 2008–2009 financial statements.

Implementing key components of an information management program

The CBSA is putting in place key components of an information management (IM) program, including a vision, governance structure, implementation plan, policy framework and training and awareness components.

RPP Commitment

In 2007–2008, the CBSA committed to start implementing the recommendations of the Information Management Capacity Check (IMCC) commissioned by the Agency to establish an IM program that is compliant with and responsive to Government of Canada requirements, including applicable legislation. This was to include developing an IM framework, a policy framework to manage information throughout the life cycle (including audit, evaluation and compliance), and training and awareness for both the regions and HQ.

Performance Highlights and Results

- Limited progress was made on the IMCC recommendations. The CBSA continued to work with the TBS, which only recently completed a high-level IM framework and strategy for the Government of Canada.
- The CBSA IM strategy, which focuses on practical, concrete and achievable deliverables, was developed to advance the state of IM at the Agency and is being updated for presentation to the CBSA's Executive Management Committee in early fall 2008. The CBSA believes that its strategy is realistic in that it takes into account the limited resources available in the current environment both internally within the Agency and externally from central agencies.
- The CBSA faced resource pressures that prevented it from establishing a complete IM program in 2007–2008. The Agency continues to review its strategy based on available resources. A key component of the strategy is the acquisition of an electronic document management system that will require a significant investment in resources and three years for implementation.

Long-term accommodations strategy

The Agency seeks to meet its immediate and future accommodation needs and anticipates significant growth in its full-time-equivalent base over the next three years in the regions and at HQ.

RPP Commitment

In 2007–2008, the CBSA committed to undertake a review of its long-term accommodations strategy and develop a plan to ensure that the Agency has sufficient space to accommodate existing staff and its planned workforce growth for the next three years. This renewed strategy takes into consideration the Agency's initiatives and special projects.

The CBSA will also continue negotiations with Public Works and Government Services Canada (PWGSC) to ensure that the Agency's accommodation requirements are met. In addition, measures will be taken to expand the CBSA Learning Centre in Rigaud, Quebec, to accommodate training for officers on the use of duty firearms; to explore options for the relocation of the CBSA laboratory; and to formalize the PWGSC long-term accommodations strategy for the CBSA.

Performance Highlights and Results

- A long-term accommodations strategy, which has the support of PWGSC, is currently under development.
- Approximately 11,000 square metres of new space (for about 500 full-time equivalents) was acquired through PWGSC to accommodate immediate growth requirements.
- The HQ consolidation project for the National Capital Region was launched and the statement of requirement was signed by the Agency.
- The CBSA secured a facility in the National Capital Region to accommodate officer training on the use of duty firearms.
- An options analysis was completed for the relocation of the CBSA laboratory. A business case for the Treasury Board management reserve and submission was completed and submitted.

Construction of new border infrastructure facilities

The CBSA seeks to have appropriate facilities and operational space to support effective program delivery for travellers and provide commercial and enforcement functions at ports of entry. The CBSA formulates strategies to provide the infrastructure solutions necessary to support essential operational requirements at the appropriate level of serviceability and at minimum life-cycle costs. In addition, the Agency coordinates with owners and operators who are obligated under various legislation to provide adequate port-of-entry facilities in all modes of transportation and ensure that the CBSA's operational requirements are addressed at these ports of entry.

RPP Commitment

In 2007–2008, the CBSA committed to completing the construction and most of the work leading up to the commissioning in 2008 of a new port of entry at Douglas, British Columbia. It will be the highest-volume land port of entry for passenger vehicles in the Pacific Region. Also, the Agency was to seek Treasury Board approval to begin a new major construction project at St. Stephen, New Brunswick, including the design, construction and commissioning of the new port of entry.

Performance Highlights and Results

- Most of the work to complete the new CBSA port facilities at Douglas took place in 2007–2008; these new facilities are expected to be operational in September 2008.
- Construction began on the new CBSA port of entry facilities at St. Stephen in 2007–2008; these new facilities are expected to be completed in December 2008. The new port of entry will provide a direct highway link between St. Stephen and Calais, Maine, and will alleviate traffic congestion in St. Stephen.

ORGANIZATIONAL INFORMATION

The CBSA Organization

The CBSA is organized into seven branches and each one is led by a vice-president who reports directly to the President (see Figure 4.1 and Table 4.4). Operations are delivered in eight regions: Atlantic, Quebec, Northern Ontario, Greater Toronto Area, Windsor–St. Clair, Niagara–Fort Erie, Prairie and Pacific.

Figure 4.1: The CBSA's Organizational Chart

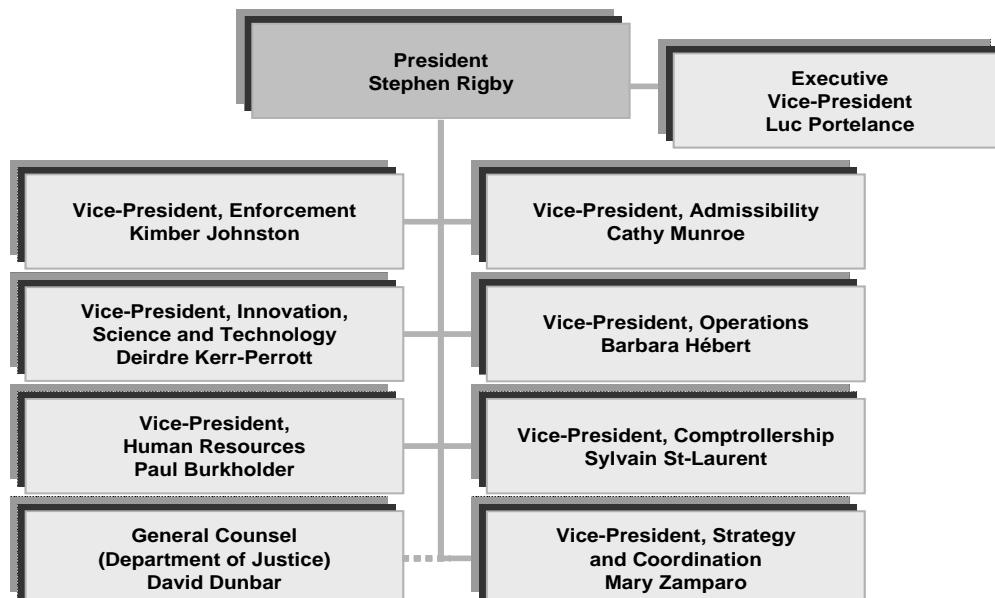


Table 4.4: The Functions of the CBSA's Branches and General Counsel

FUNCTIONS OF THE CBSA BRANCHES AND GENERAL COUNSEL
<p>Admissibility Branch</p> <ul style="list-style-type: none"> ▪ Develops programs and policies.
<p>Enforcement Branch</p> <ul style="list-style-type: none"> ▪ Develops programs and policies.
<p>Operations Branch</p> <ul style="list-style-type: none"> ▪ Delivers programs and policies with the support of the other branches.
<p>Innovation, Science and Technology Branch</p> <ul style="list-style-type: none"> ▪ Works with the other branches to develop technological solutions to support effective and efficient operations and manage the Agency's IT relationship with the Canada Revenue Agency.
<p>Human Resources, Comptrollership, and Strategy and Coordination Branches</p> <ul style="list-style-type: none"> ▪ Perform strategic and enabling functions.
<p>General Counsel</p> <ul style="list-style-type: none"> ▪ Ensures that the CBSA's operations, service delivery, policy development, corporate direction and management are legally supportable.

ROUND V OF THE MANAGEMENT ACCOUNTABILITY FRAMEWORK ASSESSMENT

The CBSA participated in Round V of the Treasury Board Portfolio's (TBP) Management Accountability Framework (MAF) assessments in 2007–2008. The MAF is aimed at reinforcing sound management practices, promoting results-based management and strengthening accountability in public service organizations.

The TBP's observations in Round V on the CBSA's management accountability performance were generally positive. For the 20 areas of management against which the Agency was assessed, it received one strong rating, thirteen acceptable ratings, five opportunities for improvement and one attention required. The TBP also recognized the CBSA's work to improve management in a number of areas:

- values-based leadership and organizational culture;
- the utility of the corporate performance framework;
- the effectiveness of corporate risk management;
- the extent to which the workplace is fair, enabling, healthy and safe;
- the extent to which the workforce is productive, principled, sustainable and adaptable; and
- the effectiveness of financial management and control.

In addition, the Agency was commended for its key actions against management priorities identified in last year's MAF assessment (http://www.tbs-sct.gc.ca/maf-crg/assessments-evaluations/2006/bsf/bsf_e.asp), including the following:

- Work on its funding levels, which resulted in new funding resources identified in Budget 2008 to maintain current levels of operations.
- Work on two initiatives (the revenue ledger split and the CBSA feasibility study on tax revenue assessment, accounting and reporting management) that will enable the Agency to move towards greater independence, control and reliability over its financial information, and modernize its financial management programs and IT systems.

In Round V, the TBP identified two management improvement priorities for the CBSA in 2008–2009: management security and business continuity, and investment planning and management. The TBP also recommended that the CBSA make further progress in the following areas:

- the effectiveness of the corporate management structure;
- quality reporting to Parliament;
- the effectiveness of information management;
- the effectiveness of asset management; and
- the effectiveness of the internal audit function.

INFORMATION AND CONTACTS

To contact the CBSA and for more information on its activities, please visit the CBSA's Web site at <http://www.cbsa-asfc.gc.ca/>.

Other Web sites of interest:

Public Safety Canada
<http://www.publicsafety.gc.ca/>

Citizenship and Immigration Canada
<http://www.cic.gc.ca/>

Department of Finance Canada
<http://www.fin.gc.ca/>

Foreign Affairs and International Trade Canada
<http://www.international.gc.ca/>

Canadian Food Inspection Agency
<http://www.inspection.gc.ca/>

Health Canada
<http://www.hc-sc.gc.ca/>

Transport Canada
<http://www.tc.gc.ca/>