

Your Query - CRA

March 24, 2017 at 2:24 PM

From "Walters, David"

To "vivian.krause@me.com"

Cc "Samson, Patrick", "Newton, Lise"

Hi Vivian. Further to your query, please find enclosed the response to your questions.

Have a nice weekend.

Regards,

David Walters
Media Relations
Canada Revenue Agency

Q1) The CRA report states that it is for fiscal 2015-2016. What are the exact dates of the CRA's fiscal year?

This report: <http://www.cra-arc.gc.ca/chrts-gvng/chrts/bt/nlrprt/2015/Charities%20AR.eng.pdf>

We can confirm that the Canada Revenue Agency's (CRA) fiscal year is April 1st to March 31st.

Q2) You reply, "Note that the remaining two charities that received sanction letters in 2015-2016 are currently in the appeals process and, therefore, it would be inappropriate to release their names or any letters relating to their respective sanctions at this time." When you say "inappropriate," do you mean that it would be a violation of the Income Tax Act or other legislation for the CRA to release these names, or do you mean that at the CRA's discretion, it is not CRA policy to release the names?

The CRA cannot discuss the details of taxpayers' cases per section 241 of the Income Tax Act.

Q3) You state below (RE: Q3, Political Activity Audits), "... linking a particular charity to the political activities review program would be inappropriate as it would constitute a breach of the disclosure provisions of the Act." Could you please refer me to the specific provision of the Act that you are referring to?

Registered charities are considered taxpayers as defined under subsection 248(1) of the Income Tax Act. The disclosure provisions under subsection 241(1) of the Act prevent the CRA from disclosing taxpayer information without that taxpayer's authorization.

Although subsections 149.1(15) and 241(3.2) of the Act allows for certain information about a charity to be disclosed to the public, the audit selection criteria used in a specific case, including whether

that audit falls under a specific audit project, does not form part of the information that the Minister may make available to the public. Therefore, disclosing such information would constitute a breach of subsection 241(1) of the Act.

Q4) You state, "The Agency established a consultation panel made up of five individuals with expertise in the regulatory issues facing charities." Could you please provide the names of the five individuals?

The names of the consultation panel members, and a brief biography of each member, can be found in the following News Release: Minister Lebouhiller announces consultations with charities to clarify the rules for their participation in political activities.

Q5) You state, "The confidentiality provisions of the Income Tax Act prevent the Canada Revenue Agency (CRA) from discussing the affairs of a particular organization without the consent of an authorized representative." Apologies if I am repeating the question here, but could you please refer me to the specific provision of the Act that you are referring to?

See answer to Q3.

Q6) From the reports that I have found on-line for 2013, 2014 and 2015, I have compiled the statistics regarding the results of the CRA's audits of registered charities into the attached table. I have not been able to find the same statistics for earlier years. Would it be possible for you to send me the statistics on the overall results of the CRA's audits of charities in 2010, 2011 and 2012? If these statistics are published in existing reports that I have inadvertently missed, please let me know. If you could direct me to a link to these reports, I can dig the statistics out from there.

The Audit process for charities webpage, accessible from the Charities media kit webpage, provides a similar statistical table in the "Statistics – Outcome of audits" section, providing statistical data from the previous three fiscal years. Below is this same statistical table showing data from the 2010-2011, 2011-2012 and 2012-2013 fiscal years as requested.

Outcomes	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
No Change/no further action	68	58	61	112	55	40
Education letters issued	408	400	460	514	484	444
Compliance agreements	201	198	178	139	153	111
Voluntary revocations	16	12	38	20	16	22
Penalties/suspensions	3	3	2	5	7	4
Notices of Intention to Revoke issued*	33	17	30	36	45	21
Annulments	10	5	9	6	7	59
Other (includes other audit activities such as pre-registration and Part V audits)	12	20	21	13	14	25
Total	751	713	799	845	781	726

Revocations as a result of an audit**	28	25	32	24	23	20
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*These figures include situations where the audit is finished and the CRA has proposed to revoke the charity's registration, but may not yet have done so because there is a pending objection or appeal.

**These figures sit outside the fiscal year totals as they may relate to audits where a Notice of intention to revoke was issued in a previous fiscal year, and for which the charity has already exercised its right to file an objection and/or appeal to the CRA's decision to revoke its registration.