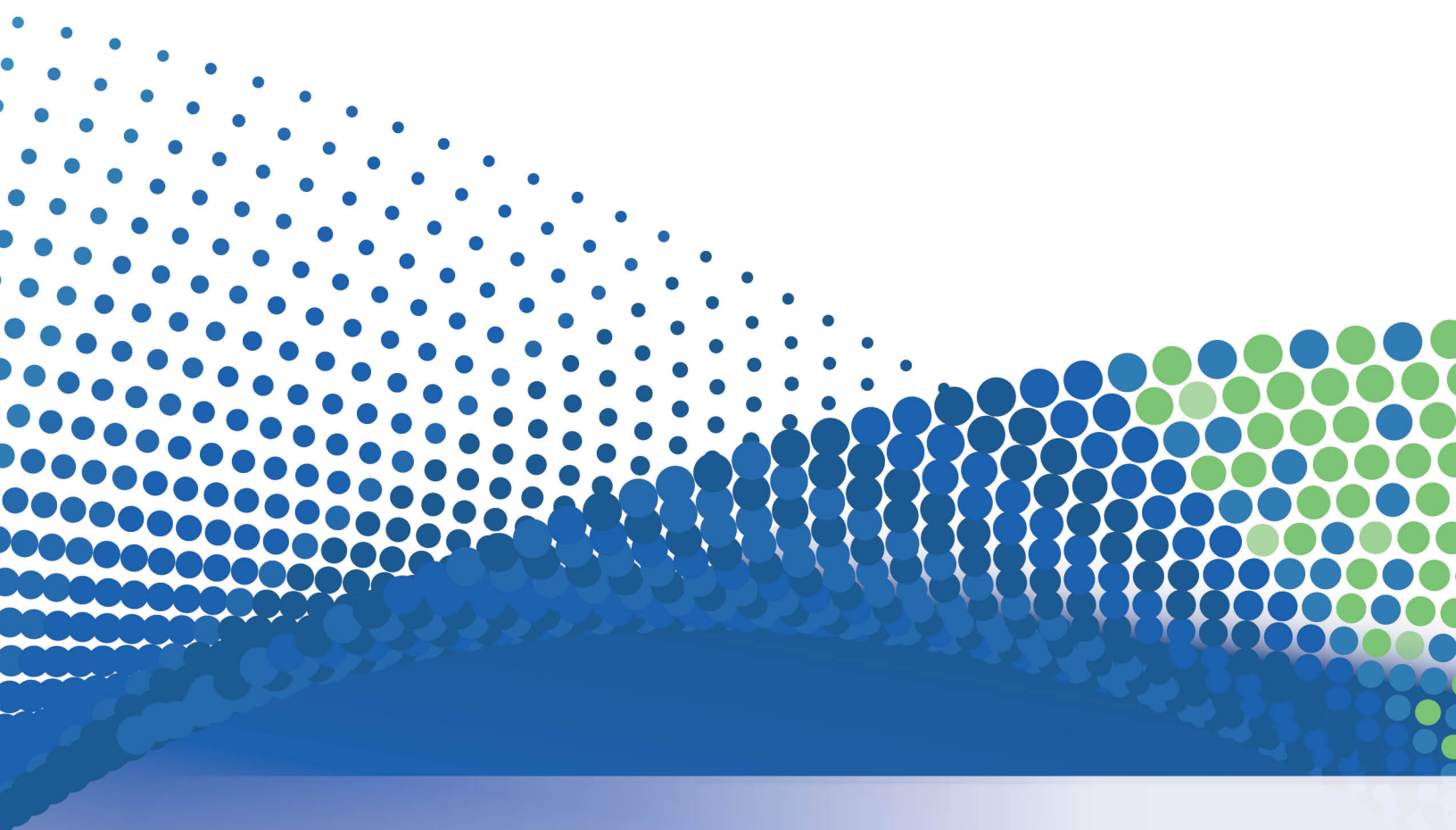




Financial Consumer
Agency of Canada

Agence de la consommation
en matière financière du Canada

2020-21 BUSINESS PLAN



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Aussi disponible en français sous le titre : **Plan d'activités 2020-21**

The Financial Consumer Agency of Canada (FCAC) prepared this business plan in accordance with Treasury Board Secretariat requirements for departmental plans for Government of Canada departments and agencies.

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From the Commissioner

I am pleased to present the 2020–21 Business Plan for the Financial Consumer Agency of Canada (FCAC), which provides information on our planned activities and how they will contribute to protecting consumers in their dealings with financial institutions.

Our plans for the upcoming year are guided by our newly articulated vision: to be a **leader and innovator in financial consumer protection**. The Agency’s dedicated employees are united and deeply engaged in achieving this vision. Our combined efforts will help to ensure Canadians continue to benefit from strong financial protection standards.



At FCAC, we are committed to delivering results for Canadians. As part of this commitment, we will integrate our regulatory, consumer education and financial literacy roles with the aim of ensuring our efforts are best aligned with our mandate to protect financial consumers. This work is reflected in a new organizational structure and business ethos that we sum up as “**One Mandate, One Team.**”

This is an important period for the FCAC and for financial consumer protection in Canada. New legislation to modernize the Financial Consumer Protection Framework in the *Bank Act* places consumers’ interests at the heart of how banks do business. The Agency has also acquired new powers to protect consumers and direct banks to comply with their market conduct obligations. It is time to renew the National Strategy for Financial Literacy to be sure we are building on what we have accomplished since our launch in 2015 and to leverage the results of the latest research.

As this Business Plan demonstrates, we are using these developments to position ourselves for the future. Building on the strong legacy of the past, we will modernize our business practices—guided by innovation, collaboration and the principles of sound resource management—to meet the challenges of a rapidly evolving financial sector.

We are committed to maintaining the highest standards of transparency and accountability. As part of this commitment, the Agency will carry out its mandate this year without increasing funding from 2019–20 planned levels.

Achieving our priorities will be an ambitious challenge, but one that we readily accept. I invite your feedback on the priorities and initiatives identified in these pages. I am confident that our interventions and activities will contribute not only to the protection of individuals, but also to a stronger financial sector.

Judith Robertson
Commissioner

Plans at a glance

Today, more than ever, the protection of financial consumers is foundational to a sound financial system. Policy makers around the world have recognized its importance, including in Canada, where the federal government introduced legislation in 2018 to strengthen consumers' rights and interests when dealing with their banks. The new Financial Consumer Protection Framework (FCPF) in the *Bank Act* includes enhancements in the areas of corporate governance, responsible business conduct, redress, disclosure and transparency. The legislation will also provide the Agency with new powers to protect consumers and will reinforce its financial literacy role by integrating it into the purpose clause of the *Financial Consumer Agency of Canada Act*.

As demonstrated by the 2019 Canadian Financial Capability Survey conducted by FCAC every five years, a growing segment of the population faces challenges in managing their day-to-day finances and dealing with debt. This is occurring as financial digitalization is making consumer finance increasingly a “do-it-yourself” activity. Consumers are expected to take greater responsibility for selecting appropriate products and services from an ever-growing range of options.

Within this context, FCAC will continue to evolve and modernize its operations. We will do so under a new organizational structure that positions the Agency to work as an integrated team focused on its central purpose: protecting financial consumers.

The Agency’s way forward will also be guided by new vision and mission statements that define the organization’s purpose and identity.

OUR VISION

To be a **leader** and **innovator** in financial consumer protection

OUR MISSION



To **protect** consumers of financial products and services.



To **supervise** regulated entities.



To **educate** Canadians and strengthen their financial literacy.

As a regulator in the financial sector, FCAC will deliver high-quality services and programs that meet the evolving needs of Canadians in a way that ensures the sound stewardship of resources. As part of this commitment, the Agency will not increase its planned spending for 2020–21 compared to 2019–20. As illustrated below, spending will remain at \$38.4 million.

Planned spending per year, from 2019-2020 to 2022-2023

Core responsibilities and Internal Services	2019–20 planned spending	2020–21 planned spending	2021–22 planned spending	2022–23 planned spending
Supervision of FRFES	\$8,804,416	\$9,061,627	\$9,629,970	\$9,930,950
Financial Literacy	\$6,496,979	\$6,844,238	\$6,928,267	\$6,845,634
Subtotal	\$15,301,395	\$15,905,865	\$16,558,237	\$16,776,584
Internal Services	\$23,111,352	\$22,506,882	\$24,580,903	\$25,309,488
Total	\$38,412,747	\$38,412,747	\$41,139,140	\$42,086,072

Note: Totals may not sum due to rounding. Additional information is available in the [GC InfoBase](#). FRFES: federally regulated financial entities.

Strategic priorities

For the 2020–21 planning period, FCAC has established four priorities.

➤ Priority no. 1: Enhance FCAC’s regulatory effectiveness

As a regulator, FCAC will continue to ensure the effective oversight of banks and other federally regulated financial entities (FRFES) through a risk-based and proactive approach to supervision. This work is vital to maintaining public trust in Canada’s financial system and ensuring Canadians benefit from the protections put in place by the Government of Canada.

The following strategic objectives will enable this priority.

- a) Implementing the new Financial Consumer Protection Framework (FCPF) in the *Bank Act*. The FCPF was part of legislation passed in 2018 that provided FCAC with new powers and tools to protect consumers. We will support the legislation’s coming into force by:
 - Regularly consulting with banks and other regulated entities through working groups and other mechanisms to support their compliance with the FCPF. This work will include developing and providing clear guidance.

- Supporting the Department of Finance in developing and finalizing the regulations required to bring the FCPF into force.
 - Updating internal procedures and policies, including FCAC’s Supervision Framework, to reflect the Agency’s enhanced powers and authorities.
- b) Implementing and modernizing information management and information technology tools to improve FCAC’s monitoring and oversight activities. This year, we will:
- Develop a modern, flexible and comprehensive case management system to centralize FCAC data across all business lines and streamline business processes.
 - Implement a business intelligence strategy to support decision making, information-sharing and research across the Agency. The strategy will help the Agency to identify financial issues and risks that affect Canadian consumers.
- c) Conducting risk-based and proactive supervision of FRFES so FCAC can prioritize resource allocation, anticipate market conduct risks and become a more proactive regulator. This year, we will:
- Conduct and complete market conduct profiles of select financial institutions. This will help to generate quality data on and analysis of the risks that are present or inherent in the business activities of FRFES. It will also enable the Agency to conduct risk-based supervision.
 - Conduct an industry review of select small- and medium-sized banks with a focus on their sales practices and complaint handling procedures. We will publicize the results in the next fiscal year (2021–22).
 - Develop and implement a data intake and prioritization strategy to enhance the Agency’s enforcement work.
- d) Creating a secretariat in the Commissioner’s office that enhances transparency and supports effective collaboration and engagement. To support this commitment, this year the Agency will:
- Continue to implement a transparent and responsive adjudication process. This will include publishing updated guidelines on FCAC’s website that clarify the roles and responsibilities of the Agency’s investigative functions and the Commissioner’s adjudicative role.
 - Conduct a review of the Agency’s engagements and coordination with other authorities, committees and governmental actors—in Canada and internationally—and develop a strategy to enhance collaboration.
 - Develop policies and procedures on the exercise of the Commissioner’s new powers under the FCPF.

➤ **Priority no. 2: Ensure FCAC is an insightful and effective authority in financial education**

The Agency will continue to play a national leadership role in coordinating efforts to strengthen the financial well-being of Canadians. We will do so by collaborating with a diverse group of stakeholders and partners from across the country, developing resources on financial products and services, and promoting awareness of the obligations of financial institutions and external complaint bodies.

The following strategic objectives will enable this priority.

- a) Renewing Canada's Financial Literacy Strategy to mobilize and engage the public, private and non-profit sectors to strengthen Canadians' financial literacy. To achieve this, we will:
 - Conduct research and consult with stakeholders to determine the scope of a renewed financial literacy strategy and identify priority areas and target groups. The new strategy will be developed and launched in fall 2020.

- b) Providing innovative and effective educational resources to help consumers make informed financial decisions and select products and services that work best for them. To achieve this, we will:
 - Assess current educational resources by developing an inventory to identify gaps and inform future resource development.
 - Apply current evaluation practices to measure the impact and effectiveness of FCAC's online content, tools and programs.

- c) Extending the reach of FCAC's educational tools and programs by working with stakeholders to ensure the Agency's resources are widely available to Canadians. To achieve this, we will:
 - Identify new delivery channels by engaging stakeholders and disseminating FCAC's educational resources to raise consumer awareness and increase their understanding of financial products and services. This will support informed financial decision making.
 - Identify best practices to incorporate education insights into supervisory requirements.

➤ **Priority no. 3: Invest in the future**

To tackle the challenges of tomorrow, respond to developments and emerging trends, and be a leader in identifying, reporting and acting on issues of interest to financial consumers, the Agency will build its expertise, optimize its programs and modernize its practices.

The following strategic objectives will enable this priority.

- a) Building expertise and capacity to respond to and anticipate new developments and emerging trends to ensure FCAC can intervene promptly to protect consumers, foster sound market conduct and inform financial consumer policy discussions. This year, we will:
- Continue to contribute research and expertise to financial consumer policy discussions and development in Canada and internationally, including in areas such as consumer-directed banking, the creation of an oversight framework for payment service operators, and the protection of consumer data.
 - Support federal ministers in creating a new Canadian Consumer Advocate.
- b) Establishing a comprehensive and integrated approach to FCAC's research and policy function to ensure the Agency has a standardized process to identify and prioritize research across all areas of the organization. To achieve this, we will:
- Develop a strategic road map to modernize the Agency's research and policy functions. This will include a reviewing emerging research and policy issues related to financial consumer protection and financial literacy.
 - Establish a process to identify, prioritize and monitor emerging trends, risks and issues relevant to financial consumers.
 - Continue to conduct original research to gain and use behavioural insights to help improve the financial decision-making process. This will include further analyzing and reporting on the 2019 Canadian Financial Capability Survey (CFCS). It will also include analyzing and reporting on Canada's performance on the financial literacy component of the Programme for International Student Assessment 2018.
- c) Establishing an Agency-wide approach to communication, outreach and engagement to ensure our activities are well coordinated, clear and responsive to the diverse needs of targeted audiences. To achieve this, we will:
- Develop a three-year public affairs strategy that positions the Agency as a leader and innovator in financial consumer protection. The strategy will define the range of activities the Agency will pursue, recommend ways to reach target audiences through multiple channels, and promote the use of consistent messaging to ensure brand alignment.
 - Develop and launch a campaign to mark the 10th anniversary of Financial Literacy Month in November 2020.
 - Develop a crisis communication plan that outlines the processes FCAC can use when responding to a critical situation or event that impacts the financial sector.
 - Conduct a review of FCAC web pages with a view of improving the user experience and maximising the Agency's visibility to consumers.

d) Building the foundation to become a modern Agency to ensure FCAC is positioned for future success. This year, we will:

- Implement a new organizational structure to achieve greater strategic focus. The structure will align the Agency's people, processes and work functions more effectively and include new Deputy and Assistant Commissioner positions.
- Investigate how to modernize the workplace while leveraging digital technologies to encourage employee collaboration and mobility. This will include considering opening an office in Toronto to bring the Agency closer to the heart of the banking sector.
- Implement a data and analytics strategy to improve how the Agency accesses, collects, uses, safeguards and shares data.
- Develop an evaluation plan to systematically assess the Agency's programs, initiatives and policy work. We will also review how the Agency apportions its operating budget among regulated entities and develop a path forward based on industry consultations.
- Develop and publish a five-year strategic plan that identifies the key deliverables and commitments to be achieved during the new Commissioner's mandate.
- Update the Agency's intranet to improve employee communication and information-sharing.

➤ **Priority no. 4: Capitalize on the diversity of FCAC's talent**

As it continues to mature, the Agency will focus on attracting, developing and retaining a diverse and engaged workforce. This will be accomplished by fostering a healthy and respectful workplace that empowers employees and motivates them to contribute their best.

The following strategic objectives will enable this priority.

a) Attracting, developing and retaining a highly skilled, diverse and engaged workforce by developing and delivering human resources programs and services that aim to maximize employees' contributions and potential. To achieve this, we will:

- Continue to implement FCAC's Public Service Employee Survey Action Plan for 2019–22. The plan includes commitments to strengthen leadership, maximize performance and development, anchor values and ethics and sustain employee engagement.
- Develop strategic recruitment and branding initiatives that will enhance the Agency's appeal to high-calibre talent.
- Strengthen talent management with an increased focus on learning and development.

b) Strengthening the foundational elements of a healthy, respectful and enabling workplace that capitalizes on the richness of bilingualism and diversity, and enhances organizational performance. To achieve this, we will:

- Continue to promote values and ethics in the workplace and increase awareness of the importance of mental health.
- Establish official languages and employment equity action plans.
- Review and update the Agency’s organizational structure and job classifications—as well as the terms and conditions of employment—to ensure we can efficiently and effectively fulfill our mandate.

For more information on the Agency’s plans, priorities and planned results, see the “Core responsibilities: planned results and resources, and key risks” section of this report.

Core responsibilities: Planning highlights and resources

FCAC's mandate is to protect financial consumers. It achieves this in two primary ways: by supervising financial institutions and other federally regulated entities, and by strengthening the financial literacy of Canadians. As such, the Agency's budgetary resources, employees and activities are organized around two core responsibilities.¹

Core responsibility 1: Supervision of federally regulated financial entities

Description

The Agency regulates Canada's federal financial institutions—such as banks, trust and loan companies, federal credit unions, external complaint bodies and payment card network operators—to ensure consumers' rights are protected. As a regulator, the Agency oversees financial consumer protections grounded in legislation, regulations, codes of conduct and public commitments. We use a risk-based, supervisory model to enforce compliance with consumer protection laws. The information the Agency relies on to carry out its compliance activities includes consumer complaint reports, on-site examinations, compliance reviews, research findings on emerging marketplace trends and issues, and input from national and international regulatory counterparts.

Planning highlights

During this planning period, the Agency will focus on implementing the new Financial Consumer Protection Framework (FCPF) and conducting risk-based, proactive supervision of FRFES in accordance with its Supervision Framework (For more on FCPF, see textbox below). We will also take steps to enhance our ability to collect quality data, monitor issues that may impact consumers in a timely manner, and support regulated entities in complying with their market conduct obligations.

Another important initiative will be implementing a new secretariat to support the Commissioner in exercising her adjudicative role, which includes examining and making decisions on alleged violations of consumer provisions. The secretariat is part of a renewed commitment to maintain the highest standards of transparency and accountability in the Agency's approach to exercising its supervisory and enforcement work.

A NEW FINANCIAL CONSUMER PROTECTION FRAMEWORK

In 2018, the Government of Canada introduced measures to strengthen consumers' rights and interests when dealing with their banks, and to improve the ability of FCAC to protect consumers. Changes include:

- **Administrative Monetary Penalties:** The maximum administrative monetary penalty for a violation will be increased from \$500,000 to \$10 million for federally regulated financial institutions, and from \$50,000 to \$1 million for an individual person.
 - **A Duty to Name:** The FCAC Commissioner will have a duty to make public the nature of a violation, the name of the person or entity who committed it, and the amount of the penalty imposed.
 - **Commissioner's Direction:** The FCAC Commissioner will have a new power to direct banks to comply with consumer provisions.
 - **Redress:** Banks will have a new obligation to provide a credit or refund for charges or penalties that have not been disclosed or consented to by customers.
 - **Enhanced Complaints Handling:** Banks will need to establish complaints-handling procedures that are satisfactory to the FCAC Commissioner, and comply with a broader definition for "complaint," which will be defined to include any expression of dissatisfaction, whether justified or not, with a product or service that is offered, sold or provided.
 - **Whistleblower Protection:** Banks will be required to implement a whistleblowing program for their employees.
 - **Procedures relating to Appropriate Products, Services and Remuneration:** Banks will be required to implement procedures to ensure products are appropriate for their customers, and to train employees accordingly, and that remuneration and sales incentives do not conflict with such procedures.
 - **Prohibited conduct:** Banks will be prohibited from taking advantage of a person, or imposing undue pressure or coercing them for any purpose.
-

Planned budgetary financial resources for Supervision of FRFEs (in dollars)

2020–21 planned spending	2021–22 planned spending	2022–23 planned spending
\$9,061,627	\$9,629,970	\$9,930,950

Planned human resources for Supervision of FRFEs

2020–21 planned full-time equivalents	2021–22 planned full-time equivalents	2022–23 planned full-time equivalents
58	60	60

Core responsibility 2: Financial literacy

Description

The Agency is committed to strengthening Canadians' financial knowledge, skills and confidence. We provide online content, tools and programs that help educate Canadians so they can make informed financial decisions. We focus on ensuring Canadians are aware of their rights and responsibilities when dealing with financial institutions. The Agency conducts research and promotes awareness of matters related to protecting consumers of financial products and services. Through nationwide coordination and collaboration with stakeholders—including federal and provincial governments and private and non-profit organizations—the Agency fosters consumer understanding of financial services and related issues and encourages stakeholders to promote and deliver financial literacy initiatives.

Planning highlights

During this planning period, the Agency will focus on ensuring it remains an insightful and effective authority in financial education. We will develop educational resources to help Canadians manage their personal finances and increase their awareness of financial products and services. We will also lead the renewal of the National Strategy for Financial Literacy by working collaboratively with stakeholders across the country.

CANADA'S FINANCIAL LITERACY STRATEGY: 2015-2019

Through the first iteration of Canada's Financial Literacy Strategy (2015-19), FCAC collaborated with stakeholders from across the country to help Canadians become more financially literate. It targeted the unique needs and realities of individuals and groups through innovative approaches, programs and initiatives that responded to a variety of ages, life stages, experiences, cultures and locations. Examples include:

- The creation of the **Canadian Financial Literacy Database**, a one-stop online resource for anyone looking to develop or encourage competencies in financial literacy.
- The creation of a **Financial Literacy Working Group for Indigenous People** that works with Indigenous organizations to share information and undertake initiatives that are community driven. As an example, FCAC, the Seven Generations Education Institute, and the Martin Family Initiative partnered in 2018 to develop a financial literacy pilot project for Indigenous adults.
- The creation of a **federal government network** that shares information and coordinates efforts to advance financial literacy across various demographics, including youth and newcomers to Canada.

The next iteration of the strategy, to be developed and launched in 2020-21, will build on these achievements and many others.

Planned budgetary financial resources for Financial Literacy (in dollars)

2020–21 planned spending	2021–22 planned spending	2022–23 planned spending
\$6,844,238	\$6,928,267	\$6,845,634

Planned human resources for Financial Literacy

2020–21 planned full-time equivalents	2021–22 planned full-time equivalents	2022–23 planned full-time equivalents
38	38	38

Internal Services: Planned results

Description

Internal Services are those groups of related activities and resources that support programs and/or are required to meet corporate obligations. The Agency's core responsibilities are sustained and enhanced by a solid foundation of sound financial management and by expert advice and services from its communications, legal, human resources, information management, information technology and administration teams.

Planning highlights

For 2020–21 and beyond, the Agency will ensure it is prepared and well positioned to continue implementing its mandate in today's complex and constantly changing financial services marketplace. We will invest in our future success by building capacity and developing the expertise to identify, report and act on emerging issues of concern to financial consumers.

The Agency will also continue to modernize its workplace while leveraging digital technologies to encourage employee collaboration and mobility. Another important focus will be attracting and retaining a diverse and engaged team of employees and strengthening the foundational elements of a healthy and respectful workplace.

Planned budgetary financial resources for Internal Services (in dollars)

2020–21 planned spending	2021–22 planned spending	2022–23 planned spending
\$22,506,882	\$24,580,903	\$25,309,488

Planned human resources for Internal Services

2020–21 planned full-time equivalents	2021–22 planned full-time equivalents	2022–23 planned full-time equivalents
109	110	109

Agency spending and human resources

This section provides a holistic view of the Agency’s planned spending and human resources for the next three fiscal years and compares planned spending for the upcoming year with the current and previous years’ actual spending. The Agency uses the full accrual method of accounting to prepare and present its annual expenses.

Planned spending

FCAC is a federal government agency that recovers its costs mainly through assessments against the financial entities it supervises. In addition to revenues from assessments, FCAC receives an annual statutory expenditure of a maximum of \$5,000,000 to support its activities and collaborate with stakeholders to improve and strengthen Canadians’ financial literacy.

The following table shows actual, forecast and planned spending for each of FCAC’s core responsibilities and Internal Services.

Budgetary planning summary for core responsibilities and Internal Services (in dollars)

Core responsibilities and Internal Services	2017–18 expenditures	2018–19 expenditures	2019–20 planned spending	2019–20 forecast spending	2020–21 planned spending	2021–22 planned spending	2022–23 planned spending
Supervision of FRFES	\$4,009,088	\$5,094,821	\$8,804,416	\$6,142,995	\$9,061,627	\$9,629,970	\$9,930,950
Financial Literacy	\$5,744,102	\$6,152,592	\$6,496,979	\$5,391,946	\$6,844,238	\$6,928,267	\$6,845,634
Subtotal	\$9,753,190	\$11,247,413	\$15,301,395	\$11,534,941	\$15,905,865	\$16,558,237	\$16,776,584
Internal Services	\$11,662,489	\$14,335,303	\$23,111,352	\$19,232,527	\$22,506,882	\$24,580,903	\$25,309,488
Total	\$21,415,679	\$25,582,716	\$38,412,747	\$30,767,468	\$38,412,747	\$41,139,140	\$42,086,072

Note: Totals may not sum due to rounding.

The Agency’s 2019–20 Business Plan identified total spending for 2019–20 of \$38.4 million. The Agency is maintaining this amount for the 2020–21 Business Plan in that the planned expenses for 2020–21 will not exceed \$38.4 million. The planned spending increases beyond 2020–21 include economic, merit, inflationary adjustments, and capital investments.

The variance between the 2019–20 forecast expenses and the 2019–20 planned expenses is driven mainly by delays in planned staffing and professional services.

The following table calculates the Agency’s funding requirements by reconciling planned expenses calculated on an accrual basis to funding requirements on a cash basis. For the fiscal year 2020–21, the Agency’s net planned expenditures will be \$35.7 million: \$32.7 million for operating expenses and \$3.0 million for capital expenses.

Cost of operations on a cash basis (in dollars)

	2020–21	2021–22	2022–23
Planned expenses	\$38,412,747	\$41,139,140	\$42,086,072
Adjustment for items affecting the cost of operations, but not affecting authorities:			
Amortization of tangible capital assets	(\$544,640)	(\$572,053)	(\$1,198,674)
Increase in employee future benefits	(\$207,811)	(\$221,054)	(\$225,324)
Adjustment for items not affecting the cost of operations, but affecting authorities:			
Acquisition of tangible capital assets	\$3,036,112	\$3,760,947	\$2,613,042
Gross planned expenditures	\$40,696,408	\$44,106,980	\$43,275,116
Less: Government funding	(\$5,000,000)	(\$5,000,000)	(\$5,000,000)
Net planned expenditures	\$35,696,408	\$39,106,980	\$38,275,116

Note: Totals may not sum due to rounding.

Planned human resources

The following table shows actual, forecast and planned full-time equivalents for each core responsibility and Internal Services at FCAC.

Human resources planning summary for core responsibilities and Internal Services

Core responsibilities and Internal Services	2017–18 actual full-time equivalents	2018–19 actual full-time equivalents	2019–20 forecast full-time equivalents	2020–21 planned full-time equivalents	2021–22 planned full-time equivalents	2022–23 planned full-time equivalents
Supervision of FRFEs	25	30	36	58	60	60
Financial Literacy	24	33	30	38	38	38
Subtotal	49	63	66	96	98	98
Internal Services	56	65	79	109	110	109
Total	105	128	145	205	208	207

The increase in full-time equivalents for 2018–19 was due to the creation of an Enforcement Division and the addition of personnel to enhance the Agency’s ability to monitor trends and emerging issues. The Agency also added new positions in Internal Services to create an initial in-house capacity for its human resources and finance functions so it could operate more efficiently.

The increases from 2019–20 onward are due to growing capacity that will be needed to help implement the new FCPF, strengthen the Agency’s Internal Services (previously outsourced to other government departments), reinforce project management services, enhance internal communications, and modernize workplace processes and systems. The planned increase to the Financial Literacy Program refers to the staffing of previously approved vacancies.

Gender-based analysis plus

Gender-based analysis plus (GBA+) is well established in the Agency’s research, policy and education functions. It ensures that a diverse identity spectrum is considered when financial literacy policies, programs, resources and tools are designed. This better enables the Agency to meet the needs of all segments of the Canadian population. For example, GBA+ was integrated

into survey fieldwork and research involving the Financial Well-being Survey in 2018, the Survey on the Banking of Canadians in 2019 and the modernization of the CFCS in 2019.

In 2020–21, the Agency will leverage its GBA+ best practices in financial literacy to establish a comprehensive and integrated approach to research. The result will be a holistic and standardized process for conducting research regardless of the core responsibility. This will ensure that the whole identity spectrum is considered during the development of programs, policies, resources and tools designed to protect financial consumers.

Experimentation

To strengthen the effectiveness and assess the impact of its programs and initiatives—and to learn what works and what does not—the Agency will continue to experiment with new approaches and evaluate their impact. This year’s initiatives include:

- A **tax refund saving pilot**, which aims to help individuals direct their tax refunds immediately into savings.
- An evaluation of FCAC’s new **Budget Planner**, an online tool developed using behavioural insights to help Canadians prioritize their spending and take control of their finances.

Risks

The Agency monitors current and emerging risks that have the potential to impact its ability to protect financial consumers. Our enterprise risk management has a solid foundation in governance, allowing us to make deliberate investments while implementing proactive measures. This results in a balanced approach to managing risk.

The Agency has identified a risk related to preparedness and resilience during times of crisis, such as a major banking incident, terrorist attack, cyber-related event or climate disaster. The Agency is working with its regulatory counterparts and stakeholders to enhance its practices to maintain market confidence in normal conditions as well as during crises.

The Agency is also monitoring a risk related to its internal capacity to address emerging issues that require rapid policy responses. It is developing mitigation plans that include filling existing vacancies, identifying and prioritizing emerging issues with a view to the future, and creating a new organizational structure that will enhance strategic focus.

The Agency has also identified a risk related to IT security and vulnerabilities that could compromise information or lead to the degradation or interruption of service delivery. To mitigate this risk, we will update our information management and IT threat and risk assessment, plan scenario-based penetration testing, deliver enhanced security awareness training sessions to employees, implement IT security updating and authorization processes, and update our internal policy documentation.

Condensed future-oriented statement of operations

The condensed future-oriented statement of operations provides a general overview of the Agency's operations. The forecast of financial information on expenses and revenues is prepared on an accrual accounting basis to strengthen accountability and improve transparency and financial management.

A more detailed statement (with associated notes, including a reconciliation of the net cost of operations to the requested authorities) is available on FCAC's website.

Condensed future-oriented statement of operations for the year ending March 31, 2021 (in dollars)

Financial information	2019–20 forecast results	2020–21 planned results	Difference (2020–21 planned results minus 2019–20 forecast results)
Total expenses	\$30,767,468	\$38,412,747	\$7,645,279
Total revenues	\$25,767,468	\$33,412,747	\$7,645,279
Net cost of operations before government funding and transfers	\$5,000,000	\$5,000,000	\$0

Subsection 18(3) and 18(5.3) of the *Financial Consumer Agency of Canada Act* (the Act) provides that the Agency's cost of operations (Expenses) are to be assessed to the regulated entities. Pursuant to subsection 13(2) of the Act, the Agency's operations are primarily funded through this process. However, the Agency also receives a statutory expenditure as authorized under subsection 13(3) of the Act.

The Agency's assessment revenues are calculated and charged in accordance with the *Financial Consumer Agency of Canada Assessment of Financial Institutions Regulations* and the Agency's financial assessment methodology of payment card network operators and external complaint bodies. These regulations outline the methodologies used to determine each institution's assessment.

The Agency manages its working capital requirements by borrowing funds from the Government of Canada under subsection 13(1) of the Act.

Corporate information

Organizational profile

Commissioner: Judith Robertson

Ministerial portfolio: Finance

Enabling instrument(s): FCAC derives its mandate from the *Financial Consumer Agency of Canada Act*. The Act outlines FCAC's functions, administration and enforcement powers and lists the provisions of federal laws and regulations under its supervision.

Year of incorporation/commencement: 2001

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

Raison d'être

FCAC was established in 2001 to protect consumers by supervising federally regulated financial entities and strengthening the financial literacy of Canadians.

Mandate and roles

FCAC's mandate is set out in the *Financial Consumer Agency of Canada Act*. As a regulator, FCAC protects consumers by monitoring and supervising financial institutions to ensure they comply with the market conduct obligations that apply to them under federal legislation and regulations.

FCAC also monitors and evaluates trends and issues that may impact financial consumers, educates Canadians about their rights and responsibilities when dealing with financial institutions, and collaborates with stakeholders to contribute to and support initiatives that strengthen the financial literacy of Canadians.

Reporting framework

The Financial Consumer Agency of Canada’s approved departmental results framework and program inventory for 2020–21 are as follows.

Departmental Results Framework	Core Responsibility #1: Supervision of federally regulated financial entities		Core Responsibility #2: Financial Literacy	
	<p>Departmental Result: Federally regulated financial entities are compliant with consumer protection legislation, their public commitments and codes of conduct</p>	<p>Indicator: Percentage of financial institutions that are aware of the reason for and nature and outcome of the Financial Consumer Agency of Canada’s supervision activities</p>	<p>Departmental Result: Canadians are strengthening their financial knowledge, skills and confidence</p>	<p>Indicator: Percentage of Canadians who strengthen their financial knowledge</p>
		<p>Indicator: Percentage of cases of non-compliance where corrective actions (commensurate with the level of non-compliance) are undertaken by the Financial Consumer Agency of Canada</p>		<p>Indicator: Percentage of Canadians who strengthen their financial confidence</p>
		<p>Departmental Result: Canadian consumers are aware of their rights and responsibilities when dealing with financial institutions</p>		<p>Indicator: Percentage of consumers who are aware of their consumer protection rights and responsibilities</p>
<p>Indicator: Number of Canadians reached through consumer rights and responsibilities information</p>		<p>Indicator: Percentage of non-budgeters who are confident in their ability to make and follow a budget</p>		
Program Inventory	Program: Supervision and Promotion		Program: Financial Literacy	
	<p>Indicator: Percentage of non-budgeters who begin budgeting</p>		<p>Indicator: Number of Canadians reached through initiatives supporting the National Strategy for Financial Literacy</p>	

Supporting information on the program inventory

Supporting information on planned expenditures, human resources, and results related to the Financial Consumer Agency of Canada's program inventory is available in the [GC InfoBase](#).ⁱⁱ

Federal tax expenditures

The Financial Consumer Agency of Canada's Business Plan does not include information on tax expenditures that relate to its planned results for 2020–21.

Tax expenditures are the responsibility of the Minister of Finance, and the Department of Finance Canada publishes cost estimates and projections for government wide tax expenditures each year in the [Report on Federal Tax Expenditures](#).ⁱⁱⁱ This report provides detailed information on tax expenditures, including objectives, historical background and references to related federal spending programs, as well as evaluations, research papers and gender-based analysis. The tax measures presented in this report are solely the responsibility of the Minister of Finance.

Organizational contact information

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Annex A: The Agency's indicators

Planned results for Supervision of federally regulated financial entities

Departmental result	Departmental result indicator	Target	Date to achieve target	2016–17 actual result	2017–18 actual result	2018–19 actual result
Federally regulated financial entities are compliant with consumer protection legislation, their public commitments and codes of conduct.	Percentage of financial institutions that are aware of the reason for, and nature and outcome of, the Financial Consumer Agency of Canada's supervision activities.	80%	2021-03-31	73%	78%	88%
	Percentage of cases of non-compliance where corrective actions (commensurate with the level of non-compliance) are undertaken by the Financial Consumer Agency of Canada.	100%	2021-03-31	100%	100%	100%
Canadian consumers are aware of their rights and responsibilities when dealing with financial institutions.	Percentage of consumers who are aware of their rights and responsibilities.	5% increase	2021-03-31	58%	NA ¹	64.4%
	Number of Canadians reached through consumer rights and responsibilities information.	5% increase	2021-03-31	NA	NA	NA ²

1 Originally based on a survey conducted every five years. A smaller survey is now fielded annually.

2 No results for 2018-19. A baseline was established for 2019-20.

Departmental result	Departmental result indicator	Target	Date to achieve target	2016–17 actual result	2017–18 actual result	2018–19 actual result
Canadians are strengthening their financial knowledge, skills and confidence.	Percentage of Canadians who strengthen their financial knowledge.	5% increase	2021-03-31	NA ¹	NA ¹	NA ¹
	Percentage of Canadians who strengthen their financial confidence.	5% increase	2021-03-31	NA ¹	NA ¹	NA ¹
	Percentage of Canadians who adopt desired financial behaviours.	5% increase	2021-03-31	NA ¹	NA ¹	NA ¹
	Percentage of non-budgeters who are confident in their ability to make and follow a budget.	5% increase	2021-03-31	16%	17%	14%
	Percentage of non-budgeters who begin budgeting.	5% increase	2021-03-31	14%	23%	20%
	Number of Canadians reached through initiatives supporting the National Strategy for Financial Literacy.	See note 2	2021-03-31	NA ²	NA ²	5,679,000

1 Based on the Canadian Financial Capability Survey conducted every five years.

2 The updated methodology for this indicator is being benchmarked in 2018–19; therefore, targets have not been set yet.

Annex B: Definitions

Core responsibility (responsabilité essentielle)

An enduring function or role performed by a department. The intentions of the department with respect to a core responsibility are reflected in one or more related departmental results that the department seeks to contribute to or influence.

Departmental priority (priorité ministérielle)

A plan or project that a department has chosen to focus and report on during the planning period. Departmental priorities represent the things that are most important or what must be done first to support the achievement of the desired departmental results.

Departmental result (résultat ministériel)

A consequence or outcome that a department seeks to achieve. A departmental result is often outside departments' immediate control, but it should be influenced by program-level outcomes.

Departmental result indicator (indicateur de résultat ministériel)

A factor or variable that provides a valid and reliable means to measure or describe progress on a departmental result.

Departmental results framework (cadre ministériel des résultats)

A framework that consists of the department's core responsibilities, departmental results and departmental result indicators.

Experimentation (expérimentation)

The conducting of activities that seek to first explore, then test and compare, the effects and impacts of policies and interventions in order to inform evidence-based decision-making, and improve outcomes for Canadians, by learning what works and what doesn't. Experimentation is related to, but distinct from innovation (the trying of new things), because it involves a rigorous comparison of results. For example, using a new website to communicate with Canadians can be an innovation; systematically testing the new website against existing outreach tools or an old website to see which one leads to more engagement, is experimentation.

Full-time equivalent (équivalent temps plein)

A measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

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

An analytical process used to assess how diverse groups of women, men and gender-diverse people experience policies, programs and services based on multiple factors including race, ethnicity, religion, age, and mental or physical disability.

Performance (rendement)

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

Performance indicator (indicateur de rendement)

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

Performance reporting (production de rapports sur le rendement)

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

Plan (plan)

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

Program (programme)

Individual or groups of services, activities or combinations thereof that are managed together within the department and focus on a specific set of outputs, outcomes or service levels.

Program inventory (répertoire des programmes)

Identifies all of the department's programs and describes how resources are organized to contribute to the department's core responsibilities and results.

Result (résultat)

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

Strategic outcome (résultat stratégique)

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

Target (cible)

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

Endnotes

ⁱ For results on the Agency's indicators, see Appendix A.

ⁱⁱ GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>

ⁱⁱⁱ Report on Federal Tax Expenditures, <http://www.fin.gc.ca/purl/taxexp-eng.asp>