



Veterans Affairs Canada

Performance Report

For the period ending
March 31, 1998

Canada

Improved Reporting to Parliament Pilot Document

The Estimates of the Government of Canada are structured in several parts. Beginning with an overview of total government spending in Part I, the documents become increasingly more specific. Part II outlines spending according to departments, agencies and programs and contains the proposed wording of the conditions governing spending which Parliament will be asked to approve.

The *Report on Plans and Priorities* provides additional detail on each department and its programs primarily in terms of more strategically oriented planning and results information with a focus on outcomes.

The *Departmental Performance Report* provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the spring *Report on Plans and Priorities*.

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Foreword

On April 24, 1997, the House of Commons passed a motion dividing on a pilot basis what was known as the annual *Part III of the Estimates* document for each department or agency into two documents, a *Report on Plans and Priorities* and a *Departmental Performance Report*.

This initiative is intended to fulfil the government's commitments to improve the expenditure management information provided to Parliament. This involves sharpening the focus on results, increasing the transparency of information and modernizing its preparation.

This year, the Fall Performance Package is comprised of 80 Departmental Performance Reports and the government's "*Managing For Results*" report.

This ***Departmental Performance Report***, covering the period ending March 31, 1998, provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the department's *Part III of the Main Estimates* or pilot *Report on Plans and Priorities* for 1997-98. The key result commitments for all departments and agencies are also included in *Managing for Results*.

Results-based management emphasizes specifying expected program results, developing meaningful indicators to demonstrate performance, perfecting the capacity to generate information and reporting on achievements in a balanced manner. Accounting and managing for results involve sustained work across government

The government continues to refine and develop both managing for and reporting of results. The refinement comes from acquired experience as users make their information needs more precisely known. The performance reports and their use will continue to be monitored to make sure that they respond to Parliament's ongoing and evolving needs.

This report is accessible electronically from the Treasury Board Secretariat Internet site:
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Veterans Affairs

Departmental Performance Report

For the
period ending
March 31, 1998

The Honourable Fred J. Mifflin
Minister of Veterans Affairs

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Section I: Minister's Message



I am very pleased to present to Parliament the performance report of the Veterans Affairs Portfolio for the fiscal year ending March 31, 1998.

As Canadians approach the Millennium with excitement and optimism, Canada's veterans can take a special pride in the century past. It represents a century when they -- in First World War, in the Second World War, in the Korean War, and in the Gulf War, and in peacekeeping hot spots the world over -- faithfully answered the call of their country. As we meet the future in a time of peace and prosperity, it is in no small part due to their sacrifice. We have a solemn responsibility to ensure that their legacy is never lost or forgotten. At Veterans Affairs Canada, we are working with veterans' organizations to make sure that their stories are told to Canadians, particularly to youth.

Our mandate is quite simple -- to take care of those who took care of us. Responding to the changing needs of our veterans and their families is our continuing mission. We are pursuing a number of strategic initiatives that will maintain and improve the quality of service provided to all our clients. One accomplishment that I am extremely pleased to report on is our highly successful initiative to streamline the pension process. We have not only met our target to cut turnaround times in half, we have exceeded it. The turnaround time for processing a claim, including appeals, has been reduced by 68 percent. This achievement is even more significant when you consider that the rate of incoming claims has increased by over 30 percent between September 1995 and September 1997.

The information contained in this performance report records what has been achieved during the 1997-1998 fiscal year. I look forward to building on that momentum in the years to come.

The Honourable Fred J. Mifflin

Section II: Portfolio Overview

The Veterans Affairs Portfolio comprises Veterans Affairs Canada (the Department) and the Veterans Review and Appeal Board. During the 1997-98 fiscal year, Portfolio business and service lines were developed to address the Planning, Reporting and Accountability Structure (PRAS) requirements. Three Portfolio business lines replace the four activities outlined in the previous Operational Plan Framework (OPF) structure.

Mandate and Mission

The mandate of **Veterans Affairs Canada (VAC)** is to meet the needs of Canadians who served their country during wartime and in peacekeeping, and to honour those who gave their lives. The authority for this Portfolio Program is contained in the *Department of Veterans Affairs Act*, 16 other Acts of Parliament, and 32 sets of Regulations and Orders-in-Council. The Minister of Veterans Affairs is responsible to Parliament for the Veterans Affairs Program.

The mandate of the **Veterans Review and Appeal Board (VRAB)** provides for full and exclusive jurisdiction to hear, determine, and deal with all applications for review and all appeals that may be made to the Board under the *Pension Act*, the *War Veterans Allowance Act* or any other Act of Parliament, and all matters related to those applications and appeals are authorized under the *Veterans Review and Appeal Board Act*. The Chair of the Veterans Review and Appeal Board reports to Parliament through the Minister of Veterans Affairs.

Veterans Affairs' Mission Statement:

To provide veterans, qualified civilians and their families with the benefits and services to which they are entitled; to promote their well-being and self-sufficiency as participating members of their communities; and to keep the memory of their achievements and sacrifices alive for all Canadians.

Operating Environment

Objectives

The objective of the **Veterans Affairs Program** is to provide support for the economic, social, mental and physical well-being of veterans, their dependants, and other eligible persons.

The objective of the **Veterans Review and Appeal Board Program** is to provide for a review and appeal system for veterans, former and present service personnel, certain civilians and/or their respective dependants in order to ensure that they receive the full benefits to which they are entitled under the *Pension Act*, the *War Veterans Allowance Act*, the *Merchant Navy Veteran and Civilian War-related Benefits Act* and related statutes.

Legislation associated with the Portfolio's mandate is listed in Section VI, page 46, under *Legislation Administered and Associated Regulations*.

Strategic Priorities

The Veterans Affairs performance story revolves around core activities derived from the Portfolio Mission Statement to provide clients with benefits and services in the areas of compensation, advocacy, health care, and commemoration. These activities are implemented through four service lines within the Benefits and Services business line that deliver services consistently and equitably across the nation. They are supported by a corporate business line that includes an administrative infrastructure focused on providing enabling technology and work processes.

Executive management has instituted an array of strategic initiatives within overall corporate themes that address the needs of both clients and the organization. The initiatives are key elements of strategic leadership within the Portfolio. They contribute to the accomplishment of corporate goals and outcomes that fulfil the mission and mandate of the Portfolio and address the first key results commitment related to client well-being and self-sufficiency.

To effectively position the organization for the future, they are focused on client-related activities such as renewing service delivery technology and processes, adapting core competencies and capabilities to more effectively and efficiently meet the evolving needs of clients, and developing partnerships and alliances. The Portfolio was engaged in nine strategic initiatives throughout the fiscal year as follows:

1. Pension Streamlining
2. Business Renewal:
 - 2.1 Benefits Redesign Project (BRP)
 - 2.2 Client-centred Service Initiative (CCSI)
 - 2.3 Corporate Services Infrastructure Review (CSIR)
3. Commemoration
4. Review of Veterans Care Needs
5. Veterans Affairs Cost Containment
6. Veterans' Organizations
7. Health Care Coordination Initiative (HCCI)
8. Transfer of Ste. Anne's Hospital
9. Knowledge Economy Partnership (KEP)

Challenges

In terms of clients served, Veterans Affairs' clients include those who served Canada during wartime and in peacekeeping duties, as well as their families and other qualified civilians. At the end of March 1998, Canada's veteran population was estimated at 434,000 persons, of whom approximately 42,000 were women. In 1997-98, one in five men in Canada aged 65 and over was a war veteran. During this same period veterans were, on average, 76 years of age.

These estimates represent the total veteran population eligible to draw on benefits and services provided by Veterans Affairs. In 1997-98, approximately 217,000 clients received direct benefits. Of this number, approximately 121,000 were veterans, 70,500 were survivors and dependants, and 25,500 were Canadian Forces and Special Duty Area pensioners.

With most veteran clients now over 65 years of age, their needs have shifted to problems associated with aging, such as chronic ill-health, frailty, and loss of mobility. As they age, many veterans experience increased vulnerability and dependence on others such as family members, friends, community organizations and institutions. The impacts of providing services to an aging clientele will result in increased demand for health care services in the short-term, and for institutional care in the long-term.

To help answer this challenge, health promotion has been identified as a key priority area. A national approach that emphasizes maintaining independence, preventing illness, and improving health and quality of life will be developed in partnership with other levels of government and non-government organizations.

Another related challenge involved the need to improve processing turnaround times at all levels of the pension process. As veterans age and disabilities related to military service become apparent, timely processing of pension claims becomes an essential element of quality client service.

The transfer of Ste. Anne's Hospital to provincial jurisdiction presents a challenge in that veteran clients must be guaranteed priority access to programs and beds at the Hospital with the possibility of accessing other beds closer to their homes throughout the provincial long-term care system. There is also the challenge to ensure employees are treated fairly and are assured of the highest degree of employment continuity.

Yet another challenge unrelated to clients' physical health or financial benefits lies in the area of keeping the memory of the achievements and sacrifices of our clients alive for all Canadians. The reticence of Canadians to publicly celebrate achievements and the tendency for young Canadians to be unaware of their military history contribute to the difficulty of fulfilling this element of the Portfolio Mission Statement.

Portfolio Organization

Programs and Business Lines

In 1997-98, the Veterans Affairs Portfolio delivered two programs.

- ▶ The **Veterans Affairs Program**, which operates under the direction of Veterans Affairs Canada (VAC), now consists of two business lines: Benefits and Services, and Corporate Administration. The Benefits and Services business line has been partitioned into four distinct service lines as follows:

- 1) Pensions and Allowances
- 2) Pensions Advocacy
- 3) Health Care
- 4) Commemoration

These service lines provide for a wide range of benefits and services to veterans, qualified civilians and their dependants, some of which include: information, counselling, legal advocacy, assessment of health care needs, adjudication of claims for pensions and allowances, benefit administration and payment, funeral and burial assistance, as well as special activities and grants to commemorate Canada's war dead and those who served Canada during other periods of conflict.

The Corporate Administration business line comprises the following corporate functions: the Assistant Deputy Minister Corporate Services, Conflict Resolution, and Access to Information and Privacy, as well as executive secretariat services (including legislation and regulation), communications, corporate planning, finance, (including Property Management functions), human resources, information management, management support services, audit and evaluation, and security services. These functions provide the corporate management and administrative support which enables the organization to set direction, manage change and assess performance.

Benefits and services are delivered by VAC through a decentralized organization consisting of a Head Office located in Charlottetown, the National Capital Office in Ottawa, and a network of regional and field offices across Canada. The Department also operates a hospital in Ste-Anne-de-Bellevue, Quebec, as well as battlefield memorials in Europe.

- ▶ The **Veterans Review and Appeal Board Program** operates under the direction of the Veterans Review and Appeal Board (VRAB) and consists of one distinct business line dealing with client reviews and appeals. VRAB hears applications for review from veterans and others who are dissatisfied with the decisions rendered by Veterans Affairs Canada respecting disability pensions. It also hears appeals from persons who are dissatisfied with the Board's review panel decisions, and hears final appeals

VRAB services are delivered through a Head Office in Charlottetown, although review hearings are held in many sites across the country.

**Figure 1 - Veterans Affairs Portfolio Organization Chart
(According to the Planning, Reporting and Accountability Structure)**

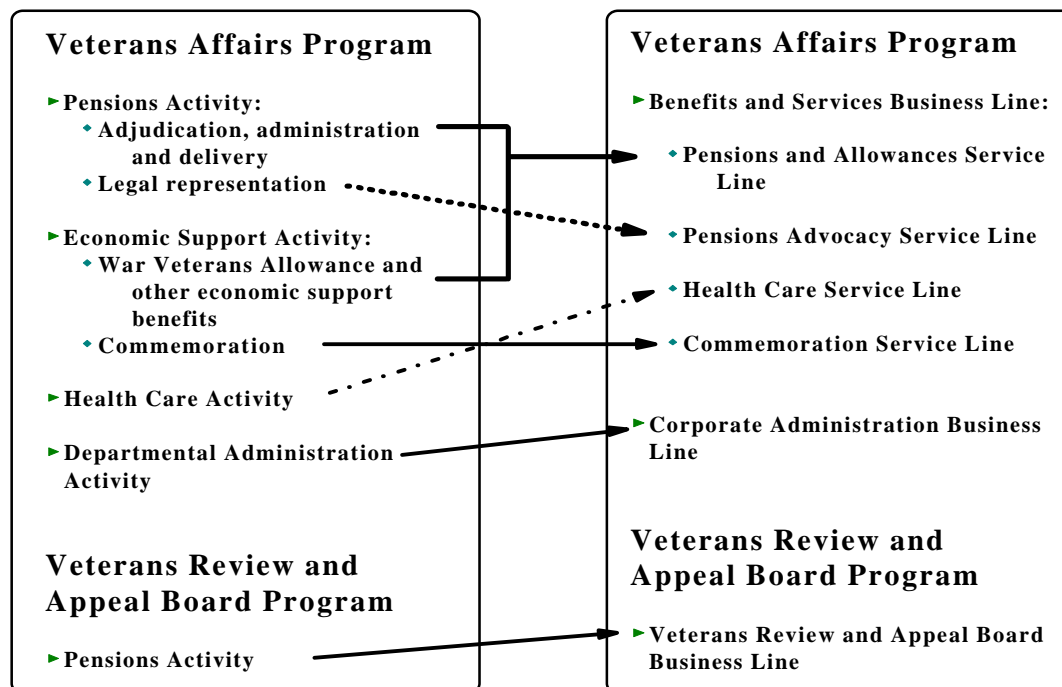


This year's report constitutes a transition from the old Operational Plan Framework (OPF) activity structure to the new Planning, Reporting and Accountability Structure (PRAS) comprised of business and service lines. Although the 1997-98 Report on Plans and Priorities was developed under the OPF structure, performance information in this report reflects the PRAS framework.

A recent study on performance management conducted by the Audit and Evaluation Division has resulted in the development of a results measurement framework for the Portfolio's business and service lines. This framework outlines measurement activities related to business and service line key results targeted over a three-year period, beginning in fiscal year 1998-99. This framework will provide the basis to assess business line performance for next year's Departmental Performance Report. As managers at all levels become more familiar with results measurement and reporting, and as the results management framework develops and expands, future performance reporting should demonstrate a high degree of continuous improvement.

To provide some context to the evolution of the new business line structure the following chart depicts the migration of OPF activities into PRAS business lines:

Figure 2 - OPF/PRAS Crosswalk



Section III: Portfolio Performance

Table 1 - Key Results Commitments

Veterans Affairs Canada (VAC)

to provide Canadians with:	to be demonstrated by:	achievement reported on:
promotion of the well-being and self-sufficiency of clients as participating members of their communities	<ul style="list-style-type: none"> ➤ the timely and equitable delivery of benefits and services from a client-centred perspective and focus ➤ programs that effectively meet the evolving needs of clients ➤ the development of partnerships and alliances to leverage capabilities and enhance services 	<ul style="list-style-type: none"> ➤ Pages 10 to 13 ➤ Pages 13 to 15 ➤ Pages 15 to 18
benefits, financial assistance, health care services and legal representation to which veterans, their dependants and other qualified civilians are entitled	<ul style="list-style-type: none"> ➤ the reduction of processing times for disability pensions applications by 50 per cent within two years ➤ the containment of health care costs ➤ improved collective purchasing effort for prescription drugs, vision care and dental care products and services through health care coordination ➤ the assessment of performance against service standards ➤ the transfer of the last remaining departmental hospital 	<ul style="list-style-type: none"> ➤ Page 10 ➤ Pages 24 to 26 ➤ Page 16 ➤ Pages 19 and 20 ➤ Pages 16 and 17
the perpetuation of the memory of the achievements and sacrifices of veterans	<ul style="list-style-type: none"> ➤ the development of education and awareness programs ➤ the expanded use of technology 	<ul style="list-style-type: none"> ➤ Page 13 ➤ Pages 27 and 28

The preceding table provides the foundation for performance management within the Portfolio: Key Results Commitments provide the overarching outcomes against which performance can be assessed. The first commitment involves overall performance and is addressed through strategic initiatives. The second commitment entails business line performance and is discussed at that level. The unique requirements of the third and final Key Results Commitments are dealt with in both overall strategic and service line performance.

Overall Portfolio Performance

Key Results Commitment: To promote the well-being and self-sufficiency of clients as participating members of their community.

1. Pension Streamlining

Context: This initiative evolved from the success of the Pension Reform project that was initiated to enable the Portfolio to reduce processing times for disability pension claims. These improved turnaround times are resulting in payments being made earlier. Although the Pension Reform and Pension Streamlining initiatives are no longer considered strategic initiatives, the Portfolio remains committed to providing quality service and continuous improvement to the pension application and appeal process.

Performance: Streamlining initiatives have met the commitment to clients to reduce the processing time for disability pension claims by 50% within the period from September 1995 to September 1997. Average processing time for the entire pension program was reduced by 68% for this period. Each level of the pension process achieved processing time savings of greater than 50%. These accomplishments were even more significant in light of the fact that the rate of incoming claims increased by approximately 30%.

A breakdown for turnaround time (TAT) comparison for the period of this initiative and for fiscal year-end follows:

Pension Process Level	TAT at September 1995	TAT at September 1997*	TAT at March 1998**
First Applications	18 months	5.7 months	5.0 months
Reviews	12 months	3.6 months	4.1 months
Appeals	8 months	3.5 months	4.0 months
Special Awards	4 months	1.6 months	1.6 months

* Calculated using a three-month moving average as of September 1997

** Calculated using a three-month moving average as of March 1998

As well as reducing turnaround times, other improvements such as incorporating innovative work processes, information technology, inter-organizational teamwork and a shared vision of improved client service have also resulted from the initiative. These organizational factors have contributed to the overall success of the initiative. This success can be summarized as:

- reducing processing times for each level of the pension process;
- reducing cases on hand and backlog inventories at all levels of the process; and
- achieving these time savings while intake levels of new claims received was increasing.

2. Business Renewal

2.1 *Benefits Redesign Project (BRP)*

Context: The primary objective of the BRP is the successful development and implementation of the Client Service Delivery Network (CSDN). The CSDN will embody the integration of the work functions (the work we do), the information technology (the tools and information we use to do the work), and the organization (how we interact with our clients and each other) that best supports delivery of services to clients. The BRP is a Major Crown Project being carried out in phases. Currently in the implementation phase, the project is being managed in accordance with Treasury Board's Major Crown Project policy and the Enhanced Framework for the Management of Information Technology Projects.

Performance: The CSDN will be released in four stages or releases beginning in the fall of 1998, with full implementation expected to be complete by June 2000. Adjustments have been made to the project's design, development, and implementation schedules (particularly for the information technology components) to utilize CSDN replacements for the Department's two legacy Benefit Delivery Systems to resolve a number of Year 2000 computer problems. Project close-out is scheduled for June 2000.

In October 1997, Treasury Board approved the necessary funding for the project to proceed into the third and final implementation phase of the Major Crown Project.

2.2 Client-centred Service Initiative (CCSI)

Context: The CCSI was initiated to ensure that the Department is able to meet the more complex needs of veterans as they age, including the needs of their families, caregivers, and other clients like members of the Canadian Forces. The concept strives to ensure that the Department's structure and activities are more responsive to client needs and their right to be more directly involved in the kinds of care and services they receive.

Performance:

- One element (Screening and Veterans Independence Program low risk annual follow-up) of the service delivery model was developed and ready to evaluate in March 1997. Data collection for evaluation was completed in September 1997. A final report was completed in June 1998.
- A new counsellors' assessment guide was developed and ready for testing by July 1997. Data collection was completed in August 1997. A final report was completed in June 1998.
- The work on drafting standards continued from March 1997 to April 1998. A client definition and draft standards for screening were completed during this period.
- A national training plan was developed and approved by June 1997. Course development and testing occurred from October 1997 to January 1998. Implementation of four national courses to nine project sites occurred from February to March 1998. Plans to deliver to remaining District Offices and Portfolio staff were completed and ready for implementation by March 31, 1998.
- A draft report on the Role of Health Professionals was completed in June 1997. A draft work plan to implement the recommendations from this report was started in the 1997-98 fiscal year.
- The preparation and planning of National Project Sites began in May 1997 and was completed in October 1997.
- A readiness review to determine the readiness to step into phase one of Project Implementation began on November 1, 1997 and was completed on January 31, 1998.

- Most project sites had started in phase one Project Implementation by February 1998. This phase included implementation of a new screening tool and process, team training, staffing to ensure appropriate resourcing, and establishment of client advisory committees.
- Development of a draft Evaluation Framework began in the 1997-98 fiscal year.

2.3 Corporate Services Infrastructure Review (CSIR)

Context: This review encompasses improvements to operational support areas such as finance, human resources, information technology, and general administrative management. This is to ensure these functions continue to provide efficient and effective services as the Portfolio renews itself through the themes of modernization, client-centred service, and continuous improvement. Integrated enhancements to corporate systems and processes will be required to meet changing program delivery needs and the requirements of government-wide priorities.

Performance: A project has been initiated to re-engineer Corporate Services business processes to take advantage of opportunities presented by new technology, best practices, and bench-marking. Partnerships with other entities and levels of government are being pursued to save resources which will be redeployed to improve service to clients. All Corporate Services managers are developing a future vision for the delivery of corporate services. The vision is now in the initial stage of development and will be completed for each Corporate Administration service element.

The project includes negotiating, developing, implementing and publishing service standards for corporate functions. Analysis of training needs and skill-set inventories will assist in establishing a continuous learning environment and a flexible, responsive workforce. A Corporate Applications Centre has been set up as a test lab for new software and processes. A new suite of Corporate Systems is also being implemented.

Plans for the project target a national implementation of new modernized Corporate Services business processes with embedded performance measures beginning in April 1999.

3. Commemoration

Context: Middle-aged Canadians grew up surrounded by people who took part in war. Their relatives and neighbours had been overseas or contributed to the war effort on the home front. At that time, there was no need for formal education and public awareness programs. Now, however, with the veteran population aging,

young people, new Canadians, all Canadians, are losing touch with this important aspect of our heritage. Our country cannot afford this loss.

The aim of the Commemoration initiative is to ensure that the achievements and sacrifices of Canadian veterans are kept alive for all Canadians. It will lead to a more knowledgeable Canadian public that takes pride in its country's wartime achievements and appreciates the historic significance of these accomplishments in the development of Canada as a nation.

Performance: The Conceptual Framework for the Commemoration Program was approved in March 1998. The document establishes a new direction for commemoration based on a leadership role for education and public awareness. It outlines the Program's mandate, mission, vision, objectives, key components, resource and marketing strategies, as well as key management challenges. A new target audience has been identified for the program. While respectful of VAC's traditional veteran client base, the target audience for the Commemoration Program is the Canadian public, and, on behalf of all Canadians, the world community.

4. Review of Veterans Care Needs

Context: An aging client population requires access to an integrated and flexible program of health and support services. The objective of the strategic initiative is to determine client care requirements and to determine future needs, potential demand for services, cost and quality control measures as well as developing more effective partnerships with provincial governments.

Performance: The Review made it possible to collect qualitative and quantitative data through the following key activities: literature review; national survey of 1,600 veterans; a series of focus groups with veterans, caregivers, and service providers; extensive consultations; a review of provincial health care directions; and a demographic profile.

The following documentation was produced based on the results of this research:

- POLLARA consultants' report on Focus Groups (May 1997)
- Literature review: Care Trends for Seniors (June 1997)
- Analysis of Consultations (July 1997)
- Veterans Care Needs Survey Report on Findings (August 1997)
- Provincial Overview (August 1997)
- Background and Key Findings (October 1997)
- Demographic Profile (December 1997)

The Review successfully met most of the goals identified in the 1997-98 Report on Plans and Priorities. The results accomplished against the monitoring of the quality and cost of care received by veterans are discussed under the Health Care service line in the business line performance section.

Detailed work plans have been prepared, including time frames for implementation of recommended strategies, for both Long-term Care and the Program and Eligibility Proposal. The Review has enabled the development of a strategy to project the need for long-term facility care. It is expected that results will be finalized by December 1998.

Given the rapid pace of change in this era of health care reform, review of these items is ongoing. The Review will make it possible to deliver a series of planning tools for long-term care issues to senior field managers by December 1998.

5. Veterans Affairs Cost Containment

Context: To ensure that health care related services and benefits are delivered in a cost-effective and efficient manner, a number of improvements to the delivery process have been initiated within the Health Care service line. The objective of these activities has been to identify and eliminate excess, duplication, and overlap on an ongoing basis, while ensuring that the quality of client care is not diminished.

Performance: The cost containment exercises of 1995-96 and 1996-97 have left the Department with an approach to appropriately respond to the requirement to contain costs without diminishing the quality of care and services to clients. The Department will continue reviewing the Other Health Purchased Services (OHPS) and the Treatment Account Processing System (TAPS) to ensure that the benefits and services provided fully meet clients' needs in the most reasonable and cost-effective manner, even though Veterans Affairs Cost Containment will no longer be considered a strategic initiative.

6. Veterans' Organizations

Context: To best serve the interests of clients and their families, it is necessary for the Portfolio to work in concert with the various organizations and stakeholders involved. Using a consultative approach with veterans' organizations, the Portfolio has focused on improving service delivery through the advantages of working together. In response to identified needs and priorities, legislative changes have been instituted to address these requirements.

Performance: The Portfolio continues to strengthen working relationships and, in some cases, develop partnerships and working arrangements with various veterans' organizations. Examples of this progress include:

- Last Post Fund (LPF) - Successful operational transfer of the delivery of the Funeral and Burial program, considered to be an example of Alternate Service Delivery (ASD).
- Tomb of the Unknown Soldier - Veterans Affairs Canada is working closely with the Royal Canadian Legion and other veterans' organizations to plan and carry out this initiative.
- Access to VAC system - VAC has provided the Royal Canadian Legion with 20 computers to use under a partnership agreement that will enable Legion Service Officers to gain secure access to the Client Service Delivery Network (CSDN) for clients that they represent in the pension process. This access will assist both VAC and the Legion to better serve our clients together. These computers have recently been taken out of front-line service in VAC as part of the implementation of the CSDN.
- Strategic issues - Regular meetings on joint approaches to key issues of mutual concern, such as long-term care, pension reform, the Gerontological Advisory Council (GAC), health promotion and education, etc.

7. Health Care Coordination Initiative

Context: The objective of this initiative is to implement a coordinated strategy involving a number of federal departments and agencies that seek to take advantage of potential cost savings in the areas of prescription drugs, vision care, and dental care through collective purchasing power and information sharing. Participating departments include Veterans Affairs Canada, Health Canada, Department of National Defence, Royal Canadian Mounted Police, Correctional Service Canada, Public Works and Government Services, and Treasury Board Secretariat.

Performance: The development of a comprehensive three-year business plan has resulted in ongoing coordination and consultation of participating departments that has increased the understanding of each other's health services and environment. The initiative has greatly facilitated the sharing of health care related information and experiences, and resulted in the implementation of a collective negotiation approach with health care providers.

8. Transfer of Ste. Anne's Hospital

Context: The objective of this initiative is to transfer Ste. Anne's Hospital to the province of Quebec, while ensuring that eligible veterans continue to have access to

quality long-term care services, consistent with those provided to veterans across Canada. With this in mind, a formal project team was formed in 1995 to manage the discussions and negotiations to effect this transfer. This initiative will affect about 940 employees and approximately 600 active beds.

Performance: In October 1997, a proposal to commence discussions on the transfer was sent to the Quebec Department of Health and Social Services. In March of 1998, the Province of Quebec confirmed its intention to enter into formal discussions with the project team.

9. Knowledge Economy Partnership

Context: The Knowledge Economy Partnership (KEP) originated in June 1996, when federal and provincial government departments together with the post-secondary educational institutions on Prince Edward Island agreed to work collaboratively to share information, resources, and expertise in the pursuit of common solutions to current and future challenges. The partners joined forces to identify and capitalize on opportunities to achieve common goals through the effective use of information technology and innovative service delivery approaches. The small size of the business and government community makes Prince Edward Island an ideal location to develop and pilot a model for collaborative governance that could be transportable to the rest of Canada.

Performance: On February 5, 1997, with the signing of a Memorandum of Understanding, Prime Minister Jean Chrétien and Premier Pat Binns officially endorsed KEP as part of the strategic plan and future direction for Prince Edward Island. During the 1997-98 fiscal period, the KEP Steering Committee approved twenty-six projects, nine of which were co-sponsored by Veterans Affairs Canada. Some of the initiatives included:

- **Integrated Service Delivery to Veterans and Non-veteran Seniors -** A feasibility study was conducted to assess the potential for integrated service delivery of programs and services for seniors in Prince Edward Island. The recommendation to proceed with co-location of services is being pursued as a first step, thus demonstrating the collaborative efforts of both levels of government in terms of moving toward an alternative service delivery approach.
- **Preparation for a Seniors' Education Program and Evaluating its effects on Quality of Life and Health Care Costs -** Veterans Affairs Canada, the University of Prince Edward Island, and seniors' groups on the Island partnered to develop a business plan to address the sustainability of a Seniors' Education Program. Results of the study led to the creation of a Seniors' College with courses commencing in September 1998.

- **Knowledge Worker Demand Survey** - This research project was designed to examine the current and projected impact of information technology on governments, educational institutions, and the private sector relevant to knowledge worker skill requirements. The survey produced a three-year forecast for skilled workers in the information technology field. The next phase of the project is to develop a supply strategy to meet the forecasted need.
- **Year 2000 (Y2K) Project** - Twenty-nine individuals were trained as Y2K Conversion and Test Programmers to assist Veterans Affairs Canada and the Government of Prince Edward Island in addressing the Year 2000 challenge vis-à-vis their respective computer systems. Veterans Affairs employed thirteen of the graduate students.

Integral to the strategic management of the Knowledge Economy Partnership, an Evaluation Framework was developed to address the issues of relevance, impact, success, and cost-effectiveness. The document was completed in January 1998, and future evaluations will be conducted in the context of the performance indicators contained therein, some of which include:

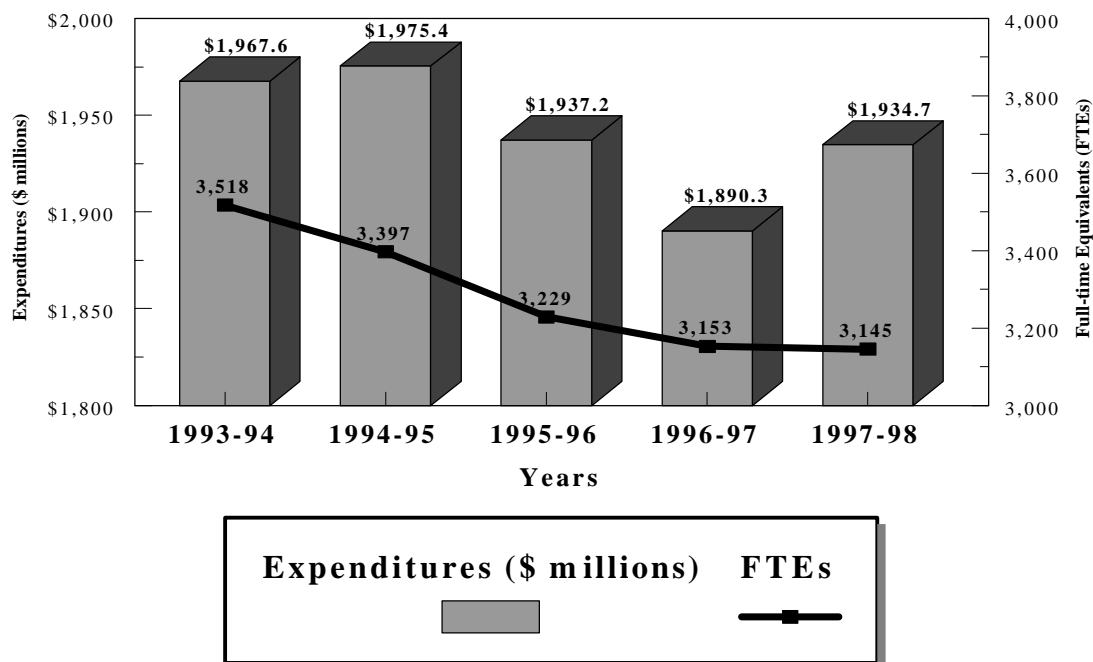
- A strengthened relationship between citizens and all levels of government;
- A highly skilled workforce well-positioned to respond to current and future information technology demands in both the public and private sectors;
- An improved sense of community;
- Better, faster, and more effective service;
- Less red tape, overlap, and duplication of service; and
- Job creation and economic growth.

Business Line Performance

Key Results Commitment: To provide benefits, financial assistance, health care services and legal representation to which veterans, their dependants and other qualified civilians are entitled to.

Portfolio business lines provide the vehicle through which the results accruing from strategic initiatives can be operationalized and incorporated into ongoing client benefits and services. In essence, business lines produce results based on the delivery of consistent and equitable benefits and services using enabling technology and work processes.

Figure 3 - Trends* in Portfolio Expenditures and Full-time Equivalents (FTEs)



* Expenditures and FTEs have been adjusted according to the new PRAS business line structure.

To enhance the quality of these services and benefits, Veteran Affairs is an active participant in the federal *Quality Services Initiative*. The Portfolio has instituted a quality program outlined in a strategy document entitled “The Quest for Quality,” approved in February 1997. In May 1997, Veterans Affairs released the results of a national service quality survey, which showed that the vast majority of clients were satisfied with the overall quality of the services they received.

The survey also determined that clients were satisfied with key indicators such as courtesy and helpfulness of staff, accuracy of correspondence, service in official language of choice, and promptness of service.

Other elements of this ongoing initiative include the development of a revised Service Standards brochure and the development of a client feedback system through the installation of Client Comment Cards in all public offices throughout the Department. These cards, together with comparisons of performance targets established in client Service Standards, will form an integral component of performance assessment in terms of the service delivery performance area in future reports. The Portfolio also developed a Quality Coordinators' Network designed to strengthen the implementation of internal quality initiatives.

For this year's report, performance will be assessed against those expectations listed in the Report on Plans and Priorities (RPP) for fiscal year 1997-98. This assessment will be framed within the new business and service line structure featuring results that have been mapped over from the OPF activity structure that formed the basis for the RPP.

1. Benefits and Services Business Line

Context: The Benefits and Services business line is the service delivery arm of the organization that provides clients with benefits and services that contribute to their financial, physical, social health and well-being. This large business line contains four constituent service lines:

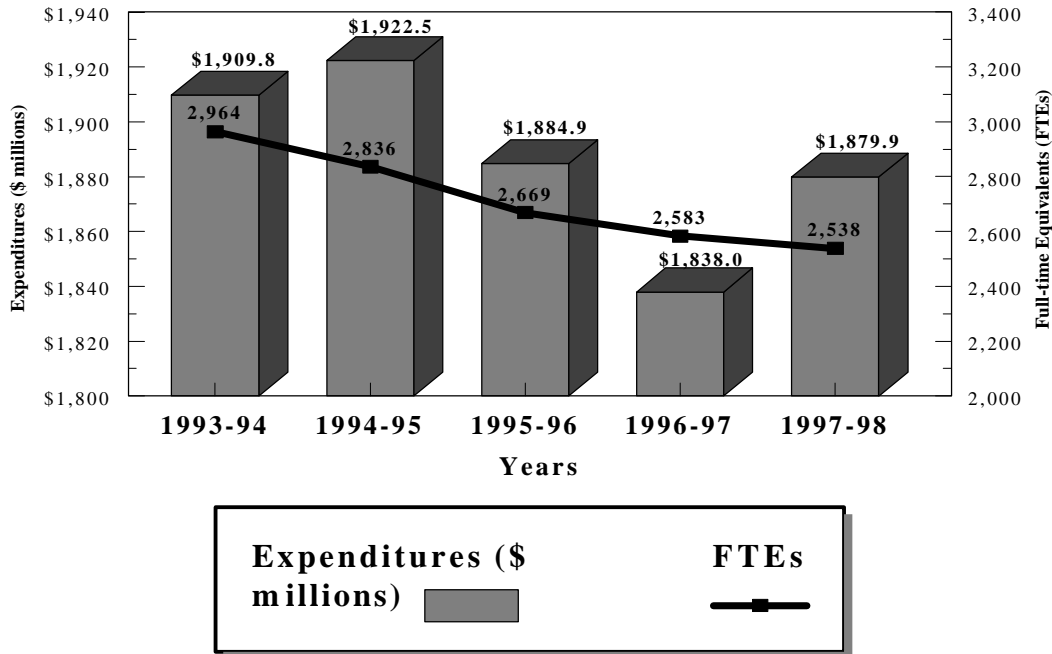
- 1.1 Pensions and Allowances;
- 1.2 Pensions Advocacy;
- 1.3 Health Care; and
- 1.4 Commemoration.

Virtually all existing clients gain access to direct benefits and services by establishing eligibility in the Pensions and Allowances service line. In turn, this eligibility provides a gateway into the more elaborate benefits and services associated with the activities or service elements of the Health Care service line.

The Pensions Advocacy service line assists the claims process inherent in the Pensions and Allowances service line. The results that accrue from the activities of the Commemoration service line benefit a broader audience in that all Canadians share in the performance accomplishments.

Business line expenditures as compared to the number of Full-time Equivalents (FTEs) for the past five years are presented in the following chart:

**Figure 4 - Benefits and Services Business Line
- Trends for Expenditures and Full-time Equivalents**



All service lines are intended to contribute to promoting the independence and improving the quality of life of clients and their families. However, changing demographics are forcing the Portfolio to renew systems and processes and rethink the philosophy of service delivery, as described in the three components of the Business Renewal strategic initiative discussed earlier.

Although the following discussion will deal with each service line individually, it is important to realize that the integrated package of services and benefits addresses the desired outcome that coincides with the second key results commitment.

1.1 Pensions and Allowances Service Line

Performance Expectation: To reduce disability pension first applications turnaround times by 50% by September 1997. The attainment of a new level of service for disability pensions will mark the completion of the first key strategy in Veterans Affairs' second key results commitment.

Accomplishment:

- As of September 1997 turnaround time for disability pension first applications was reduced from 18 months to 5.7 months over the two-year period.

Performance Expectation: To continue the time-sensitive delivery of Pension and Allowance claims.

Accomplishments:

- As of March 1998, the average processing turnaround time for pension applications was 5.0 months, and 1.6 months for Special Awards.
- Through innovative work processes, information technology, inter-organizational teamwork and the shared vision of improved client service, Veterans Affairs was successful in reducing the time required to process disability pension claims, including appeals, by more than one-half.
- The improvement in turnaround times has resulted in payments being made earlier for any given claim, but this will not result in any additional costs to the government in the long term. Even though the Pension Reform and Pension Streamlining initiatives are no longer considered strategic activities, the Portfolio remains committed to providing quality service and continuous improvement to the pension application and appeal process.

Performance Expectation: To ensure that client benefits will not be adversely affected as a result of the activities of the Pension Streamlining initiative.

Accomplishment:

- Post payment reviews of the disability pension payment process, by the Office of the Auditor General and by VAC staff, consistently indicate that error rates are well within established standards.

1.2 Pensions Advocacy Service Line

Performance Expectation: To counsel and represent clients dissatisfied with departmental decisions concerning pensions and allowances claims in order that clients receive all the benefits to which they are entitled.

Accomplishments:

- 7,360 review hearings presented, some (approximately 5%) in conjunction with the Royal Canadian Legion (RCL).
- 2,733 appeal hearings presented, some in conjunction with the RCL.

Performance Expectation: To contribute to overall cost-effectiveness and client satisfaction through representing and counselling clients.

Accomplishment:

- Approximately 10 to 15 per cent of the cases initiated by the Bureau of Pensions Advocates are determined as not having sufficient merit to proceed at that time. These decisions are reached in collaboration with the claimants and serve to reduce prolonged dissatisfaction and resource utilization.

Performance Expectation: To contribute to the overall reduction in processing times for reviews and appeals and to reductions in cases on hand throughout the year (refer to VRAB business line).

Accomplishments:

- Overall turnaround times (TATs) for reviews as of March 31, 1998, was 4.1 months; for appeals, 4.0 months (calculated using a three-month moving average); and average turnaround times (TATs) from date of first contact to date of hearing was 92 days and 88 days respectively.
- For the period of the Pension Streamlining Initiative (September 1995 to September 1997), Pensions Advocacy assisted the Veterans Review and Appeal Board in the reduction of cases to be heard.

1.3 Health Care Service Line

Performance Expectation: To assist clients in maintaining independence and improve health and quality of life through health promotion pilot projects initiated in Quebec, Atlantic and Pacific regions.

Accomplishments:

- A Conceptual Framework and an Action Plan for health promotion initiatives and projects is in the final phases of development. This plan is based on three identified goals for health promotion: knowledge, partnership, and policy.
- An evaluation of pilot health promotion projects in British Columbia, Quebec and Prince Edward Island has been completed. From this work, an Evaluation Framework for future projects will be developed to assist in future performance and accountability reporting.
- Funding mechanisms are being put in place for community investment projects; ongoing partnerships are being developed with community organizations to undertake health promotion projects for the benefit of our clients.
- A partnership agreement has been initiated which will see 20 computers made available to branches of the Royal Canadian Legion across the country in support of VAC's health promotion projects. This will enhance access for veterans to health information and educational materials developed for these projects. These computers have recently been taken out of front-line service in VAC as part of the implementation of the CSDN.
- There are ongoing negotiations with the National Film Board of Canada for a caregiver video entitled "Labour of Love" to be distributed by the Department for the use of veterans, caregivers, and other clients.
- Cost recovery mechanisms are being put in place for those requests received for Caregiving manuals and videos from a 1993 pilot project conducted by the Department. This project resulted in a number of manuals and videotapes available for purchase by veterans and other clients.

Performance Expectation: To provide clients with necessary and cost-effective health care benefits by enhancing financial controls over selected health care benefits and other related health services such as physiotherapy.

Accomplishments:

- Review and development work completed for new formulary, authorization process for high-end drugs and improved Drug Utilization Review (DUR). The implementation schedule for this work begins in May 1998.
- Review of vision benefits completed and a joint negotiating position established with the Health Care Coordination Initiative.
- Control costs and dental program through implementation of pre-authorization process for all dental claims.
- Frequency limits of 20 per annum set for physiotherapy and acupuncture to align with other provider groups effective November 1998. Service frequency above established limits will serve as indicator for client follow-up due to changing health care needs.
- Dollar limits set where rates for comparable community services are available.
- As part of the introduction of Client-centred Service Approach, clients are being contacted on a regular basis (at least annually) to ensure that the Contribution Arrangement is appropriate and that the client is obtaining the services and keeping receipts. Effective August 1997, a Low Risk Client report is being produced monthly to monitor the completion of these reviews.
- Regional quality control reviews of the client files continue to ensure that the Case Management policies are being followed.
- VAC, through its third-party administrator Blue Cross, completes audits of benefit providers to ensure compliance with VAC policies and pricing limits. These audits have resulted in clarification notices being sent to provider groups when a general problem has been identified and, in individual cases, the recovery of excess charges claimed by providers.

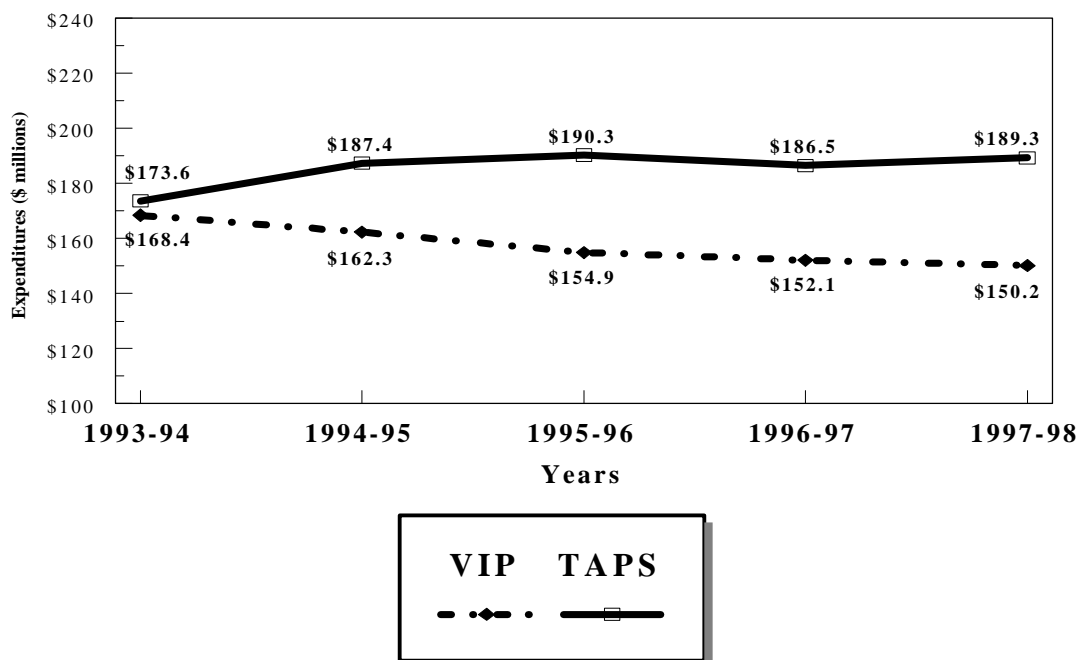
- The Health Care Division developed an Action Plan for Institutional Long-term Care which includes improving financial auditing of contract facilities with an increased focus on the issues of quality and of value for money. Planning was initiated for actions to be taken in each of the five regions to ensure financial accountability and quality assurance for Institutional Care. In addition to these fiscal issues, each veteran in a facility will be visited or contacted as part of the long-term care action plan.

Performance Expectation: To control supplier-driven demand through negotiation of better agreements and to refocus equipment purchases toward assessed client need. Needs based criteria, supported by treatment plans, will have to be met before limits are exceeded.

Accomplishments:

- Establishment of Special Equipment Review Committee to review and make recommendations on new equipment.
- Introduce the tenets of the Client-centred Service Initiative to ensure a holistic client needs review is conducted to determine the appropriateness of interventions.
- Introduce fee limits in Prairie Region for the dispensing of hearing aids effective April 1, 1998. Service fee rates have been maintained at 1994-95 rates for other regions.

**Figure 5 - Health Care Service Line
- Trends in Service Element Expenditures**



VIP - Veterans Independence Program
TAPS - Treatment Accounts Processing System

Key Results Commitment: To perpetuate the memory of the achievements and sacrifices of veterans.

1.4 Commemoration Service Line

Performance Expectation: To clearly define and ratify the mandate, objectives and long-term direction of the Commemoration function.

Accomplishment:

- Commemoration Conceptual Framework document developed and approved in March 1998.

Performance Expectation: To conduct ceremonies and pilgrimages.

Accomplishment:

- Major pilgrimages and associated ceremonies conducted:
Vimy - April, 1997 -- 80th anniversary of the Battle of Vimy Ridge
Dieppe - August, 1997 -- 55th anniversary of the raid on Dieppe
Vimy and Beaumont-Hamel - November 1997 -- Dedication of both memorials as National Historic Sites and burial of Canadian airmen in Belgium

Performance Expectation: To develop Education and Public Awareness Programs.

Accomplishment:

- The Second World War education kit continued to be marketed. A Second World War CD-ROM was developed and marketed.

Performance Expectation: To develop and maintain memorials.

Accomplishment:

- Preservation and Presentation plans developed and initiated for Vimy and Beaumont-Hamel battlefield memorials. Visitor Centre completed for Vimy and both sites were declared as national historic sites.

2. Veterans Review and Appeal Board Business Line

Context: The Veterans Review and Appeal Board ensures that clients are provided with full opportunity to request and appeal hearings of previous decisions made by the Department regarding disability pension and war veterans allowance claims to ensure a fair adjudicative process is in place. This Portfolio business line is an independent quasi-judicial agency that hears applications for reviews and appeals of the Board's review panel decisions.

Performance Expectation: To reduce the turnaround time (TAT) for the processing of reviews and appeals as part of the Pension Streamlining initiative.

Accomplishment:

- Turnaround times were reduced from 12 months to 3.6 months for reviews and from 8 months to 3.5 months for appeals during the period of the Pension Streamlining initiative, from September 1995 to September 1997.

Performance Expectation: To continue the timely processing of reviews and appeals.

Accomplishment:

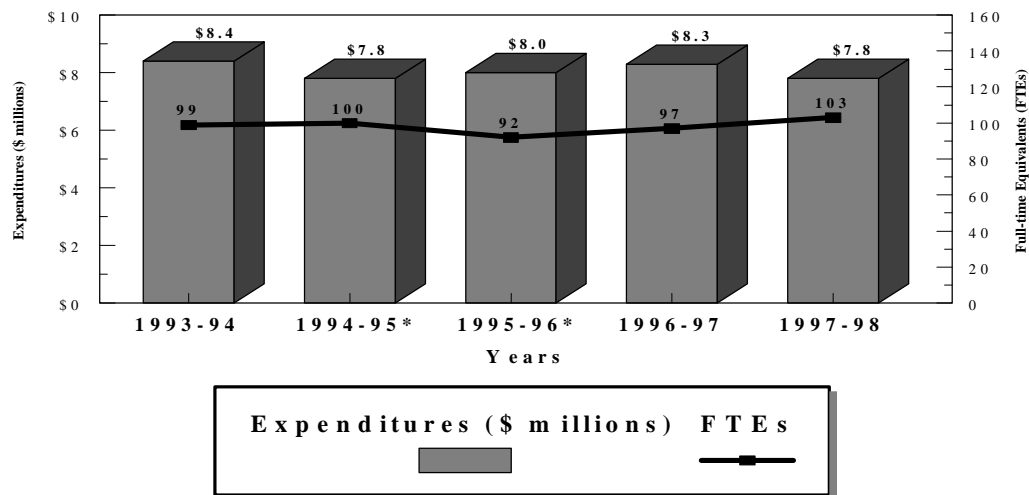
- Turnaround times were reduced from 8.8 months for reviews and 9.4 months for appeals as of March 1997, to 4.1 months for reviews and 4.0 months for appeals as of March 1998.

Performance Expectation: To reduce the number of cases on hand waiting for adjudication.

Accomplishment:

- For the period of the Pension Streamlining Initiative (September 1995 to September 1997), cases on hand were reduced from 6,044 to 2,799 for reviews, and from 2,281 to 923 for appeals.

**Figure 6 - Veterans Review and Appeal Board Business Line
- Trends** in Expenditures and Full-time Equivalents (FTEs)**



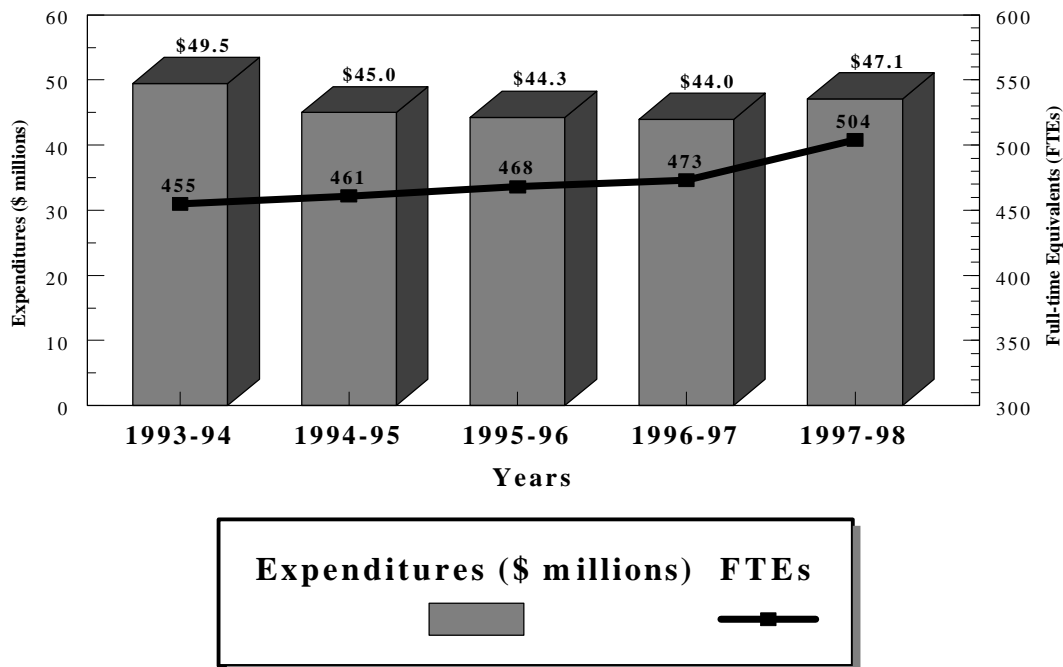
* Includes figures for the former Canadian Pension Commission and Veterans Appeal Board.

** Expenditures and FTEs have been adjusted according to the new PRAS business line structure.

3. Corporate Administration Business Line

Context: This business line supports the delivery of services and benefits to clients and ensures the requirements of the Minister, the Chair of VRAB, Central Agencies and Parliament are satisfied. Initiatives within this business line will ensure the Portfolio's systems and processes are able to respond to the changes emanating from client service delivery initiatives and projects.

**Figure 7 - Corporate Administration Business Line
- Trends* in Expenditures and Full-time Equivalents (FTEs)**



* Expenditures and FTEs have been adjusted according to the new PRAS business line structure.

Year 2000 (Y2K) Update

Performance Expectation: All VAC systems and infrastructure to be operating Year 2000 compliant versions of hardware and software by December 31, 1998.

Among its service lines, VAC has two Government Wide Mission Critical (GWMC) functions: Pensions/Allowance and Health Care, supported by five client support computer systems and tightly coupled to the Financial Management Information System. VAC is on schedule to have all GWMC systems and supporting computing infrastructure Year 2000 compliant for December 31, 1998.

VAC's Year 2000 Project is led by the Assistant Deputy Minister Corporate Services and matrix-managed by an Executive Director. The matrix comprises the project office and three groups: client applications, corporate application, and the technical infrastructure. Each group reviews its work plans on a regular basis with a Steering Committee which meets on a bi-weekly basis to review progress and address concerns.

VAC started its Year 2000 assessment in 1994-95 and full Government Wide Mission Critical and Portfolio system inventories were in place by February 1996. VAC has already implemented the converted War Veterans Allowance system and test plans for this and other conversions are in place with its government and commercial partners.

Since early 1998, risk assessments have been done and risks mitigated on an ongoing basis. Current key areas of concern to maintain business functions and cheque delivery are electricity, telecommunications, banking, and pharmacy sectors. Heat, water, and sewage and building facilities are necessary for service delivery. These areas are thus VAC's focus for Contingency Planning.

The Benefits Redesign Project also contributes to VAC achieving Year 2000 compliancy. Releases 1 and 2 of the CSDN will replace VAC's benefit delivery systems in a time frame that will address Year 2000 problems.

Section IV: Financial Performance

Financial Performance Overview

Financial Summary Tables

Financial Table 1

Summary of Voted Appropriations

A. Authorities for 1997-98			
Financial Requirements by Authority (millions of dollars)			
Vote	1997-98 Planned Spending	1997-98 Total Authorities	1997-98 Actual
Veterans Affairs			
Veterans Affairs Program			
1 Operating Expenditures	513.2	539.8	529.5
5 Grants and Contributions	1,377.4	1,392.4	1,373.7
(S) Minister of Veterans Affairs - Salary and motor car allowance	-	0.0	0.0
(S) Re-Establishment Credits under Section 8 and Repayments under section 15 of the <i>War Service Grants Act</i> of compensating adjustments made in accordance with the terms of the <i>Veterans' Land Act</i>	0.0	-	-
(S) Returned Soldiers Insurance Actuarial Liability Adjustment	0.0	-	-
(S) Veterans Insurance Actuarial Liability Adjustment	0.2	0.3	0.3
(S) Spending of proceeds from the disposal of surplus Crown assets	-	0.2	0.1
(S) Refunds of amounts credited to revenues in previous years	-	0.2	0.2
(S) Contributions to employee benefit plans	23.1	23.1	23.1
Total Program	1,913.9	1,956.1	1,926.9
Veterans Review and Appeal Board Program			
10 Program expenditures	6.7	6.9	6.8
(S) Contributions to employee benefit plans	1.0	1.0	1.0
Total Program	7.7	7.9	7.8
Total Department	1,921.6	1,964.0	1,934.7
Note: 1. Due to rounding figures may not add to totals shown.			
2. Total Authorities are main estimates plus supplementary estimate plus other authorities.			

Financial Table 2

Comparison of Total Planned Spending to Actual Spending

Departmental Planned versus Actual Spending by Business Line (millions of dollars)									
Business Lines	FTEs	Operating	Capital	Voted Grants & Contri- butions	Subtotal: Gross Voted Expendi- tures	Statutory Grants and Contri- butions	Total Gross Expendi- tures	Less: Revenue Credited to the Vote	Total Net Expenditures
Veterans Affairs Program									
Benefits and Services	2,749	504.0	-	1,377.4	1,881.4	0.2	1,881.6	-	1,881.6
<i>(Total authorities)</i>	2,749	526.8	-	1,392.4	1,919.2	0.3	1,919.5	-	1,919.5
(Actuals)	2,538	505.9		1,373.7	1,879.6	0.3	1,879.9		1,879.9
Corporate Administration	463	32.3	-	-	32.3	0.0	32.3	-	32.3
<i>(Total authorities)</i>	463	36.6	-	-	36.6	0.0	36.6	-	36.6
(Actuals)	504	47.1	-	-	47.1	0.0	47.1	-	47.1
Total	3,212	536.3	-	1,377.4	1,913.7	0.2	1,913.9	-	1,913.9
<i>(Total authorities)</i>	3,212	563.4	-	1,392.4	1,955.8	0.3	1,956.1	-	1,956.1
(Actuals)	3,042	553.0	-	1,373.7	1,926.7	0.3	1,926.9	-	1,926.9
Veterans Review and Appeal Board Program									
Veterans Review and Appeal Board	105	7.7	-	-	7.7	-	7.7	-	7.7
<i>(Total authorities)</i>	105	7.9	-	-	7.9	-	7.9	-	7.9
(Actuals)	103	7.8	-	-	7.8	-	7.8	-	7.8
Total Portfolio	3,317	544.0	-	1,377.4	1,921.4	0.2	1,921.6	-	1,921.6
<i>(Total authorities)</i>	3,317	571.3	-	1,392.4	1,963.7	0.3	1,964.0	-	1,964.0
(Actuals)	3,145	560.8	-	1,373.7	1,934.5	0.3	1,934.7	-	1,934.7
Other Revenues and Expenditures									
Revenues credited to the Consolidated Revenue Fund									(43.3)
<i>(Total authorities)</i>									(43.3)
(Actuals)									(45.3)
Cost of services provided by other departments									24.2
<i>(Total authorities)</i>									24.2
(Actuals)									24.0
Net Cost of the Program									1,902.5
<i>(Total authorities)</i>									1,944.9
(Actuals)									1,913.5
Note: 1. Operating includes minor capital, Other Health Purchase Services, and the following statutory items: Contributions to Employee Benefit Plans, Minister of Veterans Affairs - Salary and motorcar allowance, spending of proceeds from the disposal of surplus Crown assets, and Refunds of amounts credited to revenues in previous years.									
2. Due to rounding, figures may not add to totals shown.									

Financial Table 3

Historical Comparison of Total Planned Spending to Actual Spending

Departmental Planned versus Actual Spending by Business Line (millions of dollars)					
Business Lines	Actual 1995-96	Actual 1996-97	Planned Spending 1997-98	Total Authorities 1997-98	Actual 1997-98
Benefits and Services	1,884.9	1,838.0	1,881.6	1,919.5	1,879.9
Corporate Administration	44.3	44.0	32.3	36.6	47.1
Total Veterans Affairs Program	1,929.2	1,882.0	1,913.9	1,956.1	1,926.9
Veterans Review and Appeal Board	8.0	8.3	7.7	7.9	7.8
Total Portfolio	1,937.2	1,890.3	1,921.6	1,964.0	1,934.7

Note: Due to rounding, figures may not add to totals shown.

Financial Table 4

Crosswalk between Old Resource Allocation and New Allocation

Crosswalk between Old and New Structures - Planned Spending (millions of dollars)					
Old Structure	New Structure		Old Structure		
	Benefits and Services	Corporate Administration	Total (\$\$\$)	FTEs	% of Total
Health Care	620.2	-	620.2	2,019	32.4%
Pensions	1,166.7	-	1,166.7	450	61.0%
Economic Support	94.5	1.6	96.1	299	5.0%
Departmental Administration	0.3	30.6	30.9	444	1.6%
New Structure - Total (\$\$\$)	1,886.6	32.3	1,913.9		
FTEs	2,749	463		3,212	
% of Total	98.3%	1.7%	100.0%		100.0%

Note: 1. Due to rounding, figures may not add to the totals shown.
2. For the Veterans Review and Appeal Board Program, there was only one Activity under the old structure (Pensions), and there is only one Business Line under the new structure (Veterans Review and Appeal Board).

Financial Table 5

Resource Requirements by Organization and Business Line

Comparison of 1997-98 Planned Spending, Total Authorities to Actual Expenditures by Organization and Business Line (\$ million)					
Organization	Programs / Business Lines			Veterans Review and Appeal Board Program	
	Veterans Affairs Program			Veterans Review and Appeal Board Business Line	Total Portfolio
	Benefits and Services Business Line	Corporate Administration Business Line	Total Veterans Affairs Program		
Veterans Services Branch	1,875.8	-	1,875.8	-	1,875.8
<i>(Total authorities)</i>	1,888.6	-	1,888.6	-	1,888.6
(Actuals)	1,853.9	-	1,853.9	-	1,853.9
Corporate Services Branch	0.3	27.8	28.1	-	28.1
<i>(Total authorities)</i>	0.3	30.2	30.5	-	30.5
(Actuals)	0.3	41.3	41.6	-	41.6
Bureau of Pensions Advocates	5.5	-	5.5	-	5.5
<i>(Total authorities)</i>	5.5	-	5.5	-	5.5
(Actuals)	5.8	-	5.8	-	5.8
Benefits Redesign Project	-	-	-	-	-
<i>(Total authorities)</i>	25.1	-	25.1	-	25.1
(Actuals)	19.9	-	19.9	-	19.9
Portfolio Executive Services	-	1.5	1.5	-	1.5
<i>(Total authorities)</i>	-	1.6	1.6	-	1.6
(Actuals)	-	1.2	1.2	-	1.2
Communications	-	1.4	1.4	-	1.4
<i>(Total authorities)</i>	-	2.7	2.7	-	2.7
(Actuals)	-	2.6	2.6	-	2.6
Corporate Planning	-	1.6	1.6	-	1.6
<i>(Total authorities)</i>	-	2.1	2.1	-	2.1
(Actuals)	-	2.0	2.0	-	2.0
Total Veterans Affairs Program	1,881.6	32.3	1,913.9	-	1,913.9
<i>(Total authorities)</i>	1,919.5	36.6	1,956.1	-	1,956.1
(Actuals)	1,879.9	47.1	1,926.9	-	1,926.9
Veterans Review and Appeal Board				7.7	7.7
<i>(Total authorities)</i>				7.9	7.9
(Actuals)				7.8	7.8
Total Portfolio	1,881.6	32.3	1,913.9	7.7	1,921.6
<i>(Total authorities)</i>	1,919.5	36.6	1,956.1	7.9	1,964.0
(Total actuals)	1,879.5	47.5	1,926.9	7.8	1,934.7
% of Total	97.1	2.5	99.6	0.4	100.0
Note: Due to rounding, figures may not add to the totals shown.					

Financial Table 6

Revenues to the Vote

Veterans Affairs has no Revenue credited to the Vote

Financial Table 7

Revenues to the CRF

Revenue Credited to the Consolidated Revenue Fund by Business Line (\$ million)					
Business Line	Actual 1995-96	Actual 1996-97	Planned Revenues 1997-98	Total Authorities 1997-98	Actual 1997-98
Veterans Affairs Program					
Benefits and Services	38.9	45.6	37.3	37.3	38.0
Corporate Administration	6.4	3.3	6.0	6.0	7.4
Veterans Review and Appeal Board Program					
Veterans Review and Appeal Board	0.0	0.0	0.0	0.0	0.0
Total Revenues Credited to the CRF	45.3	48.9	43.3	43.3	45.4

Financial Table 8

Statutory Payments

Statutory Payments by Business Line (\$ million)					
Business Line	Actual 1995-96	Actual 1996-97	Planned Spending 1997-98	Total Authorities 1997-98	Actual 1997-98
Veterans Affairs Program					
Benefits and Services	0.2	0.3	0.2	0.3	0.3
Corporate Administration	0.0	0.0	0.0	0.0	0.0
Total Statutory Payments	0.2	0.3	0.2	0.3	0.3

Financial Table 9

Transfer Payments

Transfer Payments by Business Line (\$ million)					
Business Line	Actual 1995-96	Actual 1996-97	Planned Spending 1997-98	Total Authorities 1997-98	Actual 1997-98
Grants					
Benefits and Services	1,220.4	1,215.8	1,213.5	1,236.6	1,221.9
Corporate Administration	0.0	0.0	0.0	0.0	0.0
Total Grants	1,220.4	1,215.8	1,213.5	1,236.6	1,221.9
Contributions					
Benefits and Services	171.1	153.0	164.1	156.1	152.1
Total Contributions	171.1	153.0	164.1	156.1	152.1
Total Transfer Payments	1,391.5	1,368.8	1,377.6	1,392.7	1,373.9

Note: Due to rounding, figures may not add to totals shown.

Financial Table 10

Capital Spending by Business Line

Veterans Affairs does not have a separate Capital Vote and Minor Capital Expenditures are included in Operating

Financial Table 11

Capital Projects

Veterans Affairs has no Capital Projects

Financial Table 12

Status of Major Crown Projects

Benefits Redesign Project

1. Overview

The Benefits Redesign Project (BRP) is developing and implementing a new, integrated Client Service Delivery Network (CSDN) to support the delivery of benefits and services associated with the Disability Pensions, Economic Support, and Health Care program areas of the Department. The CSDN will be introduced in four stages, or Releases, beginning in the fall of 1998, with full implementation expected to be completed by June, 2000.

2. Lead and Participating Departments

Sponsoring Department: Veterans Affairs Canada

Contracting Authority: Public Works and Government Services Canada

Participating Departments: This project is being carried out in close liaison with the Treasury Board Secretariat and Public Works and Government Services Canada. A Senior Project Advisory Committee has also been created consisting of all Departments that could be impacted by the project.

3. Prime Contractor and Major Sub-Contractor & Addresses

EDS Canada Ltd., 45 O'Connor Street, Suite 5000, Ottawa, Ontario K2P 1A4

AGRA Monenco, 1145 Hunt Club Road, Suite 600, Ottawa, Ontario K1V 0Y3

4. Major Milestones

Project Commencement	April, 1993	
Pre-Initiation	August, 1993	Treasury Board approval of Concept Phase
Concept Phase	February, 1995	Preliminary Project Approval for Definition Phase Part 1
Definition Phase part 2/Implementation Phase	October 1997	Effective Project Approval
Implementation	Beginning in 1998 with full implementation in the year 2000	

5. Progress Report and Explanation of Variances

The Benefits Redesign Project has been underway since 1993 and, on October 30, 1997, the Department received Treasury Board approval to complete the project. In accordance with Treasury Board's Enhanced Framework for the Management of Information Technology Projects, checkpoints or "gates" have been established. At each gate, a comprehensive review of the project will take place. If the requirements of the gate have been met, funding will then be released by the Treasury Board Secretariat for the project to proceed to the next gate.

6. Industrial Benefits and Benefits to Clients

To ensure that businesses have an opportunity to use the Benefits Redesign Project to develop their competitive positions and to enhance their abilities to undertake similar projects elsewhere, the contract with EDS Canada Ltd. includes industrial regional benefits objectives which will be evaluated as the project progresses.

Implementation of the CSDN will result in improved client service and improved operational efficiency through:

- integrated client service at point of contact
- faster, higher-quality decision-making
- faster, more accurate payment of benefits and case processing
- more comprehensive services
- more resources at the local level to focus on the face-to-face service that is a trademark of this Department

Financial Table 13

Loans, Investments and Advances

Loans, Investments and Advances by Business Line			
Business Line	Actual 31/03/96	Actual 31/03/97	Actual 31/03/98
Corporate Administration - Property Contracts (Active Agreements of Sale - Veterans and Clients) *			
Number of Accounts	3,757	2,735	1,763
Outstanding Balance (\$ millions)	11.5	7.1	4.2
Amounts due on instalments plus Arrears (\$ millions)	4.4	3.3	2.2
Amounts collected (\$ millions)	4.2	3.1	2.1
Percent collected	94.9	95.4	95.3
Prepayment since inception - active accounts (\$ millions)	371.8	280.4	138.5
Note: No new loans were issued in 1997-98.			

Financial Table 14

Revolving Fund Financial Summaries

Veterans Affairs has no Revolving Funds

Financial Table 15

Contingent Liabilities

Contingent liabilities (\$ millions)	
List of Contingent Liabilities	Amount of Contingent Liability
Pending and Threatened Litigation	0.6

Section V: Consolidating Reporting

Sustainable Development

Veterans Affairs is committed to, and recognizes the value of, sustainable programming and environmentally responsible operations. All activities within the Portfolio are to be consistent with the principles and objectives in the Sustainable Development Strategy (SDS) which was tabled in Parliament in December 1997.

The following table summarizes performance thus far against SDS objectives and targets:

Key Sustainable Development Objectives	Targets / Goals for the Reporting Period	Performance Indicators or Strategy	Progress to Date and any Corrective Action
Implement Sustainable Development initiatives and support good environmental practices.	<p>Increase the awareness of Sustainable Development and the “greening” of government.</p> <p>Develop and promote partnerships to support good practices.</p>	<p>Develop Sustainable Development Strategy.</p> <p>Communication Plan incorporated in SDS.</p> <p>Provide advice and guidance to other levels of government and private sector on good environmental practices.</p> <p>Develop reward and recognition program.</p>	<p>The SDS developed, approved and tabled in Parliament in December 1997.</p> <p>Communication Plan implemented.</p> <p>Partnership Initiatives developed with other Federal, Provincial Educational institutions in Charlottetown.</p> <p>Private sector organizations to be included in future.</p> <p>Environmental Stewardship Awards developed.</p>
Create the management structures and procedures necessary to identify environmental impacts, assign resources, monitor and report results.	<p>Develop Portfolio Environmental Stewardship Committee (ESC).</p> <p>Promote teams to “green” offices and office practices.</p>	<p>ESC has been developed and terms of reference identified.</p> <p>Develop “Green” Teams in Head and Regional Offices.</p> <p>“Green” Champions developed in Head Office.</p>	<p>Terms of reference established and approved.</p> <p>Green Teams developed in Head Office and some Regional Offices.</p> <p>Intend to develop teams in all remaining offices.</p> <p>Promote awareness and provide feedback to “green” teams.</p>
Reduce Environmental Impacts.	Seek to reduce waste through a progressive waste reduction strategy.	<p>Confirm departmental baseline.</p> <p>Implement paper reduction strategy.</p> <p>Commit to reducing waste generation by 5.6% over next three years (base year 96/97).</p>	<p>Paper and waste reduction strategy implemented.</p> <p>Waste generation in Head Office reduced by 47% over base line year.</p> <p>Measurement criteria to be established for co-located offices.</p>

Regulatory Initiatives

Veterans Affairs Canada Performance of Regulatory Initiatives		
Purpose of legislative or regulatory initiative	Expected results	Results achieved
The following regulatory initiatives were included in the <i>1997 Federal Regulatory Plan</i> :		
VAC/96-1-L <i>Assistance Fund (WVA and CWA) Regulations</i> - Replacement	Replacement with updated regulations reflecting present-day administration of the program.	Not achieved in 1997-98 as needed amendments to statutory authority were not obtained. Initiative was transferred to 1998-99 RPP.
VAC/96-2-L <i>Deceased or Former Members Dependents Payment Order</i> - Repeal	Repeal of obsolete order.	Not achieved in 1997-98 due to other legislative /regulatory priorities. Initiative was transferred to 1998-99 RPP.
VAC/96-3-L <i>Veterans Property Administration</i> - Amendments to regulations	Amendments to <i>Veterans' Land Regulations</i> , consequential to statutory amendments to the Veterans' Land Act proposed in Bill C-49 (1996).	Bill C-49 (1996) was not passed by the last Parliament, and has since been replaced by Bill C-44 (1998) which has not yet been passed. Initiative was therefore transferred to 1998-99 RPP.
VAC/96-4-L <i>Infant or Person of Unsound Mind Payment Order</i> - Repeal	Repeal of obsolete order.	Not achieved in 1997-98 due to other legislative/regulatory priorities. Initiative was transferred to 1998-99 RPP.
VAC/96-5-L <i>Vetcraft (Discontinuation)</i>	Repeal of obsolete <i>Vetcraft Shops Regulations</i>	Not achieved in 1997-98 due to other legislative/regulatory priorities. Initiative was transferred to 1998-99 RPP.
VAC/96-6-L <i>Veterans Allowance Regulations</i> - Amendments	Amendments concerning blind clients welfare reimbursements and other housekeeping.	Not achieved in 1997-98 due to other legislative/regulatory priorities. Initiative was transferred to 1998-99 RPP.
VAC/96-7-L <i>Veterans Health Care Regulations</i> - Amendments	Housekeeping: removal of obsolete provisions.	Not achieved in 1997-98, but passed in 1998-99 (SOR/98-386).

Section VI: Other Information

Contacts for Further Information and Web Sites

Corporate Planning Division of the Corporate Administration Business Line is responsible for coordinating the development of both the Report on Plans and Priorities (RPP) and the associated Departmental Performance Report (DPR). For more information about these reports please contact:

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The Director General can also be reached via electronic mail at: plan@vs.vac-acc.gc.ca

For Internet access, the Veterans Affairs Canada Web Page Address is:
<http://www.vac-acc.gc.ca>

This Web site has been designated as one of the top sites of governments and organizations. It contains information about the health and welfare of Canada's war veterans and multimedia material that will help to educate younger generations about Canada's wartime experience and the sacrifices that helped to build the nation.

Legislation Administered and Associated Regulations

The Minister has sole responsibility to Parliament for the following Acts:

<i>Army Benevolent Fund Act</i>	R.S.C. 1970, c. A-16, as amended
<i>Children of Deceased Veterans Education Assistance Act</i>	R.S.C. 1985, c. C-28, as amended
<i>Department of Veterans Affairs Act</i>	R.S.C. 1985, c. V-1, as amended
<i>Merchant Navy Veteran and Civilian War-Related Benefits Act</i>	R.S.C. 1985, c. C-31, as amended
<i>Pension Act</i>	R.S.C. 1985, c. P-6, as amended
<i>Returned Soldiers' Insurance Act, The</i>	S.C. 1920, c.54, as amended
<i>Soldier Settlement Act</i>	R.S.C. 1927, c. 188, as amended
<i>Special Operators War Service Benefits Act</i>	R.S.C. 1952, c. 256
<i>Supervisors War Service Benefits Act</i>	R.S.C. 1952, c. 258
<i>Veterans Benefit Act</i>	R.S.C. 1970, c. V-2, as amended
<i>Veterans Insurance Act</i>	R.S.C. 1970, c. V-3, as amended
<i>Veterans' Land Act</i>	R.S.C. 1970, c. V-4, as amended
<i>Veterans Review and Appeal Board Act</i>	S.C. 1994-95, c. 18, as amended
<i>War Service Grants Act</i>	R.S.C. 1970, c. W-4, as amended
<i>War Veterans Allowance Act</i>	R.S.C. 1985, c. W-3, as amended
<i>Women's Royal Naval Services and the South African Military Nursing Service (Benefits) Act</i>	R.S.C. 1952, c. 297

The Minister shares responsibility to Parliament for the following Acts:

<i>Aeronautics Act</i> , section 9	R.S.C. 1985, c. A-2, s. 9, as amended (Minister of Transport)
<i>Appropriation Act</i> No. 10, 1964, National Defence vote 58a	S.C. 1964, c. 34, Sch. B, National Defence vote 58a (Minister of National Defence)
<i>Halifax Relief Commission Pension Continuation Act</i>	S.C. 1974-75-76, c. 88, as amended (Minister of Finance)
<i>Indian (Soldier Settlement Act)</i>	R.S.C. 1927, c. 98, as amended (Minister of Indian Affairs and Northern Development)
<i>Royal Canadian Mounted Police Pension Continuation Act</i> , section 5	R.S.C. 1970, c. R-10, s. 5, (Solicitor General)
<i>Royal Canadian Mounted Police Superannuation Act</i> , sections 32 to 34	R.S.C. 1985, c. R-11, s. 32-34 (Solicitor General)

Legislation Administered and Associated Regulations (Continued)

The Minister has sole responsibility to Parliament for the following regulations and orders:

<i>Army Benevolent Fund Regulations</i>	C.R.C. 1978, c. 358
<i>Assistance Fund (WVA and CWA) Regulations</i>	C.R.C. 1978, c. 1578, as amended
<i>Award Regulations</i>	SOR/96-66
<i>Canadian Volunteer Service Medal Order</i>	SI/94-62, as amended
<i>Charlottetown, Prince Edward Island as Head Office of the Veterans Review and Appeal Board, Order Designating</i>	SI/96-66
<i>Children of Deceased Veterans Education Assistance Regulations</i>	C.R.C. 1978, c. 399, as amended
<i>Civilian Government Employees (War) Compensation Order</i>	P.C. 1944-45/8848
<i>Deceased or Former Members Dependents Payment Order</i>	C.R.C. 1978, c. 1599
<i>Delegation of Powers (VLA) Regulations</i>	C.R.C. 1978, c. 1588, as amended
<i>Execution of Purchase of Property Documents Regulations</i>	C.R.C. 1978, c. 1590
<i>Gallantry Awards Order</i>	SI/90-95, as amended
<i>Guardianship of Veterans' Property Regulations</i>	C.R.C. 1978, c. 1579
<i>Infant or Person of Unsound Mind Payment Order</i>	C.R.C. 1978, c. 1600
<i>Last Post Fund Regulations, 1995</i>	SOR/95-468
<i>Memorial Cross Order (World War I)</i>	C.R.C. 1978, c. 1622, as amended
<i>Memorial Cross Order (World War II)</i>	C.R.C. 1978, c. 1623, as amended
<i>Merchant Seamen Vocational Training Order, The</i>	SOR/49-533
<i>Pension and Allowance Adjustment Regulations</i>	SOR/91-620, as amended
<i>Pensioners Training Regulations</i>	C.R.C. 1978, c. 1581, as amended
<i>Prescribed Persons and Organizations Regulations</i>	DORS/96-68
<i>Returned Soldiers' Insurance Regulations</i>	C.R.C. 1978, c. 1390
<i>Vetcraft Shops Regulations</i>	C.R.C. 1978, c. 1582
<i>Veterans Allowance Regulations</i>	C.R.C. 1978, c. 1602, as amended
<i>Veterans Burial Regulations, 1995</i>	SOR/95-467
<i>Veterans Health Care Regulations</i>	SOR/90-594, as amended
<i>Veterans Insurance Regulations</i>	C.R.C. 1978, c. 1587
<i>Veterans Review and Appeal Board Regulations</i>	SOR/96-67

Legislation Administered and Associated Regulations (Continued)

The Minister has sole responsibility to Parliament for the following regulations and orders (continued):

<i>Veterans Treatment Regulations</i>	C.R.C. 1978, c. 1585, as amended
<i>Veterans' Land Regulations</i>	C.R.C. 1978, c. 1594, as amended
<i>War Service Grants Regulations</i>	C.R.C. 1978, c. 1601

The Minister shares responsibility to Parliament for the following regulations and orders:

<i>Flying Accidents Compensation Regulations</i>	C.R.C. 1978, c. 10, as amended (the Minister of Transport)
<i>Special Duty Area Pension Order</i>	C.R.C. 1978, c. 350, as amended (the Minister of National Defence)
<i>Special Forces Superannuation Regulations</i>	C.R.C. 1978, c. 1586 (the President of the Treasury Board)

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