
Shared Services Canada

2015–16

Departmental Performance Report

The Honourable Judy M. Foote, P.C., M.P.
Minister of Public Services and Procurement
and Minister responsible for Shared Services Canada

This publication is also available online in HTML at <http://ssc.gc.ca/pages/dpr2015-16-rmr-eng.html>

To obtain a copy of this publication or an alternate format (braille, large print, etc.), email SSC.information-information.SPC@canada.ca or contact:

Shared Services Canada
99 Metcalfe Street
Ottawa, ON
Canada K0A 0C3

Telephone: (613) 670-1627
Toll free: 1-855-215-3656
Email: SSC.information-information.SPC@canada.ca

Permission to Reproduce

Except as otherwise specifically noted, the information in this publication may be reproduced, in part or in whole and by any means, without charge or further permission from Shared Services Canada, provided that due diligence is exercised to ensure the accuracy of the information reproduced is maintained; that the complete title of the publication is produced; that Shared Services Canada is identified as the source institution; and that the reproduction is not represented as an official version of the information reproduced, nor as having been made in affiliation with, or with the endorsement of the Government of Canada.

Commercial reproduction and distribution is prohibited except with written permission from Shared Services Canada. For more information, please contact Shared Services Canada at SSC.information-information.SPC@canada.ca.

© Her Majesty the Queen in Right of Canada, as represented by the Minister responsible for Shared Services Canada, 2016

2015–16 Departmental Performance Report (Shared Services Canada)
Cat. No. P115-3E-PDF
ISSN 2292-3365

Publié aussi en français sous le titre :
Rapport ministériel sur le rendement 2015-2016 (Services partagés Canada)
Cat. No. P115-3F-PDF
ISSN 2292-3373

Table of Contents

Minister’s Message	5
Result Highlights	7
Section I: Organizational Overview.....	9
Organizational Profile	9
Organizational Context.....	10
Organizational Priorities	17
Section II: Expenditure Overview.....	27
Actual Expenditures	27
Budgetary Performance Summary	28
Departmental Spending Trend.....	30
Expenditures by Vote	30
Alignment of Spending With the Whole-of-Government Framework	31
Financial Statements and Financial Statement Highlights.....	32
Section III: Analysis of Program(s) and Internal Services.....	37
Programs	37
1.1: IT Infrastructure Services	37
Internal Services	40
Section IV: Supplementary Information	43
Supporting Information on Lower-Level Programs	43
Supplementary Information Tables	43
Federal Tax Expenditures	43
Organizational Contact Information	43
Appendix: Definitions	45
Endnotes	49

Minister's Message

I am pleased to present this report on the progress Shared Services Canada (SSC) is making in executing one of the most critical and complex transformations in the entire Government of Canada – the modernization of the federal government’s information technology (IT) infrastructure.



Modernizing and securing the Government of Canada IT infrastructure is a complex and essential task, one that is enabling government to better serve Canadians in many important aspects of their lives. IT infrastructure is the very backbone of some of the most critical programs and services we provide, such as those that help the Royal Canadian Mounted Police, the Canadian Armed Forces and the Canada Border Services Agency ensure the safety and security of Canadians each and every day.

All government departments require a modern, state-of-the-art IT infrastructure to deliver programs and services that improve the lives of Canadians and their families, such as the Child Tax Benefit, Employment Insurance and longer-term benefits resulting from Canada’s world-class medical and scientific research. The professionals at the forefront of these important programs must have the best, most reliable and up-to-date IT the government can provide and SSC is proud to be at the forefront of this important transformation.

Since its inception five years ago and throughout the period of time covered by this report, SSC has made great progress in balancing a transformation of unprecedented magnitude and complexity with the need to maintain operations.

Between April 1, 2015 and March 31, 2016, SSC achieved some significant transformation milestones, including:

- The strengthening of IT infrastructure and services, in collaboration with other Government of Canada cyber security agencies, to safeguard government-held information and prevent breakdowns in service;
- The implementation of a Service Management Strategy that specifically identifies how SSC will meet the needs of federal departments to update their aging “legacy” IT infrastructure in order to transition to their new “enterprise” IT infrastructure;
- The creation of an online Service Catalogue to provide federal departments with easier and clearer access to a full list of SSC IT services;
- The consolidation and modernization of the procurement of all Government of Canada software and hardware in order to increase efficiency;
- The conduct of a monthly Customer Satisfaction Survey to monitor and improve service delivery; and
- The launch of a comprehensive review of **SSC’s IT Transformation Plan**.

I am particularly proud of the fast and effective work our team performed in helping to support the whole-of-government effort to welcome Syrian refugees to Canada. Our department worked tirelessly with multiple Government of Canada departments, local airport authorities, the Canadian Red Cross, Ontario and Quebec law enforcement and numerous vendors and contractors to rapidly install the necessary IT for the first welcome centres in Toronto and Montréal. It was a good example of the best that SSC has to offer.

Our team is delivering on the ambitious agenda that was set for SSC as you will see throughout this report. I believe you will also see the crucial role that SSC is playing in helping the federal government advance its Information Technology Strategic Plan. By continuing to build strong relationships with our federal partners and leveraging the expertise of the IT industry, the Government of Canada's IT infrastructure can only become stronger, more robust and able to deliver even better service to Canadians.

I invite you to learn more about our department's activities by reading SSC's *2015–16 Departmental Performance Report*.

The Honourable Judy M. Foote, PC, MP
Minister of Public Services and Procurement
and Minister responsible for Shared Services Canada

Result Highlights

What funds were used?

SSC's actual spending in
2015–16:

\$1,504 million

Who was involved in delivering departmental services?

SSC's workforce in 2015–16:

5,668
Full-time equivalents

Result Highlights

1. Launched a comprehensive review of Shared Services Canada's (SSC) Information Technology (IT) Transformation Plan to ensure it is sustainable and aligns with Government of Canada priorities and industry best practices.
2. Strengthened the way SSC serves 43 federal departments and agencies (its partner organizations) by:
 - Implementing a Service Management Strategy to explain how SSC will manage older, failing "legacy" IT infrastructure, while introducing newer "enterprise" IT infrastructure without interrupting service to Canadians (this strategy is also designed to promote a culture of service excellence within SSC);
 - Launching a monthly Customer Satisfaction Questionnaire to monitor customer satisfaction so that SSC can continuously improve its products, services and processes (continuous improvement) within the organization;
 - Introducing an online Service Catalogue that includes a complete list of the five priority services SSC provides (email, mobile devices, videoconferencing, application hosting and Government of Canada Network Wide Area Networks) to its partners, the levels of service offered and service goals;
 - Clarifying the roles and responsibilities for IT security for SSC and its partner organizations; and
 - Developing a modern, simplified payment system for SSC purchases and procurements.
3. Quickly and effectively provided complex, integrated IT infrastructure to support the whole-of-government and private sector effort to welcome 25,000 Syrian refugees to Canada in 2015–16.

Section I: Organizational Overview

Organizational Profile

Appropriate Minister: The Honourable Judy M. Foote, PC, MP

Institutional Head: Ron Parker

Ministerial Portfolio: Public Services and Procurement (formerly Public Works and Government Services)

Enabling Instrument(s): *Shared Services Canada Act*ⁱ

Year of Incorporation / Commencement: 2011

Other: Associated *Orders in Council* (OIC) include Privy Council Numbers [2011-0877](#); [2011-1297](#); [2012-0958](#); [2012-0960](#); [2013-0366](#); [2013-0367](#); [2013-0368](#); [2015-1071](#) and [2016-0003](#)ⁱⁱ

ORGANIZATIONAL CONTEXT

Raison d'être

Shared Services Canada (SSC) was created on August 4, 2011, to transform how the Government of Canada manages its information technology (IT) infrastructure. SSC is delivering mandated email, data centre and network services to partner organizations in a consolidated and standardized manner to support the delivery of Government of Canada programs and services. With a whole-of-government approach to IT infrastructure services, SSC is creating economies of scale to deliver more efficient, reliable and secure IT infrastructure services to Government of Canada departments. SSC also provides certain optional technology-related services to government organizations on a cost-recovery basis.

The Minister of Public Services and Procurement is responsible for this organization.

Responsibilities

The *Shared Services Canada Act* recognizes that the Government of Canada wishes to standardize and streamline, within a single entity, certain services in order to support government institutions. Through specific OICs, the Department received responsibilities for federal IT infrastructure services.

These responsibilities include:

- maintaining and improving the delivery of IT infrastructure services across the federal government;
- enhancing the security of federal IT infrastructure; and
- transforming and modernizing government-wide IT infrastructure in order to provide value for money for, and improve services to, Canadians.

Specifically, SSC is continuing to work with the information and communications technology (ICT) sector to:

- deliver a government-wide, enterprise email system (your.email@canada.ca);
- consolidate and modernize federal government data centres; and
- transform federal telecommunications services.

Through these activities, SSC is also contributing to the successful execution of other critically important Government of Canada programs and services such as:

- Military and police operations at home and abroad;
- Border security operations;
- Weather forecasting;

- Health alerts; and
- Multiple benefit payments, including the Child Tax Benefit.

SSC is also supporting progress towards the vision of the future public service as articulated in Blueprint 2020.

As of September 1, 2015, OIC 2015-1071 allows SSC to offer any or all of its services to any federal government entity, as well as to another Canadian jurisdiction or a foreign government, as long as SSC does not incur any additional costs or deployment of resources. The OIC also expands the delivery of other SSC services, including email, data centres and networks to a range of new clients. Most small departments and agencies previously not served, or served only on an optional basis, are now identified as mandatory SSC clients under this new suite of services.

Strategic Outcome(s) and Program Alignment Architecture

1. Strategic Outcome: Modern, reliable, secure and cost-effective IT infrastructure services to support government priorities and program delivery.

1.1 Program: IT Infrastructure Services

- 1.1.1 Sub-Program: Distributed Computing Services**
 - 1.1.1.1 Sub-Sub-Program: Workstation Services**
 - 1.1.1.2 Sub-Sub-Program: Desktop and Office Productivity Suite Services**
 - 1.1.1.3 Sub-Sub-Program: Email and Directory Services**
 - 1.1.1.4 Sub-Sub-Program: File/Print Services**
 - 1.1.1.5 Sub-Sub-Program: Remote Access Services**
 - 1.1.1.6 Sub-Sub-Program: Distributed Computing Services Program Management**
- 1.1.2 Sub-Program: Production and Operations Computing Services (Data Centre Services)**
 - 1.1.2.1 Sub-Sub-Program: Utility Computing Services**
 - 1.1.2.2 Sub-Sub-Program: Dedicated Application Hosting and Management Services**
 - 1.1.2.3 Sub-Sub-Program: Facilities Management Services**
 - 1.1.2.4 Sub-Sub-Program: Production and Operations Computing Services Program Management**
- 1.1.3 Sub-Program: Telecommunications Services (Data, Voice and Video)**
 - 1.1.3.1 Sub-Sub-Program: Data Network Infrastructure Services**
 - 1.1.3.2 Sub-Sub-Program: Inter and Intra Data Centre Network Services**
 - 1.1.3.3 Sub-Sub-Program: Voice Network Services**
 - 1.1.3.4 Sub-Sub-Program: Image and Video Communication Services**
 - 1.1.3.5 Sub-Sub-Program: Call Centre Services (Data and Voice Network Infrastructure)**
 - 1.1.3.6 Sub-Sub-Program: Telecommunications Services Program Management**
- 1.1.4 Sub-Program: Cyber and IT Security Services**
 - 1.1.4.1 Sub-Sub-Program: IT Environment Protection Services**
 - 1.1.4.2 Sub-Sub-Program: Identification, Authentication, and Authorization Services**
 - 1.1.4.3 Sub-Sub-Program: Secure Communication Services**
 - 1.1.4.4 Sub-Sub-Program: Perimeter Defence, Detection, Response, Recovery and Audit Services**
 - 1.1.4.5 Sub-Sub-Program: Cyber and IT Security Services Program Management**

Internal Services

Operating Environment and Risk Analysis

SSC continues to advance its mandate in the face of numerous challenges, both external and internal. The Department, created out of the largest public sector merger in Canadian history, has continued to maintain and operate legacy IT infrastructure services while simultaneously transforming this aging IT infrastructure in order to provide modern, reliable, secure and cost-effective IT services to federal departments and agencies and the Canadians they serve.

The journey has not been without its challenges as SSC was not created to maintain the status quo; it was created to fundamentally transform how the Government of Canada manages its IT infrastructure.

The magnitude of this challenge cannot be overstated.

The scale, scope and complexity of this plan are ambitious and have few parallels in Canada or abroad. It requires every IT resource the Government of Canada has at its disposal and will continue to require government-wide co-operation, orchestration and synchronization. The transformation of federal IT infrastructure originally included simultaneously consolidating and modernizing more than 50 wide area networks (a network of computers that are located apart from each other), 63 email systems and almost 500 data centres. This task later expanded to include consolidating the procurement of Government of Canada workplace hardware and software and establishing consistent security protocols across government. In addition, the rapid pace at which the IT environment is evolving continues to challenge the organization. As a result, the demand for IT services is growing faster than initially forecast.

This demand, coupled with a \$208.7 million budget reduction for 2015–16, caused a significant shortfall in IT investments and therefore affected the overall renewal of government IT infrastructure. For SSC, this meant keeping and maintaining legacy IT infrastructure (such as data centres) much longer than anticipated. It also meant (and continues to mean) taking personnel away from transformation and diverting them to fix or replace failing equipment, which had already reached the end of its useful life. In addition, vendor capacity issues and delays in procurement and project execution have prevented plans and benefits from being realized as quickly as expected.

The Department, like the private sector, also faced (and continues to face) a shortage of qualified IT infrastructure workers. Ongoing attrition and the increased need for personnel at all levels with experience or training in planning, executing and managing large-scale IT transformations has resulted in a dedicated focus on finding ways to attract the right people with the right skills. The *Fall 2015 Reports of the Auditor General of Canada* noted these and other challenges, which included low levels of customer satisfaction with SSC services and provided helpful

recommendations for the Department to adjust its IT transformation planning and execution in order to address these issues.

SSC acted on these recommendations and in 2015–16, the Department developed several initiatives to strengthen the way it delivers services to its partner organizations, including: developing a Service Management Strategy to identify its vision for delivering service and a framework for measuring performance; updating the online Service Catalogue to include the level of expectations for priority services; undertaking a Customer Satisfaction Survey to determine benchmarks for future improvements in service; and distributing a matrix to SSC and its partner organizations that outlines roles and responsibilities for IT security.

These initiatives have been designed to improve the service SSC provides to its partner organizations, while at the same time allowing the Department to continue conducting a comprehensive review of its plan to consolidate and modernize the Government of Canada IT infrastructure. While work towards this new plan continues, the federal government demonstrated its commitment to creating a modern, transformed and enterprise IT infrastructure by providing additional funds in Budget 2016 to help stabilize critical systems and strengthen cyber security.

SSC has inherited aging IT infrastructure with different levels of security controls and continued to face cyber security threats throughout 2015–16, including the exposure of new Flash and Windows vulnerabilities and cyber attacks against federal websites by the hacker group Anonymous. The Department responded to these threats by reinforcing legacy IT infrastructure and enhancing cyber and IT security services in order to reinforce government-held information and prevent outages in the delivery of services to Canadians. Of note, Budget 2016 has provided additional funding to SSC to implement a Vulnerability Management program, to be deployed and operational in 2017–18, which will significantly reduce the exposures to these threats and improve the overall security posture of the Government of Canada. In addition, SSC further protected Government of Canada IT infrastructure against cyber attacks by proactively providing the Government Operations Centre with 24/7/365 government-wide threat detection and mitigation reports to secure departmental IT infrastructure and Internet platforms.

In advancing its risk management practices, SSC continues to integrate risk management across the Department and its partner organizations. In 2015–16, SSC launched its first Enterprise IT Risk Analysis, which examined IT risks across the enterprise as a whole. This enterprise-wide approach to identifying risks allows senior management to better understand the IT risks facing SSC and its partner organizations in order to better plan and forecast future requirements. In addition, steps were also taken to mature SSC's monitoring and reporting process for risk responses. In 2015–16, the Department updated its internal Risk Management Policy instruments

and Organizational Risk Profile, which provided greater clarity and guidance for its risk management practices and overarching framework. These activities added to the continuation of risk management training across all regions of Canada, helping to promote a risk-smart culture within SSC.

The following table provides the highlights of SSC’s key operational risks, planned responses to those risks and links to the Department’s programs. The risks below were originally identified in the *2015–16 Report on Plans and Priorities*.

Key Risks

Risk	Risk Response Strategy	Link to the Organization’s Program(s)
<p>Financial Management</p> <p>There is a risk concerning the Department’s ability to achieve the self-funding requirement for SSC’s transformation agenda while aligning SSC’s finances with priorities and pressures.</p>	<ul style="list-style-type: none"> • Strengthen the management of departmental expenditures by ensuring reliable and timely financial information that supports budgetary control and effective decision-making. • Develop a costing framework using a consistent methodology of costing information to allow for better and timely decision-making. 	<p>Internal Services</p>
<p>IT Service Delivery</p> <p>There is a risk that the complexity, speed, scale and concurrency of key transformation initiatives (Data Centre Consolidation, Email Transformation Initiative, and Telecommunications Transformation Program) will lead to unforeseen implementation and operational obstacles that will affect overall success of the transformation and ongoing service delivery.</p>	<ul style="list-style-type: none"> • Demonstrate project execution and reporting excellence through sound project management practices and decision-making processes. • Continue to optimize security, service, resources, contracts, facilities and assets in the delivery of transformation initiatives. • Strengthen the management of SSC infrastructure and services, leveraging IT Service Management processes. 	<p>1.1 IT Infrastructure Services</p>
<p>Partnership Management</p> <p>There is a risk that the Department’s delivery of its transformation agenda will face challenges as transformation disrupts established systems.</p>	<ul style="list-style-type: none"> • Develop an IT planning capability for the Government of Canada in collaboration with the Treasury Board of Canada Secretariat (TBS), enterprise business solution providers (e.g. Public Services and Procurement Canada [formerly Public Works and Government Services Canada]) and customers. 	<p>1.1 IT Infrastructure Services</p>

	<ul style="list-style-type: none"> • Strengthen strategic relationships supporting transformation programs, focusing on partner readiness to migrate to government-wide IT infrastructure services. • Define and implement a partner satisfaction assessment framework and program, aimed at improving the user experience of government-wide IT infrastructure services. 	
<p>Change Culture</p> <p>There is a risk that change fatigue will negatively impact SSC’s emerging culture and lead to employee disengagement, impede innovation and diminish the quality of service delivery.</p>	<ul style="list-style-type: none"> • Support an innovative and agile culture that focuses on service excellence by: <ul style="list-style-type: none"> ▪ identifying and promoting constructive behaviours; ▪ promoting employee engagement and open dialogue across the Department; and ▪ analyzing the results of the 2014 Public Service Employee Survey and aligning follow-up activities to strengthen engagement and support. 	<p>Internal Services</p>
<p>Cyber Security</p> <p>There is a risk that IT infrastructure under the stewardship of SSC—logical access control, networks, data centres, email systems—may be exploited as a result of a cyber attack, a lack of security awareness training, and/or a failure to address IT security vulnerabilities.</p>	<ul style="list-style-type: none"> • Continue the development and standardization of cyber and IT security services in alignment with Government of Canada policies and standards, including: <ul style="list-style-type: none"> ▪ design and implement security controls for the end-state services being delivered; ▪ complete appropriate security assessment and authorization activities; and ▪ improve the supply chain integrity process. • Initiate enhanced cyber and IT security services, including the delivery of the cyber and IT security framework, security reference architecture, service design documents for the four core security services, and eight operating/technical security standards. 	<p>1.1 IT Infrastructure Services Internal Services</p>

Organizational Priorities

Name of Priority: Demonstrate results and realize savings through the transformation of Government of Canada IT infrastructure services.

Description

The IT infrastructure that supports government programs and services is aging, vulnerable to security risks and inefficient. Renewal of this infrastructure will create savings through lower operating costs, and strengthen security and efficiency by standardizing equipment.

Priority Type¹: Previously committed

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Status	Link to the Organization's Program(s)
Establish enterprise standards for the Government of Canada IT infrastructure, aligning IT service management to optimize enterprise services and resources.	April 2014	Under review ²	Delayed	1.1.2 Production and Operations Computing Services (Data Centre Services)
Deploy a single email solution.	April 2012	Under review	Delayed	1.1.1 Distributed Computing Services
Continue to develop fully functional purpose-built data centres.	April 2012	Under review	Delayed	1.1.2 Production and Operations Computing Services (Data Centre Services)
Initiate implementation of the Government of Canada network and hosted contact	April 2012	Under review	Delayed	1.1.3 Telecommunications Services (Data, Voice and

¹ Type is defined as follows: previously committed to – committed to in the first or second fiscal year prior to the subject year of the report; ongoing – committed to at least three fiscal years prior to the subject year of the report; and new – newly committed to in the reporting year of the Report on Plans and Priorities or the Departmental Performance Report.

² Several initiatives are under review as part of the revision of SSC's IT Transformation Plan.

centre service.				Video)
Continue to standardize and expand videoconferencing systems and service delivery.	April 2012	March 2016	Complete	1.1.3 Telecommunications Services (Data, Voice and Video)
Continue implementation of workforce management strategies to support the organization's transformation activities.	April 2012	Ongoing	On track	Internal Services
Align SSC's structure, finances and accountabilities with its mandate and priorities.	April 2015	Under review	Delayed	Internal Services
Leverage the ICT sector's expertise to identify industry best practices and approaches to IT infrastructure transformation.	April 2015	Ongoing	On track	Internal Services

Progress Towards the Priority

SSC continued to take steps in establishing IT infrastructure standards with the publication of an Operations Service Management Manual, the development of a three-year Service Management Strategy and a revision of the Service Catalogue. The Department also launched an IT Service Management Process to advance standardization and optimize processes.

SSC's initiative to deploy a single email solution continued in 2015–16 and resulted in 14 departments being successfully migrated to the new your.email@canada.ca. On November 19, 2015, at the request of the vendor, further migrations were halted after problems were diagnosed with the new system.

SSC and its partner organizations have not made as much progress in migrating (software) applications from the older, legacy data centres to the new, enterprise data centres as was initially expected. As a result, on April 1, 2016, SSC updated its approach for migrating applications.

The schedule for data centre consolidation and transformation has been extended because of shifting operational priorities and budget pressures within SSC and its partner organizations. The extension means transformation will proceed at a slower pace, thereby allowing partners to

prioritize, plan and execute their respective workload migrations to SSC enterprise data centres within time frames that better reflect their short- and long-term operational plans.

SSC's implementation of network and Hosted Contact Centre Services, under the Contact Centre Transformation Initiative, involved many procurement activities in 2015–16, including four industry engagement days; a contract award for Hosted Contact Centre Services; the Invitation to Qualify phase of the Network Solutions Supply Chain and the Government Cellular Services Contract; and four contracts for Satellite Services either completed or nearing completion at the end of 2015–16. This initiative is aimed at improving Government of Canada call centres.

In September 2015, Public Services and Procurement Canada transferred various procurement vehicles and 450 new contracts to SSC, which subsequently consolidated them into 78 contracts. Workplace technology device (WTD) hardware and print procurement vehicles were transferred ahead of schedule. SSC has processed 3,572 hardware transactions for a value of \$116 million since September 2015. In 2015–16, SSC completed the network component of the Barrie Enterprise Data Centre and the delivery of Wi-Fi services to more than 30,000 users. SSC continued to modernize voice services by converting 97,718 legacy phone lines to voice over Internet Protocol (an Internet-based network that is used to carry a combination of voice, video and data traffic) throughout 2015–16. Additionally, all SSC partners can now obtain more modern, enterprise videoconferencing services, which support the government-wide commitment to reduce travel costs and improve efficiency.

It has been a challenge for the telecommunications services team to meet its original transformation schedule, which was initially recognized as aggressive by industry, partners and SSC. The complexity of requirements, diversity of technologies, architectures and standards, coupled with limited inventories, geographic distribution issues, varying levels of partner readiness for transformation and more, contributed to delays and increasing project costs. In addition, an unexpected growth in demand for our services, along with increasing costs to repair antiquated equipment at our legacy data centres regularly diverted funds from transformation activities in order to “keep the lights on.”

SSC continued the implementation of its Workforce Management Strategy in 2015–16 to support the Department's IT Transformation Plan. SSC launched the Mobility Centre in September 2015, which acts as an online hub for employees and managers to gain access to internal employee networks, career services and workshops, and demographic portraits for each branch of the Department. SSC's Administrative Professionals Network received the 2015 SSC Award of Excellence for developing a Common Administrative Procedures Manual and a pilot mentorship program supporting Blueprint 2020 commitments and learning webinars.

In 2015–16, SSC transitioned to a new organizational structure where each operational branch is responsible for the entire lifecycle of the services it provides. This reorganization was part of the SSC Way Forward initiative to standardize and consolidate the way SSC does business. The Department successfully mapped SSC Way Forward action plans (Organizational Risk Profile, Management Action Plans and Blueprint 2020) and deliverables to the new branches while supporting managers and employees throughout the transition by creating cost centres, providing financial instruction and holding engagement sessions with staff.

The Department continues to lead the *Information Technology Infrastructure Roundtable (ITIR)*, which consists of senior government managers and representatives of national and regional associations and organizations from the ICT sector. The ITIR and its two advisory committees provide a forum for SSC to benefit from the knowledge and experience of the ICT sector. For example, the ITIR's Architecture Framework Advisory Committee recently discussed Big Data and open source software, collected key performance indicators for SSC's priority services and benchmarking analysis that are used to support strategic decision-making and requests for funding. The Procurement Benchmark Advisory Committee working groups continued to work on topics that ranged from limitation of liability to category management.

At the end of 2015–16, SSC launched a comprehensive review of the IT Transformation Plan to update the plan's scope, underlying assumptions and timelines to ensure it remains sustainable and aligned with Government of Canada priorities and industry best practices. This review will continue in 2016–17 and include consultations with employees, industry, private sector experts and Canadians.

Name of Priority: Secure Government of Canada data and technology assets through enterprise cyber and IT security services.

Description

The increasing frequency and complexity of cyber security attacks pose a threat to the IT infrastructure and continued availability of Government of Canada networks that house data and provide services to Canadians. Infiltration through a cyber attack can lead to loss of information and unauthorized access to sensitive information. Enterprise-wide engagement on cyber security issues is central to reducing risks and responding to attacks in a comprehensive manner.

Priority Type: New

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Status	Link to the Organization's Program(s)
Continue to implement Canada's Cyber Security Strategy, assuring supply chain integrity, continuous network availability and delivery of cyber defence and cyber protection services.	April 2012	Ongoing	On track	1.1.4 Cyber and IT Security Services
Develop and standardize cyber and IT security services in alignment with Government of Canada policies and standards.	April 2012	Ongoing	On track	1.1.4 Cyber and IT Security Services
Develop the plan for delivery of the Government of Canada Secret infrastructure.	April 2015	December 2018	On track	1.1.4 Cyber and IT Security Systems
Progress Towards the Priority				
<p>In 2015–16, SSC performed three times more supply chain integrity assessments than in 2014–15 because of an OIC that gave the Department a government-wide mandate for procurement. SSC completed the construction of a 24/7/365, Secret-level Security Operations Centre that consolidates multiple departmental security operations centres. SSC published eight security standards that were approved last year and developed an additional eight standards in 2015–16. Improvements in security operations, such as Perimeter Security and Vulnerability Management Services, were limited due to funding shortfalls in 2015-16. However as a result of new funding announced in Budget 2016, these projects are scheduled for launch in 2016-17.</p> <p>SSC performs Security by Design architecture, design and assessments for transformation projects. SSC migrated all of its customer-managed services to the Government of Canada Managed Security Service and started the migration of customers to governmental Secure Remote Access, despite limited capacity to deliver timely migrations.</p> <p>The Perimeter Strategy was developed and approved in 2015–16 and a project has been established to implement the strategy. SSC completed some of the steps required for the Invitation to Qualify and Review and Refine Requirements phases of the contract for Internal Centralized Access Service, as well as the synchronization of departmental directories under the Government Electronic Directory System (GEDS).</p>				

SSC worked in collaboration with Global Affairs Canada (GAC) to upgrade the Secret-level infrastructure currently in use by GAC and rolled out secure phones for the Prime Minister's Office, the Privy Council Office and some ministerial regional offices. The Department is also in the process of rolling out these phones to territories and provinces to enable Federal/Territorial/Provincial secure communications. Additionally, SSC completed a business case for government-wide Secret Infrastructure and collaborated with seven other departments and agencies to evaluate the cost and technical feasibility of procuring commercial off-the-shelf technologies for secure mobile communications. The goal is to save on development costs.

Name of Priority: Enhance planning and prioritization of key activities, projects and services in collaboration with partner organizations to support the transformation agenda and replace or retire aging legacy systems.

Description

The Government of Canada's IT infrastructure supports the programs and services that partner organizations provide for Canadians. Integrated planning is central to the achievement of the Department's transformation objectives, including the increased use of new technology and the withdrawal of aging legacy systems.

Priority Type: Previously committed

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Status	Link to the Organization's Program(s)
Formalize an integrated planning and prioritization process in collaboration with TBS and partner organizations.	February 2015	December 2016	On track	Internal Services
Prioritize and implement partner projects in alignment with Government of Canada priorities.	February 2015	December 2016	On track	Internal Services
Accelerate the migration of applications and services to the new IT infrastructure, while supporting IT operations across the Government of Canada.	April 2012	Under review	Delayed	1.1.2 Production and Operations Computing Services (Data Centre Services)

Continue to decommission legacy infrastructure including email systems, data centres and network equipment.	April 2012	Under review	Delayed	1.1.2 Production and Operations Computing Services (Data Centre Services)
Continue to enhance enterprise project management capability.	April 2012	Under review	Delayed	1.1.2 Production and Operations Computing Services (Data Centre Services)

Progress Towards the Priority

In 2015–16, SSC supported TBS in establishing the Public Service Management Advisory Committee and the Deputy Minister Sub-Committee on Enterprise Priorities and Planning to oversee an integrated approach to enterprise decision-making and resource management. SSC also contributed to enterprise-wide planning by providing analysis and advice to help inform TBS development of the Government of Canada Information Technology Strategic Plan 2016–20; initiating work on demand and supply profiles for government-wide IT infrastructure services; and launching work on a framework for prioritizing projects through an integrated, enterprise-wide IT planning process for the Government of Canada. Additionally, SSC reviewed data sources across the Department to ensure that relevant information is available on SSC programs. In 2015–16, SSC also developed a Directive for Integrated Business Planning and Reporting, an Integrated Planning 101 Workshop, Guidelines on the Development of Branch Business Plans and an Integrated Business Plan Guide. These tools will assist management at all levels to improve their planning techniques and standardize planning in the Department.

SSC implemented the annual Customer Satisfaction Feedback Initiative (CSFI) to gain input on service delivery, identify areas for improvement and build a foundation of trust with our customers. The Department received feedback from 42 partner organizations and established a partner-wide baseline by December 2015. In addition to the annual CSFI, SSC also developed a monthly customer satisfaction survey with a subset of five questions in order to more closely monitor trends and capture any progress the Department is making. In addition, the Department followed up on survey results with partner organizations regularly, drafted a global action plan to respond to results and planned for the development of partner-specific action plans, which will be completed in collaboration with partners in 2016–17.

SSC and its partner organizations migrated 787 applications to enterprise data centres in 2015–16. This was far fewer than the 4,900 that were planned because of extensive client usage of an exception process to opt out of the preferred migration strategy, as well as additional dependencies that were discovered as the migrations were attempted. SSC also established a

program to retire Windows 2003 following the update to Windows 2010. Two out of three Data Centre Virtualization proofs-of-concept were completed and are now moving towards production and, as of March 2016, the project to decommission two mainframes was on target.

SSC closed 28 older, legacy data centres in 2015–16 after establishing a list of 74 legacy data centres that could be potentially closed. The plan to close 74 sites was not achieved because of delays in migrating applications out of legacy data centres. SSC is working on developing a new decommissioning schedule based on its revised IT Transformation Plan.

The Department streamlined its project governance to reduce the number of project steering committees, as well as to improve how customer projects will be governed to avoid duplication of effort. In addition, the availability of information at all phases or “gates” of the project was improved to ensure clearer financial information.

Name of Priority: Increase agility, responsiveness and effectiveness in the delivery of internal services.

Description

SSC requires agile, responsive and effective internal services to support the delivery of the IT Infrastructure Services program.

Priority Type: Previously committed

SSC developed a new system called *Procure-to-Pay (P2P)* in order to electronically manage procurement to payment processes and help improve internal efficiencies

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Status	Link to the Organization’s Program(s)
Continue to make improvements to the program management and delivery of internal services with a focus on stewardship, agility, responsiveness and quality of service delivery.	April 2015	Ongoing	On track	Internal Services
Continue to integrate performance measurement and risk management into our business practices.	April 2015	Ongoing	On track	Internal Services

Progress Towards the Priority

SSC concluded its study of the requirements to develop an integrated, customer-focused service delivery model across internal services. The Department began the development of its Internal Services Catalogue, which will be launched in 2016–17 and will include a complete inventory of services and access information. Business models were implemented to meet the requirements of the OIC 2015-1071, which transferred additional procurement responsibilities to SSC. To continue to serve the needs of its customers, SSC implemented a new electronic procurement payment system called SSC P2P. In addition to P2P, the Department also launched two procurement portals, which include an online catalogue (or e-Store) and online Requisition for Acquisition Services (e-RAS).

To improve the quality and timeliness of financial reporting, SSC developed additional reports (such as salary forecasting, free balance and actuals, and commitment details) in the Department's financial system. SSC implemented a costing and pricing framework for myKEY, Wi-Fi and mainframe services and developed indicators and collection tools to determine whether or not materials are being managed in compliance with policy instruments. To promote awareness of, and compliance with, the *Access to Information Act* and the *Privacy Act*, SSC developed a strategy and implemented policy instruments, as well as director general-level governance. Furthermore, the modernization of the Corporate Secretariat—which administers the *Access to Information Act* and the *Privacy Act* on behalf of the Department—proceeded on target.

In 2015–16, SSC continued to integrate performance measurement and risk management into its business practices. Regarding risk management, SSC completed an Enterprise IT Risk Analysis, provided internal training and produced a monitoring process for mitigation strategies and a road map. SSC also developed and provided training and support for performance measurement, amended its Program Alignment Architecture and Performance Measurement Framework and developed efficiency indicators for its 18 sub-sub-programs.

Towards the end of the year, SSC launched five tiger teams to work across SSC to develop solutions for issues identified by employees in the 2014 Public Service Employee Survey low performing areas and the Blueprint 2020 and SSC Way Forward engagement activities. The issues fall within the areas of information sharing, business and office processes, learning and development, concept of operations and customer service.

Section II: Expenditure Overview

Actual Expenditures

Budgetary Financial Resources (dollars)

	2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	Difference (actual minus planned)
Gross expenditures	1,444,369,025	1,444,369,025	2,005,645,886	1,928,382,703	484,013,678
Less respendable revenue	(325,000)	(325,000)	(423,938,933)	(423,938,933)	(423,613,933)
Net expenditures	1,444,044,025	1,444,044,025	1,581,706,953	1,504,443,770	60,399,745

Human Resources (Full-Time Equivalents [FTE])

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
6,100	5,668	(432)

The difference between the Department's planned FTE level and the actual FTE figure is influenced by the following factors:

- Even though SSC's attrition rate has always remained slightly lower than that of the core public service, hiring has not kept pace with departures because of budget pressures. These include savings being removed from SSC's reference levels before efficiencies were realized, the need to absorb unfunded service growth, the cost of maintaining aging infrastructure longer than planned and the conversion of salary dollars to non-salary dollars to meet commitments. As a result, SSC's population has been decreasing since the creation of the department.

- A portion of SSC's FTE levels also relies upon resources received through funding arrangements with partner organizations to support various IT projects, and delays in these projects had an impact on funding.

Budgetary Performance Summary

Budgetary Performance Summary for Program(s) and Internal Services (dollars)

Program(s) and Internal Services	2015–16 Main Estimates	2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2014–15 Actual Spending (authorities used)	2013–14 Actual Spending (authorities used)
Strategic Outcome: Modern, reliable, secure and cost-effective IT infrastructure services to support government priorities and program delivery								
IT Infrastructure Services								
Gross Expenditures	1,285,297,140	1,285,297,140	1,799,958,368	1,294,025,586	1,860,608,196	1,789,804,880	1,858,089,117	1,860,268,470
Less: Respendable Revenue	(325,000)	(325,000)	(407,093,999)	-	(423,938,645)	(423,938,645)	(393,328,154)	(350,999,820)
Subtotal	1,284,972,140	1,284,972,140	1,392,864,369	1,294,025,586	1,436,669,551	1,365,866,235	1,464,760,963	1,509,268,650
Internal Services								
Gross Expenditures	159,071,885	159,071,885	158,390,332	158,237,891	145,037,690	138,577,823	157,620,892	143,969,155
Less: Respendable Revenue	-	-	-	-	(288)	(288)	-	-
Subtotal	159,071,885	159,071,885	158,390,332	158,237,891	145,037,402	138,577,535	157,620,892	143,969,155
Total	1,444,044,025	1,444,044,025	1,551,254,701	1,452,263,477	1,581,706,953	1,504,443,770	1,622,381,855	1,653,237,805

SSC's year-end result (Total Authorities Available for use less Actual Spending) reflects a surplus of \$77.3 million, which can be explained by the re-profiling of \$34.1 million in funds from 2015–16 to 2016–17 for the Carling Campus project (the planned relocation of the Department of National Defence and Canadian Armed Forces headquarters from downtown Ottawa to Kanata, Ontario), as well as delays in other projects and initiatives.

The Department's planned spending reflects the funding approved by TBS to support the departmental Strategic Outcome and Programs.

The majority of the increase of \$137.7 million in the 2015–16 Total Authorities Available for use over the 2015–16 planned spending is explained by the additional funding received through Supplementary Estimates and TBS Central Votes such as: 2014–15 Operating and Capital Budget carry forward to 2015–16 (\$71.4 million), the additional funding received for different projects and initiatives (\$53.4 million), adjustments with partner organization as a result of the creation of the Department (\$0.5 million) and the increase in the employee benefit plan contribution mostly related to the Vote-Netted Revenue (VNR) authority (\$12.4 million).

The spendable revenue increase of \$423.6 million (Actual Spending less Planned Spending) is attributed to the VNR authority of \$410.8 million approved in June 2015 and to an increase of \$12.8 million in collected revenues above the authority for standard and optional services and projects with customers.

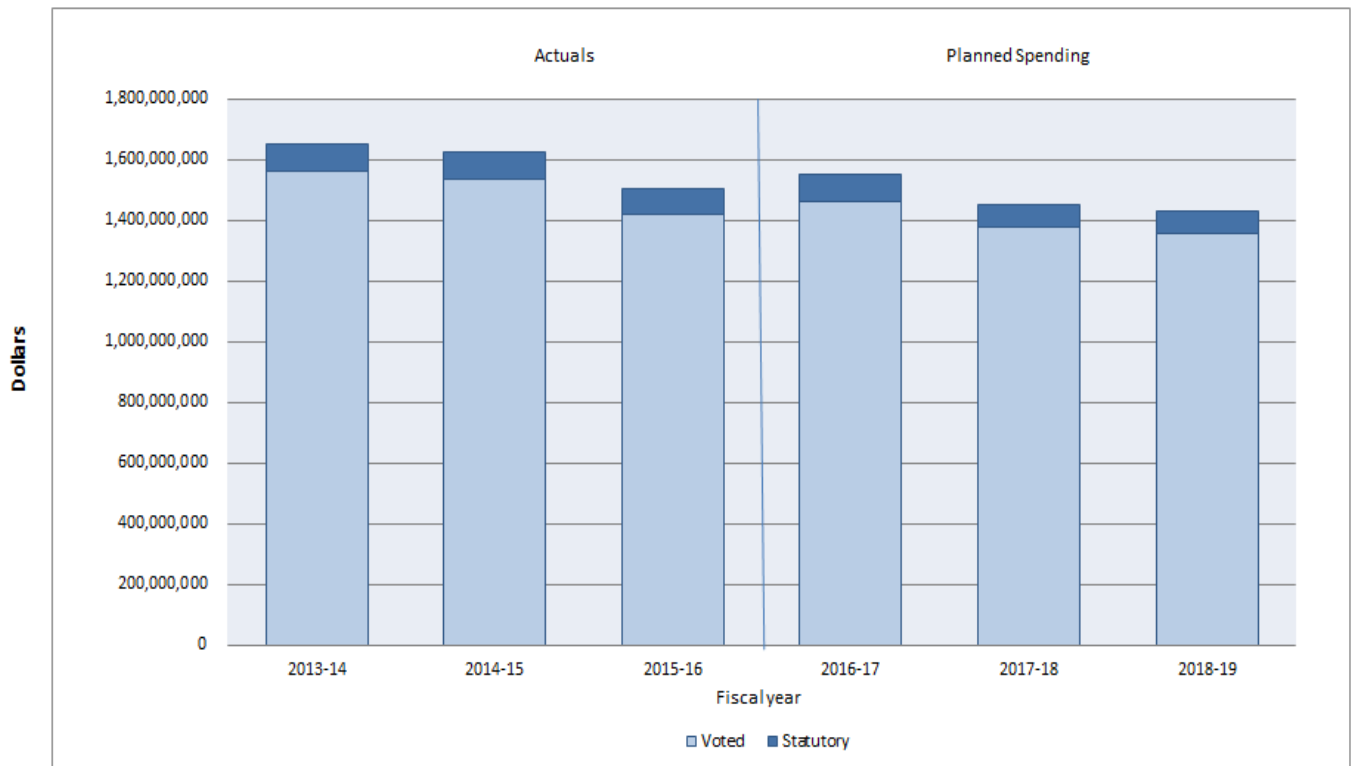
For Internal Services, the decrease of \$14.0 million in the 2015–16 Total Authorities Available for use over the 2015–16 planned spending is mainly because of the transfer of funds from Internal Services to IT Infrastructure Services.

Departmental Spending Trend

Expenditures by Vote

For information on SSC’s organizational voted and statutory expenditures, consult the [Public Accounts of Canada 2016](#).ⁱⁱⁱ

Departmental Spending Trend Graph



Departmental Spending Trend Graph (dollars)						
	Actual			Planned Spending		
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Voted	1,562,674,592	1,534,706,413	1,421,045,274	1,461,891,433	1,379,523,879	1,356,205,349
Statutory	90,563,213	87,675,442	83,398,496	89,363,268	72,739,598	72,528,040
Total	1,653,237,805	1,622,381,855	1,504,443,770	1,551,254,701	1,452,263,477	1,428,733,389

Note: These figures are net of spendable revenues. The statutory amounts represent the contribution to the employee benefit plans.

For the period of 2013–14, 2014–15 and 2015–16, the actual spending represents the actual expenditures as reported in the Public Accounts of Canada.

The decrease in the 2017–18 and 2018–19 planned spending from 2016–17 is primarily because of time-limited projects that do not have ongoing funding.

Alignment of Spending With the Whole-of-Government Framework

Alignment of 2015–16 Actual Spending With the **Whole-of-Government Framework**^{iv} (dollars)

Program	Spending Area	Government of Canada Outcome	2015–16 Actual Spending
Modern, reliable, secure and cost-effective IT infrastructure services to support government priorities and program delivery.	Government affairs	Well-managed and efficient government operations	1,365,866,235

Total Spending by Spending Area (dollars)

Spending Area	Total Planned Spending	Total Actual Spending
Economic affairs	-	-
Social affairs	-	-
International affairs	-	-
Government affairs	1,284,972,140	1,365,866,235

Financial Statements and Financial Statement Highlights

Financial Statements

The Department's financial statements can be found on [SSC's website](#)^v.

Financial Statement Highlights

The financial highlights presented within this Departmental Performance Report are intended to serve as a general overview of SSC's Statement of Operations and Departmental Net Financial Position and its Statement of Financial Position. More detailed information is provided in SSC's 2015–16 financial statements. These unaudited statements have been prepared using Government of Canada accounting policies, which are based on Canadian public sector accounting standards.

The unaudited financial statements are prepared in accordance with accrual accounting principles and are therefore different from the information published in the Public Accounts of Canada, which are prepared on an appropriation basis. Sections II and III of this report contain financial information based on parliamentary authorities, which reflect cash flow requirements. Items recognized in the Statement of Operations and Departmental Net Financial Position and in the Statement of Financial Position in one year may be funded through parliamentary authorities in prior, current or future years. A reconciliation of net cost of operations to current year authorities used is presented in Note 3 to SSC's 2015–16 financial statements on its website.

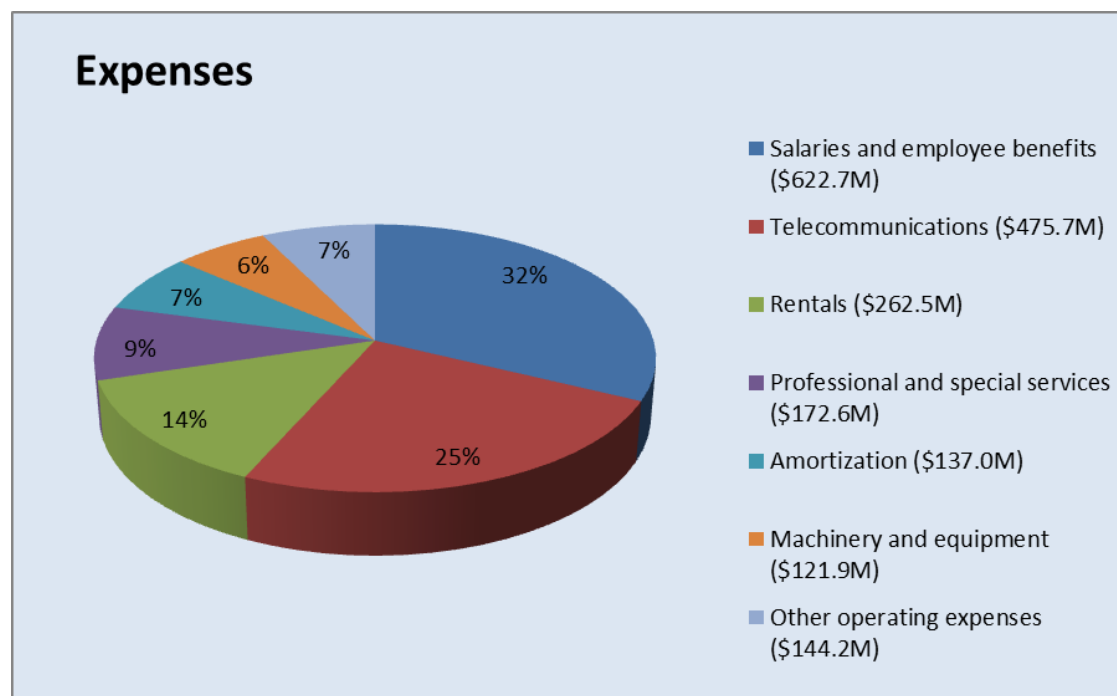
The tables below illustrate the March 31, 2016 ending balances for each major financial statement grouping, along with the corresponding change from the previous fiscal year.

**Condensed Statement of Operations (unaudited)
For the Year Ended March 31, 2016 (dollars)**

Financial Information	2015–16 Planned Results	2015–16 Actual	2014–15 Actual	Difference (2015–16 actual minus 2015–16 planned)	Difference (2015–16 actual minus 2014–15 actual)
Total expenses	1,812,147,107	1,936,594,090	1,974,520,312	124,446,983	(37,926,222)
Total revenues	392,742,752	428,905,552	398,062,600	36,162,800	30,842,952
Net cost of operations before government funding and transfers	1,419,404,355	1,507,688,538	1,576,457,712	88,284,183	(68,769,174)

SSC's total expenses for 2015–16 were \$1,936.6 million, a decrease of \$37.9 million over the previous year's total expenses of \$1,974.5 million. In 2015–16, the salaries and employee benefits represented the largest portion of expenses (32%) at \$622.7 million (\$652.2 million and 33% in 2014–15), followed by the telecommunications expenses (25%) at \$475.7 million (\$453.8 million and 23% in 2014–15). The salaries and employee benefits decreased by \$29.5 million in 2015–16, mainly explained by the reduction of the number of SSC's employees as of March 31, 2016 and by the decrease of \$8.6 million related to the adjustment for the employee future benefits. The operating expenses (excluding salaries and employee benefits) decreased by \$8.4 million in 2015–16 (from \$1,322.3 million in 2014–15 to \$1,313.9 million in 2015–16).

The Financial Statement's Note 14 segmented information provides detailed information by major object of expenses and by program.

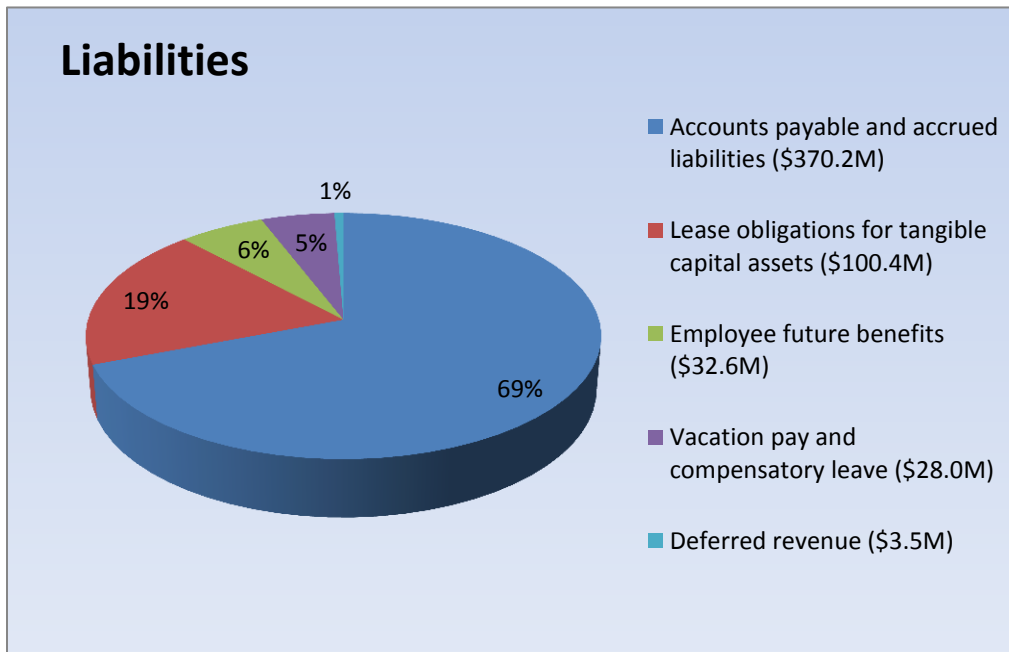


SSC's total revenues for 2015–16 were \$428.9 million, an increase of \$30.8 million over the previous year's total revenues of \$398.1 million. Of these revenues, the majority are responsible revenues related to IT infrastructure services provided to partner organizations and other Government of Canada departments and agencies on a cost-recoverable basis. SSC's revenues, net of \$7.8 million in non-responsible revenues, earned on behalf of government, consist of 99.79% in sale of goods and services and 0.21% in miscellaneous revenues.

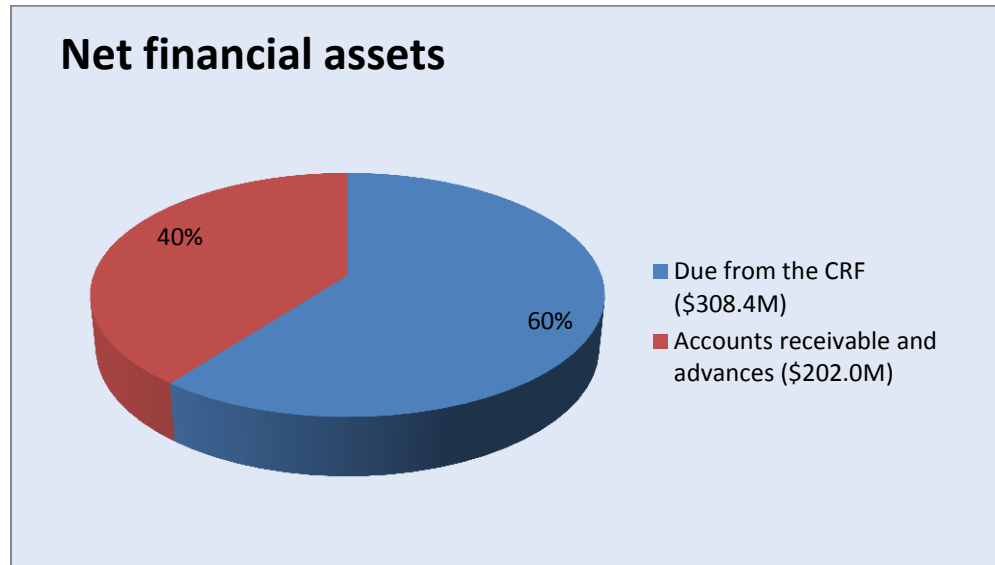
**Condensed Statement of Financial Position (unaudited)
As at March 31, 2016 (dollars)**

	2015–16	2014–15	Difference (2015–16 minus 2014–15)
Total liabilities	534,688,207	597,404,899	(62,716,692)
Total net financial assets	510,368,742	447,603,788	62,764,954
Departmental net debt	24,319,465	149,801,111	(125,481,646)
Total non-financial assets	559,617,054	510,133,419	49,483,635
Departmental net financial position	535,297,589	360,332,308	174,965,281

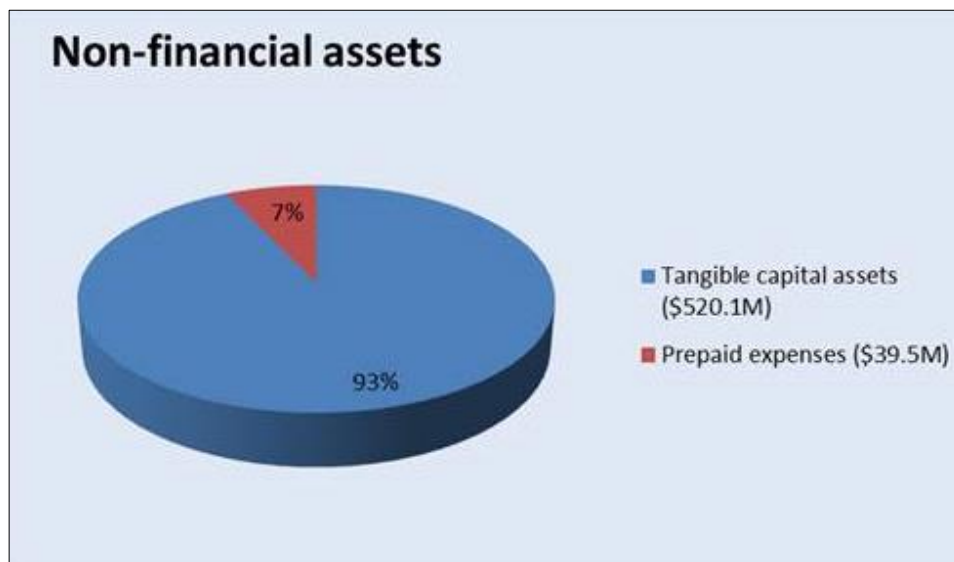
Total liabilities were \$534.7 million at the end of 2015–16, a decrease of \$62.7 million (10%) over the previous year’s total liabilities of \$597.4 million. In 2015–16, accounts payable and accrued liabilities represented the largest portion of liabilities (69%) at \$370.2 million (\$412.5 million and 69% in 2014–15), followed by the lease obligations for tangible capital assets (19%) at \$100.4 million (\$113.2 million and 19% in 2014–15).



Total net financial assets were \$510.4 million at the end of 2015–16, an increase of \$62.8 million (14%) over the previous year’s total net financial assets of \$447.6 million. In 2015–16, the amount due from the Consolidated Revenue Fund (CRF) represented the largest portion (60%) of the net financial assets at \$308.4 million (\$353.6 million and 79% in 2014–15).



Total non-financial assets were \$559.6 million at the end of 2015–16, an increase of \$49.5 million (10%) over the previous year’s total non-financial assets of \$510.1 million. This increase is explained by an increase of \$26.0 million in tangible capital assets (from \$494.1 million in 2014–15 to \$520.1 million in 2015–16) and by an increase of \$23.5 million in prepaid expenses (from \$16.0 million in 2014–15 to \$39.5 million in 2015–16). The increase in tangible capital assets is mainly because of new acquisitions of computer hardware, assets under construction and leased capital assets. The increase in prepaid expenses is mostly explained by new contracts related to software licenses and maintenance services to be received after March 31, 2016.



Section III: Analysis of Program(s) and Internal Services

Programs

1.1: IT Infrastructure Services

Description

This program delivers IT infrastructure services to federal government departments to enable and support the management, co-ordination and delivery of government programs to Canadians and the achievement of Government of Canada priorities. The IT infrastructure services consist of four main IT service groups: (a) Distributed Computing, (b) Production and Operations Computing, (c) Telecommunications (Data, Voice and Video) Services, and (d) Cyber and IT Security. This program establishes a centralized common IT infrastructure service leading to consolidation and standardization in the management and delivery of IT services across the mandated partner organizations. This consolidation and standardization of services contributes to greater operational efficiencies and economies of scale resulting in forecasted cost savings, enhanced reliability and security of the IT services, a reduction in the duplication of effort and managerial oversight, and the development of a harmonized response to partner organizations' business requirements.

Program Performance Analysis and Lessons Learned

The consolidation and modernization of government IT infrastructure services has not advanced as quickly as originally expected because of unfunded growth in service demand, vendor capacity issues and workforce gaps. SSC launched a comprehensive review of its IT Transformation Plan in 2015–16 to examine these challenges and update the plan's scope, underlying assumptions and timelines to ensure it becomes sustainable and aligned with Government of Canada priorities and industry best practices. This review will continue in 2016–17 and includes consultations with employees, industry, private sector experts and Canadians.

As part of this review, SSC is revising its methodology for calculating savings and developing financial benchmarks that will be compared to actual financial results. As requested by the Public Accounts Committee, savings will be reported to Parliament and the public. As first steps in this work, in 2015–16 SSC developed a consistent costing methodology for IT services, as well as pricing strategies for selected services (myKEY, Wi-Fi and Mainframe).

In 2015–16, with the goal of identifying areas for improvements in service management and delivery, SSC launched the CSFI, which includes the Customer Satisfaction Questionnaire. SSC collected feedback from all 42 partners (excluding SSC) and established a customer baseline for tracking improvements. These results will be processed in collaboration with partner

organizations and used to make the changes that are necessary to improve our services and processes. The CSFI is an example of the efforts SSC has made to improve services and implement recommendations that appeared in the 2015 Fall Reports of the Auditor General of Canada, which reviewed the first two years of SSC's seven-year plan to modernize the federal government's IT infrastructure.

To respond quickly and effectively to cyber security and IT incidents, SSC worked with TBS's Chief Information Officer Branch and SSC's customers to define and clarify their respective roles and responsibilities. SSC distributed a Responsibility Assignment Matrix that outlines SSC and customer roles and responsibilities for IT security.

SSC has also reduced the number of breakdowns and outages of critical IT systems. In 2015–16, the total number of critical incidents decreased by 14 percent, dropping from 322 in 2014–15 to 257. However, focus on reducing critical incidents has resulted in a rise in the number of non-critical incidents because of the reprioritization of limited resources to address these higher priorities.

Budget 2013 expanded SSC's mandate by adding the consolidation of government-wide procurement of software and hardware for WTD (e.g. printers, desktop and laptop computers). On the basis of industry feedback, SSC established a four-phase procurement process to establish new supply arrangements. SSC hosted [Industry Engagement Days](#) in 2015 with a focus on bulk printing products.

SSC established new procurement vehicles for Data Centre Server and Storage Infrastructure Supply Chain Renewal. Use of these vehicles will achieve savings through volume discounts and standardization of infrastructure.

Budgetary Financial Resources (dollars)

	2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
Gross Expenditures	1,285,297,140	1,285,297,140	1,860,608,196	1,789,804,880	504,507,740
Less Respendable Revenue	(325,000)	(325,000)	(423,938,645)	(423,938,645)	(423,613,645)
Net Expenditures	1,284,972,140	1,284,972,140	1,436,669,551	1,365,866,235	80,894,095

Human Resources (FTEs)

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
5,200	4,803	(397)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Sound stewardship of public funds.	Total savings generated (\$)	Establish baseline	Methods for calculating savings are being established as part of the SSC IT Transformation Plan
Ability to anticipate and respond to partner organizations' IT business requirements.	Partner satisfaction	Establish baseline	Target set as 3/5* average rating provided in response to the Customer Satisfaction Questionnaire (five-point scale)
Partner organizations receive reliable IT services.	Total number of critical incidents	No more than a 10% increase over the previous fiscal year	Decrease of 14% 2015–16: 257 2014–15: 322

* SSC will review its target rating each year as service improvements are implemented.

Internal Services

Description

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are Management and Oversight Services, Communications Services, Legal Services, Human Resources Management Services, Financial Management Services, Information Management Services, Information Technology Services, Real Property Services, Materiel Services, Acquisition Services, and Travel and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not those provided to a specific program.

Program Performance Analysis and Lessons Learned

To address workforce gaps, SSC undertook initiatives to facilitate employee mobility, learning and development. The Workforce Management Strategy is at the centre of these initiatives and, with the launch of the My Career and Mobility Centre in fall 2015, now provides managers and employees with a single point of access for career services.

SSC's My Career and Mobility Centre provides a single point of access for career services.

To better meet the needs of employees, SSC also updated and redesigned its internal My SSC website to make navigation and access to information easier. The Department also introduced a Kudos Corner on My SSC so employees could post short thank you messages about colleagues who put in extra effort, aimed for excellence or made extraordinary contributions.

The development of the Transformation Program Benefits Realization Framework is on track. Key performance indicators have been collected for the five priority services (i.e. Email, Data Centres, Telecommunications, WTD, Cyber and IT Security).

As part of the Department's efforts to modernize and simplify procurement practices, SSC developed a Procure-to-Pay system that electronically manages procurement to payment processes. Furthermore, to better serve its customers and to manage the rising volume of procurement transactions, SSC implemented a business intake model and launched a procurement portal e-store.

SSC provided managers with a suite of financial management reports available on an internal portal. The Corporate Secretariat Business Process Transformation team received the 2015 SSC

Award of Excellence for the development and implementation of a single standard and effective process, smarter tools and better advice in support of the government-wide Red Tape Reduction Action Plan.

SSC's Office of Audit and Evaluation completed six internal audits and co-ordinated 24 external oversight activities that involved SSC.

Budgetary Financial Resources (dollars)

	2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
Gross Expenditure	159,071,885	159,071,885	145,037,690	138,577,823	(20,494,062)
Less Respendable Revenues	-	-	(288)	(288)	(288)
Net Expenditures	159,071,885	159,071,885	145,037,402	138,577,535	(20,494,350)

Note: These figures are net of respendable revenues.

Human Resources (FTEs)

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
900	865	(35)

Section IV: Supplementary Information

Supporting Information on Lower-Level Programs

Supporting information on lower-level programs is available on [Shared Services Canada's website](#).^{vi}

Supplementary Information Tables

The following supplementary information tables are available on SSC's [website](#).^{vii}

- ▶ Departmental Sustainable Development Strategy
- ▶ Internal Audits and Evaluations
- ▶ Response to Parliamentary Committees and External Audits
- ▶ Status Report on Transformational and Major Crown Projects

Federal Tax Expenditures

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures annually in the [Report of Federal Tax Expenditures](#).^{viii} This report also provides detailed background information on tax expenditures, including descriptions, objectives, historical information and references to related federal spending programs. The tax measures presented in this report are the responsibility of the Minister of Finance.

Organizational Contact Information

General inquiries:

Please direct your inquiries to: SSC.information-information.SPC@canada.ca

Media inquiries:

Please direct your inquiries to: SSC.media-medias.SPC@canada.ca

Media Relations Office: 613-670-1626

Appendix: Definitions

appropriation (*crédit*): Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

budgetary expenditures (*dépenses budgétaires*): Operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Departmental Performance Report (*rapport ministériel sur le rendement*): Reports on an appropriated organization's actual accomplishments against the plans, priorities and expected results set out in the corresponding *Reports on Plans and Priorities*. These reports are tabled in Parliament in the fall.

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.

Government of Canada outcomes (*résultats du gouvernement du Canada*): A set of 16 high-level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.

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

non-budgetary expenditures (*dépenses non budgétaires*): Net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

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

performance indicator (*indicateur de rendement*): A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

performance reporting (*production de rapports sur le rendement*): The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

planned spending (*dépenses prévues*): For *Reports on Plans and Priorities* (RPP) and *Departmental Performance Reports* (DPR), planned spending refers to those amounts that receive TBS approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the main estimates.

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

plans (*plans*): 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.

priorities (*priorités*): Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired departmental Strategic Outcome(s).

program (*programme*): A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

Program Alignment Architecture (*architecture d'alignement des programmes*): A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the departmental Strategic Outcome(s) to which they contribute.

Report on Plans and Priorities (*rapport sur les plans et les priorités*): Provides information on the plans and expected performance of appropriated organizations over a three-year period. These reports are tabled in Parliament each spring.

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

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

Strategic Outcome (*résultat stratégique*): A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

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

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

voted expenditures (*dépenses votées*): Expenditures that Parliament approves annually through an appropriation act. The vote wording becomes the governing conditions under which these expenditures may be made.

Whole-of-government framework (*cadre pangouvernemental*): Maps the financial contributions of federal organizations receiving appropriations by aligning their programs to a set of 16 government-wide, high-level outcome areas, grouped under four spending areas.

Endnotes

- i. *Shared Services Canada Act*, <http://laws-lois.justice.gc.ca/eng/acts/S-8.9/>
- ii. Order in Council, <http://www.pco-bcp.gc.ca/oic-ddc.asp?lang=eng&page=secretariats>
- iii. Public Accounts of Canada 2016, <http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html>
- iv. Whole-of-Government Framework, <http://www.tbs-sct.gc.ca/hgw-cgf/finances/rgs-erdg/wgf-ipp-eng.asp>
- v. Shared Services Canada Financial Statements, <http://ssc.gc.ca/pages/fs-ef-2016-eng.html>
- vi. Sub-programs Information Tables, <http://ssc.gc.ca/pages/dpr-sup-information-renseignments-2015-16-eng.html>
- vii. Supplementary Information Tables, <http://ssc.gc.ca/pages/dpr-sup-table-2015-2016-eng.html>
- viii. Report of Federal Tax Expenditures, <http://www.fin.gc.ca/purl/taxexp-eng.asp>