

Veterans Affairs

2006-2007 Report on Plans and Priorities

A handwritten signature in blue ink, appearing to read "Greg Thompson", is positioned above a horizontal line. The signature is fluid and cursive.

**The Honourable Greg Thompson, P.C., M.P.
Minister of Veterans Affairs**

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SECTION I - OVERVIEW

Minister's Message



Care – Respect – Remembrance. Three words that, together, carry so much meaning. We, as Canadians, owe a tremendous debt of gratitude to those men and women who have courageously served our country in times of war, conflict and peace. Our war service Veterans, Canadian Forces Veterans and members, and the Royal Canadian Mounted Police have all, through their service, greatly contributed to the Canada we know today. In return, they deserve our care in their time of need; they deserve our utmost respect for their values, beliefs and rights; and they deserve our remembrance of their incredible sacrifices and achievements.

As Minister of Veterans Affairs Canada (VAC), it is with great honour that I present our *2006-2007 Report on Plans and Priorities*. This report provides an understanding of where Veterans Affairs will focus our energies over the next three fiscal years. This will be both an exciting and challenging time as VAC advances our agenda in a number of areas: we are delivering on our modernized suite of programs and services, further developing a mental health strategy, and enhancing our remembrance programming. We are also making good progress on our commitment to create a Veterans' Bill of Rights and establish a Veterans' Ombudsman Office. And we are developing options to bring early resolution to some of the longstanding concerns around the health effects of Agent Orange or herbicide use at CFB Gagetown, New Brunswick.

Canada's involvement in worldwide operations has grown over the years, putting more and more Canadian Forces members in difficult, unpredictable and dangerous surroundings. The number of our Canadian Forces clients has increased – in fact, nearly doubling in the past five years – from approximately 23,600 in 2001 to 46,260 in 2006. This number is expected to continue to rise. Canadian Forces members, with an average age at the time of release of 36 years, have very different needs than our older, war service Veterans. Our New Veterans Charter came into force on April 1, 2006. It was developed as a comprehensive package of programs designed to provide post-war Canadian Forces members, Veterans and their families with the means to make a successful transition to an independent and productive civilian life. To better assist those suffering from post-traumatic stress disorder and other operational stress injuries, VAC is developing a four-point mental health strategy in conjunction with the Department of National Defence. This strategy integrates collaborative partnerships, networks of clinics and specialists, and a continuum of mental health services and policies designed to help those who require access to mental health care.

Veterans Affairs Canada remains committed to our older Veterans who served in the First World War, Second World War, and the Korean War. As they age, they may need medical care and treatment, long-term care, or assistance to remain independent in their communities. Over the planning period, we will continue to refine our programs and services to support the health and well-being of these special people. A comprehensive health care review and a residential care strategy will guide us in future improvements.

Remembrance is always a high priority for Veterans Affairs Canada. As fewer war service Veterans remain, it is more important than ever to pass the “torch of remembrance” to today’s young people. I encourage all Canadians to help keep Veterans’ legacy alive by learning about VAC’s many Remembrance initiatives and enjoying the rich collection of video, audio, and written records that we have preserved on our Web site. We will also continue to ensure the preservation, care and dignity of Canada’s cenotaphs and monuments honouring our Veterans, war dead, and significant military events. And we are working with organizations across the country to provide Canadians with more opportunities to participate in community-based remembrance activities.

I am proud of the dedicated efforts of the staff at Veterans Affairs Canada. By working for Canada’s Veterans – both young and old – we are doing our small part to serve those who have served us. We will continue to do our best in the years ahead. I invite Canadians and Parliamentarians to read this report and to access the Web site links listed at the end of this report for more detailed information. We want our readers to gain an understanding of all that we do for our Veterans, Canadian Forces members, and the Royal Canadian Mounted Police. We want all Canadians to recognize, honour and **remember** these committed people and their families – they deserve it.



The Honourable Greg Thompson, P.C., M.P.
Minister of Veterans Affairs

Chair's Message



The Veterans Review and Appeal Board is an independent, quasi-judicial agency of government which provides an essential step in the disability pension and award process. The presence of the Board ensures that appellants have access to an independent review of decisions rendered by the Department of Veterans Affairs Canada, and that they receive benefits to which they are entitled under the law.

Board Members represent a cross section of Canadian society and come to the Board from many areas of public and professional life including medical, legal, academic, military and other professions. After appointment, specialized training is provided. In their work, Members review each claim and listen to every appellant with the attention that is so deserved by Veterans, Canadian Forces members, RCMP, their families and other eligible civilians.

Over the planning period, the Board will focus on areas identified as important to appellants. As with any organization, there is always room for improvement and we want appellants to know that we have heard their concerns. We are and will continue to be involved in the new Disability Awards Program under the *Canadian Forces Members and Veterans Re-establishment and Compensation Act*. Hearing appeals under the new legislation will be a new and interesting challenge for staff and Members of the Board. As well, the Board will continue to implement the public selection process for new Members. Initiated in December 2004, the selection process is competency based and provides for broad and open consideration of qualified applicants. The implementation of this transparent and rigorous assessment and selection process is, I believe, a unique step forward in providing government with a pool of qualified candidates for the Governor-in-Council appointment process. The *Strategic Plan 2006-2009* defines these priorities and further program initiatives which focus on fairness, expediency and expertise.

I look forward to implementing these initiatives and I believe that, through improved service delivery and increased transparency and accountability, the Board will continue to competently carry out its mandate and that Veterans, members of the Canadian Forces and RCMP, and their dependents can have confidence that the Board is a fair, accessible and expert forum for redress on disability pensions and awards.

A handwritten signature in black ink that reads "Victor Marchand". The signature is written in a cursive, flowing style.

Victor A. Marchand
Chair, Veterans Review and Appeal Board

Management Representation Statement

We submit, for tabling in Parliament, the *2006-2007 Report on Plans and Priorities* for Veterans Affairs, a Portfolio comprising Veterans Affairs Canada and the Veterans Review and Appeal Board.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2006-2007 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*:

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guidance;
- It is based on the Portfolio's approved Program Activity Architecture structure as reflected in its Management, Resources, and Results Structure;
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved planned spending numbers from the Treasury Board Secretariat in the Report on Plans and Priorities.



Jack Stagg
Deputy Minister
Veterans Affairs Canada
June 25, 2006



Victor A. Marchand
Chair
Veterans Review and Appeal Board
June 25, 2006

Note: This Management Representation Statement was signed by Deputy Minister Jack Stagg who passed away August 9, 2006. At this time the Department of Veterans Affairs would like to acknowledge Jack Stagg's contribution to this report, to Veterans Affairs and to the Public Service. A well respected public servant with a career that spanned 32 years, Jack Stagg will be remembered by his many current and former colleagues as a caring, compassionate and disciplined leader.

Summary Information

Veterans Affairs exists to serve and pay tribute to the brave men and women of Canada who have unselfishly contributed to global peace and security in times of war and in a variety of peacekeeping, peace enforcement, and humanitarian operations around the world. Veterans Affairs is a portfolio consisting of two distinct and separate organizations: Veterans Affairs Canada (the Department) and the Veterans Review and Appeal Board (the Board) which operates at arm's length from the Department. In order to fulfill these responsibilities, it is estimated that the following financial and human resources will be required over the next three fiscal years:

PLANNED SPENDING AND HUMAN RESOURCES FOR VETERANS AFFAIRS

(\$ millions)	2006-2007		2007-2008		2008-2009	
	Planned Spending	FTE	Planned Spending	FTE	Planned Spending	FTE
Full-Time Equivalents						
Veterans Affairs Canada	3,190.4	3,619	3,182.6	3,592	3,121.0	3,578
Veterans Review and Appeal Board	13.7	139	13.7	139	13.7	139

Portfolio Plans and Priorities

Veterans Affairs has three strategic outcomes (two for Veterans Affairs Canada and one for Veterans Review and Appeal Board) and five priorities. The following two tables illustrate how these strategic outcomes and priorities are aligned within the Program Activity Architecture and how the planned spending is allocated.

PORTFOLIO PRIORITIES BY STRATEGIC OUTCOME - VETERANS AFFAIRS CANADA

Strategic Outcome	(\$ millions) Planned Spending		
	2006-2007	2007-2008	2008-2009
Strategic Outcome #1: Eligible Veterans and other clients achieve their optimum level of well-being through programs and services that support their care, treatment, independence, and re-establishment	3,127.9	3,130.4	3,069.1
Priority (Ongoing): Enhancing and adapting programs and services to meet the needs of our Veterans, serving members, other clients and their families.			
Program Activity	Expected Result		
Pensions, Awards, and Allowances for Disability and Death; and Financial Support	Eligible Veterans and others are appropriately compensated to contribute to their well-being		
Health Care and Re-establishment Benefits and Services	Eligible Veterans and others receive appropriate health benefits and rehabilitation services to contribute to their well-being		
Priority (New): Implementing a Mental Health Strategy to enhance capacity to meet the mental health needs of clients.			
Program Activity	Expected Result		
Pensions, Awards, and Allowances for Disability and Death; and Financial Support	Eligible Veterans and others are appropriately compensated to contribute to their well-being		
Health Care and Re-establishment Benefits and Services	Eligible Veterans and others receive appropriate health benefits and rehabilitation services to contribute to their well-being		
Strategic Outcome #2: Canadians remember and demonstrate their recognition of all those who served in Canada's efforts during war, military conflict and peace.	62.5	52.2	51.9
Priority (Ongoing): Engaging Canadians in community-based Remembrance activities with an emphasis on Canada's youth.			
Program Activity	Expected Result		
Remembrance Programming	Canadians who commemorate, understand and value the achievements and sacrifices of those who have served Canada in war, military conflict and peace		

PORTFOLIO PRIORITIES BY STRATEGIC OUTCOME - VETERANS REVIEW AND APPEAL BOARD

Strategic Outcome	(\$ millions) Planned Spending		
	2006-2007	2007-2008	2008-2009
Strategic Outcome #3: Fair and effective resolution of disability pension, disability award, and War Veterans Allowance appeals from Canada's war Veterans, eligible Canadian Forces Veterans and members, RCMP clients, qualified civilians and their families.	13.7	13.7	13.7
Priority (Ongoing): Improved program delivery.			
Program Activity	Expected Result		
Veterans Review and Appeal Board redress process for disability pensions and awards	Fairness in the Disability Pension, Disability Award and War Veterans Allowance Program		
Priority (Ongoing): Engaged communication with appellants and stakeholders.			
Program Activity	Expected Result		
Veterans Review and Appeal Board redress process for disability pensions and awards	Fairness in the Disability Pension, Disability Award and War Veterans Allowance Program		

Operating Environment

The operating environment within which Veterans Affairs delivers its programs and services is influenced by numerous internal and external factors: the Government of Canada's broader policy priorities, including its vision for Canada; Canada's level of military involvement in operations and conflicts; the changing demographics of our client base and the Canadian workforce; and the proposed *Federal Accountability Act*, and the *Public Service Modernization Act*.

The Government of Canada is focussed on five key priorities: Enacting and enforcing the *Federal Accountability Act*; lowering taxes for working Canadians (starting by reducing the GST); protecting Canadian families and communities by strengthening the justice system; supporting parents' child care choices through direct assistance and by creating more daycare spaces; and delivering the health care Canadians need, when they need it, by addressing the fiscal imbalance and establishing a patient wait times guarantee with the provinces. In support of Canadian Veterans, the Government's commitments include: implementing the New Veterans Charter; conducting a Veterans' health care review; and recognizing the contributions of Aboriginal Veterans. Veterans Affairs Canada has further made significant progress on its commitment to establishing a Veterans' Bill of Rights and Ombudsman. Extensive research has been conducted of various Ombudsman models to assist the consultation with Veterans organizations. As well, Veterans Affairs Canada (VAC) has taken the lead role, working closely with DND, to develop options to bring early resolution to some of the concerns relating to the health effects of Agent Orange or herbicide use at CFB Gagetown.

In recent years, Canadian Forces (CF) members have served in many capacities at home and throughout the world, through a variety of United Nations, North Atlantic Treaty Organization and other multinational task forces in peacekeeping and

peacemaking missions. These operations have become increasingly frequent and prolonged with deployments to zones of conflict and unrest. The result of this increased pace and intensity in operations for our armed forces is a corresponding need for care and treatment from the Portfolio for physical and mental injuries sustained while in service to the nation. By providing CF members with the appropriate support to facilitate their integration into civilian life, the New Veterans Charter will help to advance the Government's agenda of recruiting and retaining CF members and ensuring a strong military.

Veterans Affairs has a diverse group of clients. Over the planning period, the number of clients is forecasted to decline slightly from 219,700 in 2006 to 206,900 in 2009. Our "Veteran" clients include Canada's traditional war service Veterans and CF Veterans, who have served Canada in modern-day operations. Our family of clients also includes CF members, past and present members of the RCMP, their survivors, dependants, as well as certain allied Veterans and eligible civilians. Veterans Affairs also serves Canadians more broadly through our Remembrance activities, both in Canada and overseas.

VAC is designing a strategy to ensure its approach to a pandemic influenza includes timely and accurate information for clients, families, caregivers and staff before, during and after a pandemic influenza in Canada. This strategy will include a high-level plan of the Department's identification of essential services and personnel required to deliver those services in the event of an emergency or crisis situation.

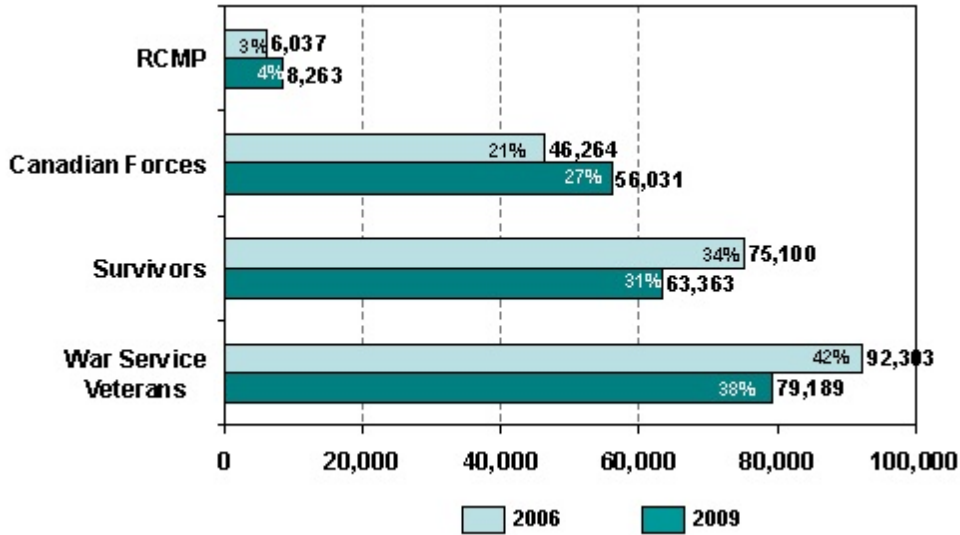
The Government of Canada's commitment to enacting and enforcing the proposed *Federal Accountability Act* will enhance fiscal prudence and accountability at both the macro level and the day-to-day level in how VAC's programs and services are delivered. VAC continues to review the relevancy and efficiency of all spending and to re-allocate funds from lower to higher priorities, while following best practices in service delivery. VAC will also continue to make service and program improvements which meet the urgent needs of Canada's Veterans.

The *Public Service Modernization Act* (PSMA) came into full force on December 31, 2005, when all four subordinate Acts that it encompasses, came into effect. The PSMA is the cornerstone piece of legislation for modernizing human resources management in the public service and is transforming the way the federal government hires, manages, and supports its employees. The PSMA is designed to promote a more collaborative labour-management relationship, facilitate learning and training for employees, and clarify roles and accountability. Central to the Portfolio's successful implementation of the Act will be the ability to integrate human resource planning and business planning.

The Canadian workforce is becoming increasingly diverse as a result of recent immigration trends, higher female participation rates, a younger Aboriginal population and a changing linguistic profile. In looking at further requirements over the planning period, consideration will be given to the representation of visible minorities, Aboriginal Peoples and women where under representation is expected.

A significant element of our planning is the evolution of our client groups over time. The chart below illustrates the breakdown of VAC’s client groups by number of clients as well as percentages of each client group both in 2006 and 2009.

FORECASTED VAC CLIENT POPULATION



The average ages of our traditional war service Veterans are 104 years for our First World War Veterans, 83 for our Second World War Veterans and 74 for our Korean War Veterans. As they advance in age, their needs become more complex and urgent, requiring VAC to remain innovative in adapting our programs and services to meet their evolving needs.

The average age of releasing CF members is 36 – an age where they and their families need the assurance of a secure future and assistance as they transition from their specialized career in the Forces to civilian employment. A portion will require support to address chronic pain, permanent disability and operational stress injuries resulting from their service. The New Veterans Charter represents fundamental changes and additions to existing program activities. The Portfolio needs to ensure that we have a workforce that is versatile, innovative, and engaging in continuous learning so that the organization has the capacity to adapt to change. Other factors affecting the implementation of this Charter include organizational readiness, stakeholder support, partnerships, and program funding.

Strategic Direction

Veterans Affairs Canada’s new *Five-Year Strategic Plan 2006-2011* will focus primarily on two areas under the over-arching goal of improving program and service delivery. First, the Department will focus on providing the best service possible to its clients by modernizing and enhancing programs and services. Second, the Department will strive to ensure that the torch of Remembrance remains held high by encouraging Canadians, especially youth, to actively participate in Remembrance activities.

The Veterans Review and Appeal Board's main focus in its *Strategic Plan 2006-2009* is to provide a fair and independent redress process that ensures all appellants receive the benefits to which they are entitled. This Report on Plans and Priorities references two priorities of the Board's strategic plan: the improvement of program delivery; and the engagement of communication with appellants and stakeholders.

Priorities - Veterans Affairs Canada

The Department has established three priorities:

VAC Priority: Enhancing and adapting programs and services to meet the needs of our Veterans, serving members, other clients and their families.

Veterans Affairs Canada has always prided itself on continuously improving benefits and services for its clients. As client needs evolve, so do VAC's programs and services. Over the planning period, a number of steps will be taken to better serve our family of clients. For example, VAC will continue to work closely with Veterans organizations to establish a Veterans' Bill of Rights and an Ombudsman. This would provide opportunities to further improve the quality of client service by ensuring that Canada's Veterans are treated with respect and that they receive all of the benefits and services to which they are entitled.

Veterans Affairs Canada has modernized its programs and services through the enactment of new legislation – the *Canadian Forces Members and Veterans Re-establishment and Compensation Act* and supporting regulations, which came into force on April 1, 2006. This legislation, which focuses on rehabilitation and re-establishment into civilian life is known as the New Veterans Charter. This distinguishes it from the re-establishment programs introduced following the Second World War, which were known as the Veterans Charter.

The New Veterans Charter features a needs-based, comprehensive, and integrated package of compensation and wellness programs and services. These programs and services encourage independence and a successful transition from military to civilian life for releasing CF members and their families. Benefits and services respond to the unique health and social needs of CF Veterans, members and their families. Medically-released CF members and those CF Veterans who have a rehabilitation need that is service-related have access to the care, treatment and ongoing support they may need to reach their employment goals and realize their full potential as productive, contributing members of their communities.

The overall program objectives are to:

- Assist CF members, Veterans and their families, making the transition from military to civilian life, to successfully re-establish into civilian society, and to achieve/maintain an optimum level of health, independence and quality of life in their communities; and

- Facilitate the effective and efficient use of re-establishment related supports and resources through a structured, culturally sensitive case management process to determine service needs and develop an effective and responsible case plan. The case management process is coordinated, organized, and collaborative, ensuring clients with complex needs access timely and appropriate resources and services to optimize their level of independence and quality of life. Within the process, all releasing CF members and medically-releasing reservists will be offered a departmental transition interview. The intent is to assess the CF member's readiness for transition and to identify potential barriers to civilian re-establishment. The client-centred case management services will be implemented as soon as potential re-establishment barriers are identified.

The New Veterans Charter is comprised of five new programs. These programs are supported by a case management system, which provides simplified and coordinated client access to federal and provincial services and benefits. The five new programs are:

1. **Disability, Death and Detention Benefits** compensate for the non-economic impacts of service-related disability and death and encourage wellness, independence and re-establishment. The non-economic impacts of a service-related disability include pain and suffering, functional loss, and the effects of a permanent impairment on one's life. In case of a service-related death, impacts include the loss of guidance, care, and companionship and the functioning of the household.
2. **Rehabilitation Services and Vocational Assistance** focus on restoring client functioning (physical, psychological, vocational and social) and supporting family functioning.
3. **Financial Benefits** as follows:
 - ▶ *Earnings Loss Benefits* are payable monthly during participation in a Rehabilitation or Vocational Assistance Plan. They are payable to age 65 if the Veteran is unable to work due to a total and permanent incapacity.
 - ▶ A lump sum *Supplementary Retirement Benefit* recognizes the lost opportunity to contribute to a retirement pension due to a severe career ending or service-related disability.
 - ▶ The *Canadian Forces Income Support* provides monthly payments to CF Veterans, who have successfully completed a rehabilitation program, are capable of working, but are not yet employed. Survivors may also qualify.
 - ▶ The monthly *Permanent Impairment Allowance* recognizes the lost opportunity effects that a permanent severe impairment (service-related) has on employment potential and career advancement opportunities.
4. **Health Benefits** support the re-establishment of eligible releasing CF members and their families into civilian life by ensuring they have access to health benefits that respond to their needs. Benefits are also available for survivors.

5. **Job Placement** helps CF Veterans become established in a civilian career through the provision of job-search training, career counselling and job-finding assistance.

Over the years, the Department has been a world leader in providing care and support to war service Veterans. The New Veterans Charter does not change any of the benefits war service Veterans currently receive and rely on. An additional benefit of these changes will see existing clients qualifying for some of the new programs.

External and internal risks have been identified for the overall operational performance and success of the New Veterans Charter. The external risks include client mismanagement of lump sum payments and sustaining stakeholder support. Mitigation strategies have been developed to minimize the risk of financial management of lump sum awards while respecting the rights of clients and their families to make their own financial decisions. To mitigate against potential erosion of stakeholder support, VAC is fostering long-term stakeholder relationships through an on-going comprehensive external consultation strategy. The internal risks relate to the risk of additional program costs due to increased program update and the appropriateness of outcomes and related performance indicators identified by VAC. VAC contracted with an independent consultant to ensure that the proposed changes for the New Veterans Charter and that the methods and assumptions used to estimate the cost of the proposed programs were reasonable. During 2006-2007 we will be conducting an evaluation on the New Veterans Charter and further developing the Quality Management Program (QMP) which monitors client satisfaction with the modernized programs.

For the New Veterans Charter, performance measurement will take place through VAC's comprehensive and integrated Quality Management Program. This program provides a coordinated approach to ongoing and systematic performance measurement, reporting, quality improvement, and continuous learning across the organization. The QMP enables staff and management at all levels of the Department to work collaboratively to meet national performance and outcome standards for the delivery of consistent, exemplary, client-centred services, and to foster continuous quality improvement in the delivery of benefits and services. One component of the QMP is its National Certification Program. This program evaluates Client Service Teams, Centres of Expertise and Management Centres to ensure that organizational practices are aligned with VAC's client-centred service approach. By 2008-2009, all Client Service Teams across the Department will have undergone certification under the National Certification Program. This QMP is integral to the Department's internal and external reporting requirements and will provide for informed planning and decision making, management of risks, and accountability to Canadians. It will be managed in accordance with legislation, regulations, program activity architecture, policy, national standards, and business processes.

Ste. Anne's Hospital is the last remaining federal hospital administered by the Department. It is located in Ste. Anne de Bellevue, on the western tip of the Island of Montreal. The hospital's mission is to provide Veterans and its other clients with a wide range of programs and a continuum of high quality care, while respecting their dignity and their autonomy. The hospital employs more than 900 people. It offers long-term or respite care to 446 Veterans and eligible civilians. Through its day centre, it provides support services to more than 175 Veterans, who still reside in the community. Since its establishment in July 2002, the hospital's Ste. Anne's Centre

has provided assessment and treatment to more than 445 Veterans and other clients who require mental health services or short-term hospitalization related to operational stress injuries (OSI) and currently provides for 196 active clients.

The Hospital is among the leaders in several fields including Post-Traumatic Stress Disorder (PTSD), dementia care, pain management, dysphagia, end-of-life care, falls prevention and restraint reduction. As such, it continues to serve as a reference centre for other long-term care institutions and as a result is being called upon to take a strategic position in the field of geriatric care provided to Canadians. Ste. Anne's is expanding its influence with the growth of its research component. The hospital will continue to confirm its high standards of quality by participating in a rigorous accreditation process by the Canadian Council on Health Services Accreditation, an internationally recognized accrediting body.

The hospital is currently undergoing a major renovation and construction project that will further enhance the quality of care for its residents and bring the hospital in line with provincial standards. This renovation will create a safe, comfortable and functional environment for the residents and staff. Over the planning period, the main building (the tower) will undergo a number of renovations. The resident Veterans will be provided with an environment adapted to their specific needs. For example, all accommodations, including its 16-bed dormitories will be converted to private rooms. The renovation of the tower is being completed in four phases of construction (summer of 2006 to winter of 2008). A transition strategy is being utilized and resident relocation has been planned in order to maintain the critical balance between the provision of resident care and the completion of the construction phases. Factors such as maintaining admission capacity, ability to meet residents' clinical needs as well as retention of indeterminate employees are important considerations.

VAC will continue to work diligently over the planning period to improve access to those existing programs and services that are designed to meet the particular needs of our aging Veterans. Our goal is to allow our aging Veterans to remain at home or in their communities as long as possible with the security of knowing that they will be supported with the services, benefits and care they need to maintain their independence. In aid of this goal, VAC is currently undertaking a comprehensive health care review designed to address and remedy barriers to accessing health care programs and services, such as overly complex eligibility criteria and the absence of lower-cost, more effective health care delivery alternatives. Consultations have been, and will continue to be, held with Veterans' organizations, central agencies and departmental officials. The Gerontological Advisory Council will prepare a "Futures Paper" to advise VAC on the needs of older Veterans. VAC will develop a "diagnostique" to clearly articulate the problems with the current system and will then develop proposals aimed at significant improvements in the service that we can provide to our older clients and potentially their elderly survivors.

Veterans Affairs Canada provides pharmaceutical services to clients for the medically necessary treatment of conditions that are the result of military service. In addition, VAC provides medically necessary pharmaceutical services to eligible clients for non-service related conditions to the extent that the services are not provided by other jurisdictions such as provincial health care systems or private insurance plans.

The objectives of the pharmacy benefit program are to provide eligible clients with pharmacy services that will ensure optimal health outcomes in a fair, equitable and cost-effective manner. VAC's pharmacy program strives, in support of client's health professionals and provincial health programs, to assist in keeping VAC clients healthy and independent in their communities.

In 2006-2007 VAC will develop four performance indicators. These four indicators will measure the cost effectiveness of the management of the pharmacy program. The indicators are as follows; cost savings from the use of generic drugs, average pharmacy professional fee within a service category, unit cost of benefit and, claims processing cost/prescription filled. The mechanisms to report on these indicators are presently being developed with the first of these indicators (cost savings from the use of generic drugs) expected to be functioning in October of 2006 while the remaining three are expected to be operational in 2007.

Canada's commitment to provide quality care to injured, disabled and aging Veterans is a long-standing priority. As a key pillar of this commitment, the Department has been a pioneering force in supporting long-term care facilities that address the evolving needs of Veterans and other seniors. VAC's Residential Care Strategy responds to our clients' evolving needs, as well as to concerns raised in a number of fora over the past decade. These include: the Senate Sub-committee on Veterans Affairs' report, "Raising the Bar: Creating a New Standard in Veterans Health Care"; the 1996 Report of the Auditor General; findings in the Department's Review of Veterans Care Needs; Veterans' organizations and discussions with the Department's Gerontological Advisory Council. Program enhancements such as the Overseas Service Veterans (OSV) At Home Initiative and the OSV Waitlist Management Initiative have provided Veterans with access to the least invasive service available to appropriately meet their needs, namely home support services and residential care in community facilities. We continue to work closely with Veterans and residential care delivery partners to ensure that access to the most appropriate services continues to improve as the Veteran clients' needs and provincial residential care systems evolve. More than ever, changes in provincial systems will need to be predicted, monitored and addressed. Priority will continue to be placed on maintaining and developing a policy platform which focusses on responsive programming based on the needs of War Veterans, with respect to a community-based continuum of care, from home to residential care.

In partnership with the Government of Ontario, VAC has been working on a Continuing Care Research Project (CCRP). There are two concurrent studies in progress. The first study evaluates the impacts of the Veterans Affairs Canada "At Home Pilot Project" which was implemented nationally in 2003. Data collection began in June 2006, through client interviews. The "At Home Pilot" offered certain Overseas Service Veterans on residential care waiting lists access to home care and treatment services for which they were previously ineligible. The second study compares the outcomes and costs of providing home care, supportive housing and residential care to Veterans Independence Program clients in Ontario. The CCRP is expected to be completed, including publication and dissemination of the findings, by June 2007. The project will create knowledge that may be applied to improve the VAC continuum of care model to traditional older Veterans and contribute to the federal-provincial dialogue on health care and continuing care in Canada.

Also, as a leader in the field of continuing care, VAC will share its expertise with Canada's health care community. The success of this project will be measured through a number of indicators, including the volume of requests for information and research from within VAC, throughout Canada, and internationally.

VAC has a unique partnership with the RCMP in which we provide serving and retired RCMP members with case management, specialized disability pension adjudication, and payment services. Authority for providing these services remains vested with the RCMP, while responsibility for administering disability pensions has been assumed by Veterans Affairs Canada. The RCMP has undertaken a review of the unmet needs of its serving and retired disabled members. VAC actively supported this review by providing policy and program expertise in the fields of disability management and wellness programs. The requisite modernization of benefits and services to better respond to the needs of our RCMP clients remains a priority for VAC.

Recognizing the need for timely and expert advice in the domain of military health issues, VAC will be focussing more on the analysis of emerging military health issues and published national and international research which may affect Canadian Veterans.

VAC is committed to bringing early resolution to the concerns raised by Canadian Forces members, Veterans, civilians and area residents about the health effects of Agent Orange or herbicide use at CFB Gagetown.

VAC Priority: Implementing a Mental Health Strategy to enhance capacity to meet the mental health needs of clients.

In recent years, Canada has increasingly committed its armed forces to international and multi-lateral operations that are much different in nature than those previously carried out. More than ever, CF members are placed in harm's way for longer periods, with less time to recuperate. Furthermore, the RCMP are continuously facing new situations with modern-day threats and conflicts, both at home and abroad. As a result, the prevalence of psychological and psychiatric-related conditions is increasing among CF members, Veterans, and the RCMP. Over the past five years the number of clients pensioned with a psychiatric condition has increased by almost 400 per cent.

In 2002, VAC and the Department of National Defence (DND) jointly announced a mental health initiative to enhance the services and supports provided to Veterans, CF members and eligible RCMP who suffer from operational stress injuries as a result of their service. In fact, the mental health initiative was the initial step taken to modernize programs and services for CF clients in the area of mental health. While much has been accomplished since that time, much more is required to meet the extensive needs of clients living with mental health conditions. It is within this context that VAC has developed and will implement a Mental Health Strategy which builds on the work undertaken but provides a more cohesive approach to enhancing the Department's capacity to meet the needs of clients with mental health conditions. This strategy is a key element of the overall implementation of the New Veterans Charter and is summarized as follows:

1. Implementation of a comprehensive continuum of mental health services and policies which includes promotion, early intervention, treatment, rehabilitation and ongoing care.
2. Building a capacity across the country that provides specialized care to clients with mental health conditions associated with psychological trauma related to military service. This includes the development of an integrated network of Operational Stress Injury clinics as well as a network of service providers at the local community level.
3. Strengthening the role of Veterans Affairs Canada as a leader in the field of mental health, including the ongoing development of the Department's National Clinical Centre of Expertise in clinical matters related to mental health.
4. Development of strong, collaborative partnerships with other organizations who share the goal of responding effectively to the needs of clients living with mental health conditions.

Implementation of a comprehensive continuum of mental health services and policies

In partnership with DND, VAC is creating a comprehensive continuum of care model for the provision of services to clients with mental health conditions. A service delivery model is being developed that will contain a suite of policies and business processes that will ensure the delivery of services in an efficient and effective manner.

Implementation of the continuum of mental health services will include the following critical components:

- Integration of the Department's mental health service delivery model into the day-to-day operations of field offices.
- Focus on transition from military to civilian life working in close collaboration with DND and the RCMP.
- Development of a quality management framework for the continuum of mental health service delivery.
- Increasing the level of expertise in mental health required to support staff by establishing Regional Mental Health Officers and Rehabilitation Officers who will provide guidance and support to ensure a consistent approach to enhanced case management across the country.
- Implementation of comprehensive case management to support clients in their transition back into the community, including the use of Clinical Care Managers when needed for the management of complex cases.
- Continued support and training to peer support co-ordinators who form part of the DND Operational Stress Injury Social Support network.

Building Capacity

(A) Integrated network of clinics

VAC has successfully established an out-patient OSI clinic in five sites across the country: Ste. Anne's National OSI Centre, Montreal; La Maison Paul-Triquet OSI Clinic, Quebec City; Parkwood OSI Clinic, London; Deer Lodge OSI Clinic, Winnipeg; and, Carewest OSI Clinic, Calgary. Each clinic provides access to a team of mental health professionals, specially trained in treating PTSD and other psychological injuries resulting from military service. These clinics complement DND's Operational Trauma and Stress Support Centres nationally.

Over the planning period, the following goals will be pivotal to the development of an integrated network of VAC and DND clinics across the country that provide specialized care to clients with mental health conditions related to psychological trauma:

- Development and signing of the Operational Stress Injury Network Program Arrangement among VAC, DND and RCMP that will define the nature and scope of the integrated network of clinics and how it will be managed.
- Establishment of co-managers of the integrated network to manage the common elements shared by VAC and DND.
- Management of the existing VAC-sponsored clinics and establishment of new clinics as outlined in the three-year plan component of the Operational Stress Injury Network Program Arrangement with DND and RCMP.
- Establishment of a joint annual review process for the network of clinics to ensure adherence to operational guidelines and the provision of quality services.

(B) Network of service providers at the community level

Over the planning period, a network of service providers at the local community level will be developed. The availability of these skilled mental health resources will ensure that case management practices and capacities are strengthened to enable clients to receive seamless and coordinated service during their transition from the Canadian Forces and during times of illness. This goal will include:

- Development of criteria for the standardization of service provision to ensure that best practices are followed by those who deliver services to clients.
- Establishment of a common list of registered community health professionals approved to provide psychological services to clients of VAC, DND and RCMP.
- Support for the ongoing education of service providers in the field of mental health, including the development of ongoing relationships with the professional organizations representing these providers.
- Partnering with the World Health Organization in the development of training modules for primary care practitioners.

- Exploration of the feasibility of national implementation of telemental health service delivery.

Strengthening VAC's leadership role

Strengthening the role of Veterans Affairs Canada as a leader in the field of mental health, including the ongoing development of the Department's National Centre of Expertise in clinical matters related to mental health is another key component of the mental health strategy. The goals set out for this planning period include:

- Contributing, nationally and internationally, to the advancement of work in the field of mental health, including the organization and participation in meetings and symposiums that bring subject experts together to explore current and future trends in the field.
- Leading and participating in research initiatives that will create new knowledge to support the understanding of Operational Stress Injuries and contribute to the development of sound, national policies in the area of mental health and wellness.
- Sharing knowledge with health professionals and program planners to ensure consistent application of assessment, treatment and case management associated with mental conditions.
- Collaborating on initiatives within the Senior International Forum.

Development of strong, collaborative partnerships

The development of strong, collaborative partnerships with other organizations who share the goal of responding effectively to the needs of clients living with mental health conditions is ongoing and efforts over the next year will be targeted to:

- Identification of the key partners with whom the Department should foster an ongoing relationship in the field of mental health, including those in the federal, provincial and voluntary sectors.
- Fostering the relationships with the Department of National Defence and the Royal Canadian Mounted Police to ensure that areas of common interest are managed jointly in an integrated fashion and that the greatest possible coordination takes place with respect to needs assessment, standards and outcomes, evaluation and funding strategies.
- Participation as an active partner in the Interdepartmental Task Force on Mental Health to ensure that the needs of VAC's clients are incorporated into all future strategies by the Government of Canada which respond to the needs of Canadians with mental health conditions.

VAC Priority: Engaging Canadians in community-based Remembrance activities with an emphasis on Canada's youth.

Canada's Veterans have contributed to the peaceful, prosperous nation that Canada is today. Through our Remembrance programming, VAC encourages all Canadians to recognize and honour the sacrifices and achievements made by our Veterans. Over the planning period, our Remembrance programming will shift to focus more on in-Canada community-based events and activities, recognition and inclusion of our growing number of CF Veterans, and encouraging today's youth to take on a greater role in Remembrance. VAC will continue to explore ways to address the longstanding concerns of Aboriginal Veterans in a way that respects and recognizes their service and sacrifice during the wars. As more and more of our war service Veterans are unable to travel abroad for Remembrance ceremonies, it is important that we expand our programming within the country to allow our older Veterans the opportunity to participate and to be honoured in Remembrance ceremonies throughout our communities. VAC encourages ways to "bring the message home" from the memorials in Europe to all Canadians, by creating mechanisms for citizens to participate, within Canada, in marking the achievements and sacrifices made by those who served Canada. As the number of our CF Veterans continues to increase, it is equally important that Canadians remember the sacrifices that these younger Veterans have also made in serving our country. Our youth are the future and through their knowledge and understanding of the contributions of our Veterans, it is our hope that the legacy of our war service Veterans and CF Veterans will continue for many generations to come.

The results of VAC's 2005 National Client Satisfaction Survey indicated that educating youth was one of the main priorities of 91% of war service Veterans and 94% of CF Veterans. In order to ensure that their legacy is preserved for future generations, the knowledge and understanding of their contributions and sacrifices must be passed on to youth. This will be accomplished by increasing youth participation and engagement in Remembrance learning; creating opportunities for Canada's youth to connect with Veterans in ways which make Remembrance more relevant for youth; and developing innovative learning materials and opportunities that fill identified gaps in existing Remembrance learning. For example, VAC will continue to partner with the Encounters With Canada organization, which offers a "Canada Remembers" theme week each November; support Veterans' Week activities at schools; provide learning programs for youth who participate in overseas events; partner youth with Veterans during overseas and in-Canada events; and support Scouts Canada in their efforts to recognize and honour Canadian Veterans. Our performance will be measured by the number of events, ceremonies and learning activities that Canadian youth participate in, educational resources distributed and educator feedback.

The contributions of CF Veterans are also an important element of VAC's future approach to Remembrance. Over the next three years, VAC will continue to modernize its Remembrance programming for CF Veterans and increase Canadians' awareness of their sacrifices and achievements. VAC will consult with CF Veterans to better understand their needs and expectations, and to communicate an understanding of their role in upholding Canada's commitment to protect and defend human rights worldwide. Our performance will be measured through CF organizational feedback and by the number of CF Veterans that participate in

Remembrance ceremonies and events.

Partnerships at the community, national and international levels are critical to the delivery of Remembrance programming. VAC will continue to establish and foster collaborative arrangements that support Remembrance programming. For example, our Partnership Contribution Program provides modest funding to non-profit organizations to organize and provide opportunities for Canadians to participate in Remembrance initiatives, nationally and locally. The Department's Cenotaph/Monument Restoration Program, which also uses the Partnership Contribution Program as its funding mechanism, is another example of partnerships with communities across Canada. This program provides assistance to communities to properly preserve their cenotaphs and monuments for Canada's war dead and Veterans. These partnerships offer Canadians more opportunities to become engaged in Remembrance activities, ensuring that our message of Remembrance reaches a broad audience. The Department's level of performance with the Partnership Contribution Program will be measured by the number of initiatives that have received support through the Partnership Contribution Program and the feedback received from partners. As well, VAC will continue its partnership with the Last Post Fund to provide funeral, burial and grave marker assistance to Canada's Veterans' families. It is also a partner with the Canadian Agency of Commonwealth War Graves Commission for the maintenance of graves and memorials outside Canada and the identification and location of all Veterans' graves throughout Canada. Performance measurement factors will include the number of grave markers replaced or restored on an annual basis and the number of identified graves/burial sites and the locations of Canadian war dead from the First and Second World Wars overseas and within Canada.

The Canada Remembers Program interacts with groups and individuals, acts as a guide for program promotion and delivery, and, creates products and tools that help ensure Canadians are knowledgeable of the role Canada's Veterans have played and continue to play in the development of Canada as a nation. Continued community outreach through public information initiatives, e.g., the production of promotional products (pins, posters etc.), and the promotion of Canada Remembers within communities are but two avenues to increasing the profile of Remembrance activities. The Department's level of performance in Remembrance outreach will be measured by monitoring the feedback from Veterans' organizations and by the number of Veterans and members of the general public that participate in Remembrance ceremonies and events.

All of these activities will ensure that Remembrance programming is sustained into the future and that Canadians, especially youth, continue to understand and value the contribution of all Canada's Veterans and war dead. Remembrance of the sacrifices and contributions of our Veterans, including our peacekeepers, forms an important element of our cultural identity and brings us together as Canadians united by a sense of pride, a feeling of belonging, and an ongoing commitment to shared values. By supporting Canadians participation in Remembrance activities and celebrating our Canadian history, VAC is aligned with the Government of Canada's Outcome for "A Vibrant Canadian Culture and Heritage."

Over the years, Canadians have shown more interest in Veterans, Remembrance, and Canadian military history. At the same time, VAC's Remembrance programming has undergone tremendous growth. By engaging Canadians in commemoration

programming and developing a culture of Remembrance that is unique, meaningful and long-lasting VAC is ensuring that Canadians, including Canada's youth, gain an understanding and appreciation for how war time Veterans and CF Veterans have upheld the values for which Canadians stand and which have shaped our country.

Priorities - Veterans Review and Appeal Board

The Veterans Review and Appeal Board (VRAB), an independent quasi-judicial tribunal, is responsible for the redress process for appellants who are dissatisfied with disability pension and disability award decisions by the Department or a Regional Review Committee's War Veterans Allowance decision. The disability adjudicative process includes two levels of redress: review and appeal. In this process, members conduct hearings and render well-reasoned decisions efficiently, fairly and in accordance with the available evidence and the applicable legislation. Following each hearing, the appellant receives a written decision which outlines the reasons for the decision. The Board has an unfailing commitment to ensure fairness, competence and excellence in service to Canadians throughout its redress process for disability pensions, disability awards and War Veterans Allowances.

During this planning period, the Board will focus on providing and improving the redress process for appellants. The Board will expand the redress process to incorporate the New Veterans Charter which will have an impact on its operations in terms of training and providing a blended redress program. The Board will also continue to increase its efforts to make program improvements and to provide well-reasoned decisions that are consistent and timely. A challenge for the Board will be fulfilling its commitment to continue to render a high volume of quality decisions in a timely manner during the transition period of the New Veterans Charter. The Board will make every effort to conduct timely hearings and provide decisions which meet its service standards.

The Board's new *Strategic Plan 2006-2009* has two major priorities: improved program delivery and engaged communication with appellants and stakeholders. To accomplish these priorities, there will be four main initiatives.

VRAB Priority: Improved program delivery

Over the planning period, the Board will focus on three specific initiatives to improve program delivery: claim appraisal and management, research capacity, and members' training. The Board will refine its claim appraisal and management process to improve efficiency in the preparation of claims for hearings. This will involve reviewing the entire pre-hearing process within the Board to ensure claims registered for reviews and appeals are ready to proceed to a hearing. The Board will expand its legal and medical research capacity to encompass new and emerging legal precedents and medical conditions. With respect to the Members' training program, this will be expanded to include the New Veterans Charter and new regulations which are introducing important changes affecting disability claims and are adding significant new dimensions to the Board's functions.

VRAB Priority: *Engaged communication with appellants and stakeholders*

During 2006-2007, the Board will develop a communications plan. This will include analyzing the results of the National Applicant Satisfaction Survey 2005 and consulting stakeholders and a random sample of appellants to identify opportunities for improvements in the appeal process. Details of these activities are contained in the Board's *Strategic Plan 2006-2009* which expands upon the initial concepts developed within the *Strategic Plan 2003-2006* and the *Strategic Plan - Update 2004*. The Board has a report framework with defined time lines and accountabilities which measures the written and telephone inquiries, communication and Web site enhancements.

Portfolio's Contribution to the Government of Canada Outcomes

Through exercising our mandates and by delivering benefits and services to our highly diverse family of clients, the Portfolio is contributing to the Government of Canada's social and economic outcomes.

The Portfolio is strengthening Canada's social foundations through the delivery of benefits and services that contribute to the independence, quality of life, social citizenship, and standard of living of Canada's Veterans, CF members, qualified civilians and their families in recognition of their sacrifice to the nation. The New Veterans Charter helps CF Veterans and their families flourish within the realities of a modern Canadian society, and thereby helping them to be more confident as they make a difference. The Government of Canada's theme of "Healthy Canadians with Access to Quality Health Care" is strongly supported by VAC's commitment to its clients' health and wellness. This commitment is actioned through the priorities of: Enhancing and adapting programs and services to meet the needs of our Veterans, serving members, other clients and their families; and Implementing a Mental Health Strategy to enhance capacity to meet the mental health needs of clients. Additionally, VAC supports the Government of Canada's "A Vibrant Canadian Culture and Heritage" theme. VAC is committed to passing the torch of Remembrance to Canadian youth to ensure that our Veterans' legacy lives on and continues to form a significant component of our national identity. VAC's Canada Remembers activities aid Canadians in celebrating, honouring, remembering and learning about Canadian Veterans contributions and sacrifices, thereby adding to Canadians' sense of national pride.

Sustaining Canada's economy is an essential part of improving the well-being and quality of life for Canadians. VAC is committed to providing exemplary, client-centred services and benefits that respond to the needs of its clients. By providing CF members with the appropriate support to facilitate their integration into civilian life, the New Veterans Charter will help to advance the Government's agenda of recruiting and retaining CF members and ensuring a strong military. Through the priorities of: Enhancing and adapting programs and services to meet the needs of our Veterans, serving members, other clients and their families; and, implementing a Mental Health Strategy to enhance capacity to meet the mental health needs of clients, VAC is contributing to the Government of Canada's theme of "Income Security and Employment for Canadians." The Veterans Review and Appeal Board also contributes to this theme by providing fairness in the adjudication of decisions for disability pensions, disability awards, and War Veterans Allowance.

SECTION II - ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME

Veterans Affairs' Program Activity Architecture (PAA) was modified in June 2006 to incorporate the New Veterans Charter's programs and services implemented on April 1, 2006. Modifications include the descriptions of our strategic outcomes and the titles and descriptions for the related program activities.

Strategic Outcome #1:

Eligible Veterans and other clients achieve their optimum level of well-being through programs and services that support their care, treatment, independence, and re-establishment.

Program Activity #1.1:

Pensions, Awards, Allowances for Disability and Death; and Financial Support

Veterans Affairs Canada provides, upon eligibility, pensions or awards for disability or death and financial support as compensation for hardships arising from disabilities and lost economic opportunities. Veterans Affairs Canada has a comprehensive and integrated range of compensation and wellness programs to support its clients. These clients include: Veterans of the First World War, the Second World War, Veterans of the Korean War, Merchant Navy Veterans, Canadian Forces members, spouses, common-law partners, certain civilians, and survivors and dependants of military and civilian personnel. Veterans Affairs also administers disability pensions for the RCMP under a Memorandum of Understanding. This Program Activity is delivered through operating and grants.

VAC's mission is to provide exemplary, client-centred services and benefits that respond to the needs of our clients, in recognition of their services to Canada. The expected result which would link this program activity to the corresponding strategic outcome is:

- Eligible Veterans and others are appropriately compensated to contribute to their well-being

The Department's performance measurement strategy for monitoring the program activity's related benefits and services includes an annual review to equate the performance indicators:

- Percentage of decisions that comply with the Department's standards and business processes
- Number and duration of Veterans in receipt of Temporary Earnings Loss, Extended Earnings Loss and Canadian Forces Income Support

The Department's performance is also measured every two years to validate the performance indicator:

- Percentage of surveyed clients satisfied with the benefits and services which they have received

FINANCIAL AND HUMAN RESOURCES

(\$ millions)	2006-2007		2007-2008		2008-2009	
	Planned Spending	FTE	Planned Spending	FTE	Planned Spending	FTE
Full-time equivalents						
Veterans Affairs Canada	2,065.4	1,281	2,098.6	1,271	1,972.5	1,263

Program Activity #1.2:

Health Care and Re-establishment Benefits and Services

Veterans Affairs Canada provides, upon eligibility, health benefits, a Veterans Independence Program, long-term care, and rehabilitation and re-establishment support to eligible Veterans and Others. The Health Care Program is designed to enhance the quality of life of VAC clients, promote independence, and assist in keeping clients at home and in their own communities by providing a continuum of care. The Program Activity is delivered through operating and contributions.

VAC's mission includes providing exemplary, client-centred services and benefits that respond to our clients' needs, in recognition of their services to Canada. The expected result which would link this program activity to the corresponding strategic outcome is:

- Eligible Veterans and others receive the treatment benefits and services to meet their identified needs

The Department's performance in providing health care and re-establishment benefits and services to clients is measured by the following performance indicators:

- Total Program of Choice expenditures
- Total contract services to administer the program expenditures
- Level of compliance with Departmental standards and business processes
- Total Rehabilitation/Vocational expenditure

FINANCIAL AND HUMAN RESOURCES

(\$ millions)	2006-2007		2007-2008		2008-2009	
	Planned Spending	FTE	Planned Spending	FTE	Planned Spending	FTE
Full-Time Equivalents						
Veterans Affairs Canada	1,062.5	2,188	1,081.8	2,177	1,096.6	2,172

Strategic Outcome #2:

Canadians remember and demonstrate their recognition of all those who served in Canada's efforts during war, military conflict and peace.

Program Activity # 2.1:***Remembrance Programming***

Remembrance Programming keeps alive the achievements and sacrifices made by those who served Canada in times of war, military conflict and peace; engages communities in remembrance of these achievements and sacrifices; and, promotes an understanding of their significance in Canadian life as we know it today. This activity is delivered through contributions, grants and operating.

VAC's mission also includes keeping the memory of Canada's Veterans achievements and sacrifices alive for all Canadians. The expected result which would link this program activity to the corresponding strategic outcome is:

- Canadians who commemorate, understand and value the achievements and sacrifices of those who have served Canada in war, military conflict and peace

The Department's performance measurement strategy used to report on the expected result includes measuring on a regular basis the following performance indicator:

- Percentage of Canadians who are knowledgeable about and engaged in remembrance

FINANCIAL AND HUMAN RESOURCES

(\$ millions)	2006-2007		2007-2008		2008-2009	
	Planned Spending	FTE	Planned Spending	FTE	Planned Spending	FTE
Full-Time Equivalents						
Veterans Affairs Canada	62.5	150	52.2	144	51.9	143

Strategic Outcome #3:

Fair and effective resolution of disability pension, disability award, and War Veterans Allowance appeals from Canada's war Veterans, eligible Canadian Forces Veterans and members, RCMP clients, qualified civilians and their families.

Program Activity # 3.1:***Veterans Review and Appeal Board redress process for disability pensions and awards***

Provides Canada's war Veterans, eligible Canadian Forces Veterans and members, RCMP clients, qualified civilians and their families with full opportunity to request review and appeal hearings to ensure a fair adjudicative process for disability pension, disability award and War Veterans Allowance claims.

The Board has full jurisdiction to hear, determine and deal with all applications for review and appeal that may be made to the Board under the *Pension Act* and the *War Veterans Allowance Act* and other Acts of Parliament. The Board's objective is to ensure that clients receive the benefits to which they are entitled efficiently, fairly and in accordance with the available evidence and the applicable legislation. The expected result which would link this program activity to the corresponding strategic outcome is:

- Fairness in the Disability Pension, Disability Award and War Veterans Allowance Program

The Board's performance measurement strategy in meeting its strategic outcome is measured on a quarterly basis to validate the performance indicator:

- Percentage of Federal court decisions that upholds the Board's targets

FINANCIAL AND HUMAN RESOURCES

(\$ millions)	2006-2007		2007-2008		2008-2009	
	Planned Spending	FTE	Planned Spending	FTE	Planned Spending	FTE
Full-Time Equivalents						
Veterans Review and Appeal Board	13.7	139	13.7	139	13.7	139

SECTION III - SUPPLEMENTARY INFORMATION

Organizational Information

Portfolio Mandates

Veterans Affairs' mandate stems from laws and regulations. Among the more significant is the *Department of Veterans Affairs Act*, which charges the Minister of Veterans Affairs with the following responsibilities for the Department:

“the care, treatment, or re-establishment in civil life of any person who served in the Canadian Forces or merchant navy or in the naval, army or air forces or merchant navies of Her Majesty, of any person who has otherwise engaged in pursuits relating to war, and of any other person designated ... the care of the dependants or survivors of any person referred to...”

The Veterans Review and Appeal Board's mandate is to have full and exclusive jurisdiction to hear, determine and deal with all applications for review and appeal that may be made to the Board under the *Pension Act*, the *War Veterans Allowance Act* and other Acts of Parliament.

Accountability

The Minister of Veterans Affairs is supported by a Deputy Minister and an Associate Deputy Minister. The Associate Deputy reports directly to the Deputy. The Department has three branches, and two divisions which report to the Deputy Minister while four divisions report directly to the Associate Deputy Minister. General Counsel is functionally responsible to the Deputy Minister for legal services.

The Veterans Review and Appeal Board is headed by a Chairperson who is the Chief Executive Officer and reports to Parliament through the Minister of Veterans Affairs. The Chairperson is supported by a Deputy Chairperson, an average of 30 full-time Governor-in-Council appointees, and a Director General.

Senior Management Committees

Veterans Affairs Canada has three senior management committees: the Senior Management Committee (SMC), the Departmental Executive Board (DEB), and the Audit and Evaluation Committee (AEC).

VAC's Senior Management Committee is chaired by the Deputy Minister. SMC is the Department's senior Departmental review/decision-making committee comprising: Deputy Minister, Associate Deputy Minister, three Assistant Deputy Ministers, two Directors General, and the General Counsel.

The Departmental Executive Board is chaired by the Deputy Minister and consists of all senior management down to and including all Directors General. DEB reviews Departmental programs, finance, systems and human resource policies and

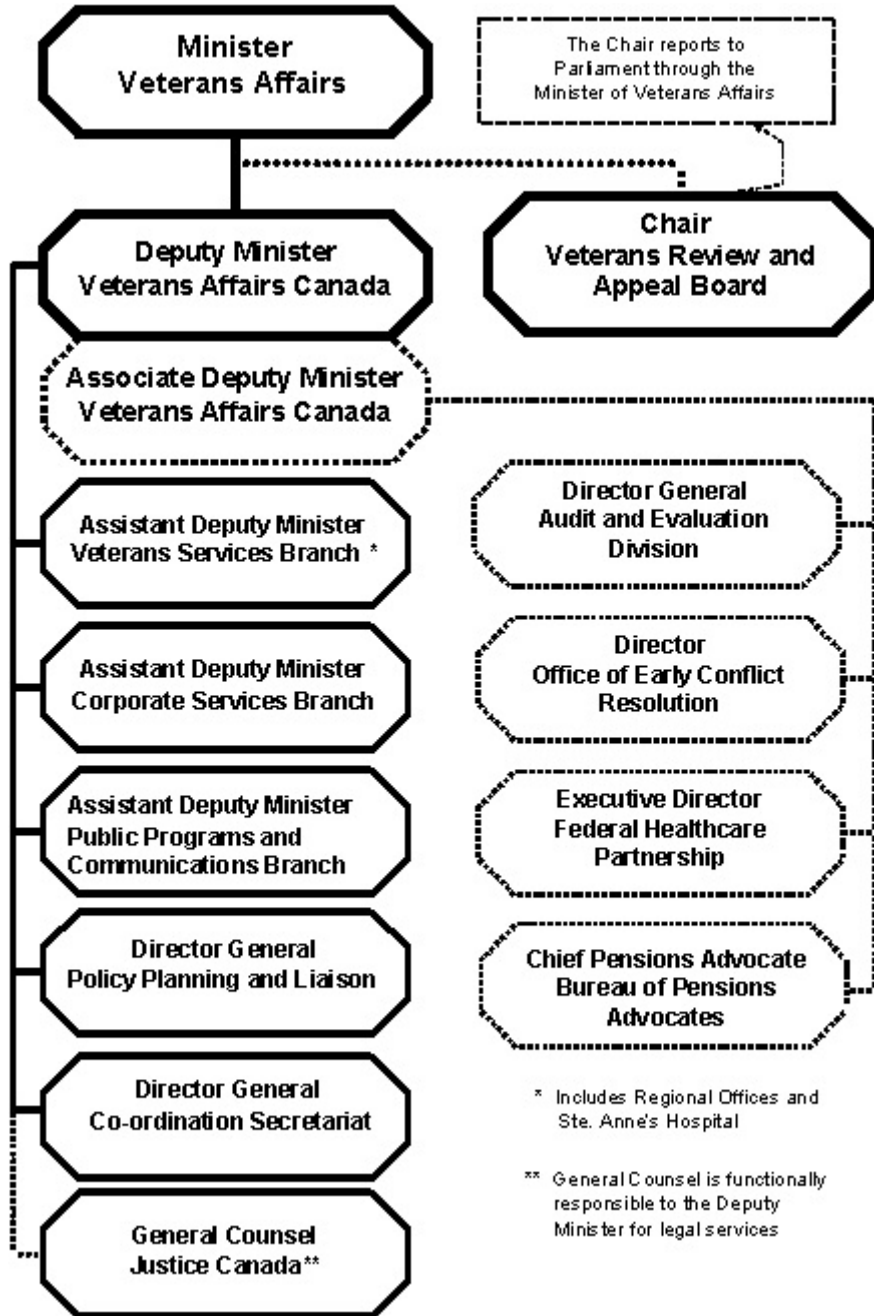
implementation plans and results. This forum also provides an opportunity for vertical horizontal information exchange and discussion on organizational, program and commemorative initiatives and events.

The Audit and Evaluation Committee's portfolio-wide role includes: approving the audit and evaluation plan, providing advice on risk management; strengthening the independence, objectivity and effectiveness of the internal audit and evaluation functions; emphasizing accountability of managers; and, facilitating communication concerning the internal audit and evaluation functions between senior management, central agencies and the Office of the Auditor General (OAG). AEC includes VAC's Deputy Minister (chairperson), Associate Deputy Minister, Department Senior Managers appointed by the Deputy Minister, and the Veterans Review and Appeal Board's Chair. The Treasury Board Secretariat and the OAG sit on this committee as observers.

The Veterans Review and Appeal Board has a Senior Management Team comprising: Chair; Deputy Chair; Director General; Director, Legal Services; and the Director, Professional Development and Advisory Services. The Team provides leadership and strategic direction in the delivery of the Board's program and addresses emerging issues.

The organizational charts on the following pages illustrate how Veterans Affairs is structured, keeping in mind that the Deputy Minister and Associate Deputy Minister have overall responsibility for the Department. The Chairperson has overall responsibility for the Veterans Review and Appeal Board.

Veterans Affairs Canada Organization



* Includes Regional Offices and Ste. Anne's Hospital

** General Counsel is functionally responsible to the Deputy Minister for legal services

Veterans Review and Appeal Board Organization

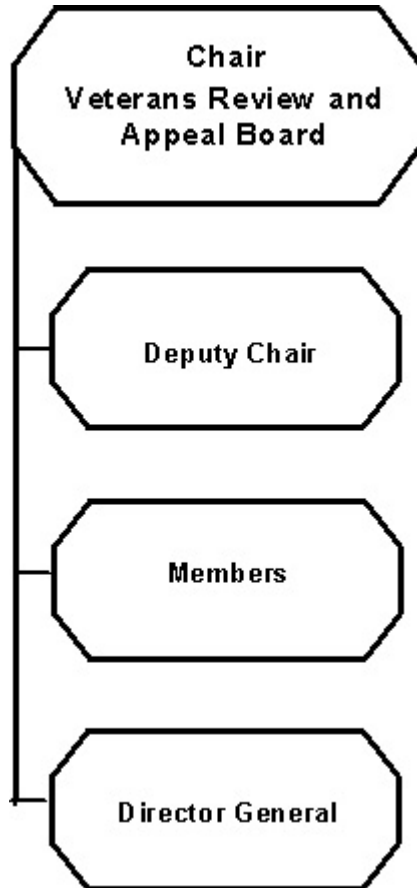


Table 1: Portfolio Planned Spending and Full-Time Equivalents

	Forecast Spending	Planned Spending	Planned Spending	Planned Spending
(\$ millions)	2005-2006	2006-2007	2007-2008	2008-2009
Pensions, Awards, Allowances for Disability and Death, Financial Support	1,776.2	2,064.8	2,049.0	1,972.9
Health Care and Re-establishment Benefits and Services	1,005.2	1,062.8	1,065.5	1,076.9
Remembrance Programming	58.8	61.5	52.2	51.9
Veterans Review and Appeal Board redress process for disability pensions and awards	12.9	13.7	13.7	13.7
Budgetary Main Estimates (gross)	2,853.1	3,202.8	3,180.4	3,115.4
Total Main Estimates	2,853.1	3,202.8	3,180.4	3,115.4
Adjustments (Planned spending not in Main Estimates):				
Funding for collective bargaining increase and pay list shortfalls	20.4			
Funding for administration costs in preparation for the implementation of the New Veterans Charter and the programs and services targeted specifically for members and Veterans of the Canadian Forces and their families	15.0			
Funding to celebrate the 60 th Anniversary of the end of the Second World War and the Year of the Veteran	8.2			
Funding to strengthen the existing commemorative initiatives and assist communities in restoring monuments	6.0			
Funding of legal costs associated with a class action lawsuit concerning the administration of Veterans' accounts (Authorson litigation)	4.9			
Veterans' Charter - ex gratia payments to survivors attributable to Military Service between May 13, 2005 to March 31, 2006		1.0		
Critical capital for the renovations for Ste. Anne's Hospital and the restoration of Canada's First World War European Monuments	1.7	1.0	16.6	20.0
Reduced cost of new Ministry		(0.5)	(0.5)	(0.5)
Other miscellaneous items	1.5			
Operating budget carry forward (horizontal items)	9.3			
Gross Amount:	2,920.1	3,204.3	3,196.5	3,134.9
Less: Spending authorities available within the Vote	(17.4)			
Net Amount:	2,902.7	3,204.3	3,196.5	3,134.9
Other:				
Planned Procurement Savings ¹	(1.4)	(0.2)	(0.2)	(0.2)
Expenditure Review Committee Reductions ²	(3.2)			

2006-2007 REPORT ON PLANS AND PRIORITIES

	Forecast Spending	Planned Spending	Planned Spending	Planned Spending
(\$ millions)	2005-2006	2006-2007	2007-2008	2008-2009
Re-profile of Critical Capital ³	(7.4)			
Employee Benefit Plan	2.2			
<i>Total Adjustments</i>	(9.8)	(0.2)	(0.2)	(0.2)
Total Planned Spending	2,892.9	3,204.1	3,196.3	3,134.7
Less: Non-respendable revenue	(18.7)	(18.4)	(18.4)	(18.4)
Plus: Cost of services received without charge	30.9	32.2	32.2	32.2
Net cost of Portfolio	2,905.1	3,217.9	3,210.1	3,148.5
Full-Time Equivalents	3,696	3,758	3,731	3,717

¹ This reflects the reductions to the Department's planned spending for 2005-2006 as a result of initiatives designed to improve performance in Government procurement.

² This reflects the reductions to the Department's planned spending as a result of the ERC exercise, which was announced in the 2005 Federal Budget. Reductions for future years are included in the planned spending amounts.

³ Resources for capital projects were re-profiled from 2005-2006 to future years based on revised project schedules.

Table 2: Resources by Program Activity

2006-2007											
(\$ millions)	Budgetary							Non-Budgetary	Total Main Estimates	Adjustments (Planned Spending not in Main Estimates)	Total Planned Spending
	Operating	Capital	Grants	Contributions and Other Transfer Payments	Gross	Respendable Revenue	Net	Loans, Investments and Advances			
Program Activity	Operating	Capital	Grants	Contributions and Other Transfer Payments	Gross	Respendable Revenue	Net	Loans, Investments and Advances	Total Main Estimates	Adjustments (Planned Spending not in Main Estimates)	Total Planned Spending
Pensions, Awards, Allowances for Disability and Death, and Financial Support	107.9		1,956.9	-	2,064.8	-	2,064.8	-	2,064.8	0.6	2,065.4
Health Care and Re-establishment Benefits and Services	759.8	23.0		280.0	1,062.8	-	1,062.8	-	1,062.8	(0.3)	1,062.5
Remembrance Programming	24.8	9.0	25.0	2.7	61.5	-	61.5	-	61.5	1.0	62.5
Veterans Review and Appeal Board redress process for disability pensions and awards	13.7			-	13.7	-	13.7	-	13.7	-	13.7
Total	906.2	32.0	1,981.9	282.7	3,202.8	-	3,202.8	-	3,202.8	1.3	3,204.1

Table 3: Voted and Statutory Items

(\$ millions)		2006-2007	
Vote or Statutory Item	Truncated Vote or Statutory Wording	Current Main Estimates	Previous Main Estimates
1	Veterans Affairs Canada - Operating expenditures	856.8	788.3
5	Veterans Affairs Canada - Capital expenditures	32.0	32.3
10	Veterans Affairs Canada - Grants and contributions	2,264.4	1,986.8
15	Veterans Affairs - Veterans Review and Appeal Board - Operating expenditures	9.4	8.7
(S)	Re-Establishment Credits under Section 8 of the <i>War Service Grants Act</i>	-	-
(S)	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>	-	-
(S)	Returned Soldiers Insurance Actuarial Liability Adjustment	-	-
(S)	Veterans Insurance Actuarial Liability Adjustment	0.2	0.2
(S)	Minister of Veterans Affairs salary and motor car allowance	0.1	0.1
(S)	Contributions to employee benefit plans	39.9	36.7
	Total Portfolio	3,202.8	2,853.1

Table 4: Services Received Without Charge

(\$ millions)	2006-2007
Accommodation provided by Public Works and Government Services Canada	14.7
Contributions covering employers' share of employees' Insurance premiums and expenditures paid by TBS (excluding revolving funds)	15.8
Worker's compensation coverage provided by Human Resources and Social Development Canada	0.5
Salary and associated expenditures of legal services provided by Justice Canada	1.2
	32.2
Other	
2006-2007 Services received without charge	32.2

Table 5: Summary of Capital Spending by Program Activity

(\$ millions)	Forecast Spending 2005-2006	Planned Spending 2006-2007	Planned Spending 2007-2008	Planned Spending 2008-2009
Veterans Affairs Program				
Pensions, Awards, Allowances for Disability and Death, and Financial Support				
Health Care and Re-establishment Benefits and Services	16.8	23.0	18.8	19.7
Remembrance Programming	8.2	10.0	-	-
Sub-total	25.0	33.0	18.8	19.7
Veterans Review and Appeal Board Program				
Veterans Review and Appeal Board redress process for disability pensions and awards	-	-	-	-
Sub-total	25.0	33.0	18.8	19.7
Total	25.0	33.0	18.8	19.7

Table 6: Sources of Non-Respendable Revenue

(\$ millions)	Forecast Revenue 2005-2006	Planned Revenue 2006-2007	Planned Revenue 2007-2008	Planned Revenue 2008-2009
Veterans Affairs Program				
Health Care Benefits				
Ste. Anne's Hospital: In-Patient Charges to the Quebec Provincial Plan (Regulatory Service)	14.4	14.0	14.0	14.0
Ste. Anne's Hospital: Dietary Meals (Other Goods and Services)	0.4	0.4	0.4	0.4
Ste. Anne's Hospital: Domiciliary Care (Regulatory Care)	3.9	4.0	4.0	4.0
Total Non-Respendable Revenue	18.7	18.4	18.4	18.4

Table 7: Resource Requirements by Branch or Sector

(\$ millions)					
2006-2007					
	Pensions, Awards, Allowances for Disability and Death, and Financial Support	Health Care and Re- establishment Benefits and Services	Remembrance Programming	Veterans Review and Appeal Board redress process for disability pensions and awards	Total
Veterans Services Branch	2,014.3	1,030.4	-	-	3,044.7
Public Programs & Communications Branch	2.6	2.0	56.9	0.4	61.9
Corporate Services Branch	31.1	24.1	4.6	1.8	61.6
Executive Branch *	17.4	6.0	1.0	0.5	24.9
Veterans Review and Appeal Board	-	-	-	11.0	11.0
TOTAL	2,065.4	1,062.5	62.5	13.7	3,204.1

* Executive Branch includes: Executive Services, Audit and Evaluation, General Counsel, Office of Early Conflict Resolution, and Policy Planning and Liaison.

Table 8: Major Regulatory Initiatives**Regulatory Initiative:**

Canadian Forces Members and Veterans Re-establishment and Compensation Regulations

Expected Results:

The *Canadian Forces Members and Veterans Re-establishment and Compensation Regulations* (the “Regulations”) are a component of the New Veterans Charter, a comprehensive and modernized suite of programs and services to support Canadian Forces members and Veterans, and their families, in their transition from military to civilian life.

As established by the *Canadian Forces Members and Veterans Re-establishment and Compensation Act* (the “Act”), the new programs are: Job Placement, Rehabilitation Services and Vocational Assistance, Financial Benefits (e.g., Earnings Loss Benefit, Supplementary Retirement Benefit, Canadian Forces Income Support Benefit and Permanent Impairment Allowance), Disability Award, Death Benefit, Clothing Allowance, and Detention Benefit and Health Benefits. These new programs and benefits are warranted because the needs of modern day CF members and Veterans are no longer able to be met by existing programs. The latter will continue to serve the traditional and aging Veteran population.

The Regulations set out detailed parameters for the programs, including terms and conditions, specific eligibility criteria, and scope of benefits and services to be provided to eligible clients.

Related amendments have been made to other existing regulations, namely to the *Veterans Burial Regulations, 2005*, and the *Veterans Health Care Regulations*, to ensure they are coordinated with the new suite of programs.

The overarching results will be the successful re-establishment of these special Canadians in civilian life. More specifically, job placement assistance for CF members will enhance the employability of persons with disabilities, encouraging their quick re-entry into the labour market and helping promote work opportunities. Rehabilitation services and vocational assistance will enable CF Veterans to regain lost functionality and equip them for re-integration into civilian economy and community life. Earnings loss support will provide CF Veterans in rehabilitation with adequate income while recovering from a service-related or career-ending injury and also provide financial assistance if they are unable to work due to their service-related disability. Income support for CF Veterans who successfully complete rehabilitation but have not yet found work will facilitate continuing efforts to regain earning capacity. Disability awards and death benefits will recognize and compensate CF members and Veterans, and in some cases their survivors and surviving dependent children for the non-economic effects of a service-related disability, including pain and suffering, functional loss and the impairment on the lives of members, Veterans and their families. Underlying the

new suite of programs, case management services will simplify and coordinate client access to a range of federal and provincial services and facilitate progress toward necessary client re-establishment outcomes.

Implementation Plans:

The Regulations were pre-published in the Canada Gazette Part I, vol. 139, no. 51, on December 17, 2005, after an extensive consultative process with Veterans' organizations and other stakeholders. They were brought into force on April 1, 2006, at the same time as their parent statute, the *Canadian Forces Members and Veterans Re-establishment and Compensation Act*, S.C. 2005, c. 21.

With the coming into force of the Act and the Regulations, Veterans Affairs Canada is now in a position to undertake the important and complex task of implementing the most significant overhaul of its programs since the Second World War.

Key to the successful implementation of the Act and Regulations is the operational readiness of the Department to deliver the new programs and services. The Department has implemented a department-wide operational readiness plan to ensure all operations are prepared, trained and knowledgeable.

This plan includes comprehensive policy manuals to ensure the Department's client-service staff are equipped to administer the new suite of programs with clarity and consistency. As well, implementing the Regulations calls upon an innovative case management approach that effectively and efficiently addresses clients' needs; a comprehensive human resource and corporate change strategy; systems analysis and preparedness; and partnerships and contractual agreements with other organizations (e.g., Department of National Defence, private sector service providers, communities, etc.).

An evaluation framework has been developed and periodic evaluations of VAC's programs will ensure that the new programs continue to address client needs. The first evaluation assessment of the New Veterans Charter is scheduled to begin in the summer 2006.

The Veterans Review and Appeal Board provides the redress process for the disability award program of the *Canadian Forces Members and Veterans Re-establishment and Compensation Act*. The Board's implementation plan provides for readiness to adjudicate and process claims under the new Act and Regulations as it fulfils its mandate to hear, determine and deal with all applications made for review and appeal.

The Board conducted an extensive review of the legislation and regulations to identify impacts on its practices and processes and ensured Members and staff were equipped with appropriate training. The Board will continue to incorporate any changes required to its appeal process and to monitor activities to identify and address emerging issues.

Table 9: Details on Project Spending

VAC has received Effective Project Approval (EPA) for the following two projects:

(\$ millions)	2006-2007	2007-2008	2008-2009
Ste. Anne's Hospital Renovation (projected)	23.4	19.2	20.0
European Monuments Restoration	10.4	-	-

The European Monuments Restoration Project is expected to be completed in the fiscal year 2006-2007 at a total cost of \$30 million. The funding identified above for the Ste. Anne's Hospital Renovation project is based on the original EPA at a total cost of \$67.7 million. For further information on the above-mentioned projects, see http://www.tbs-sct.gc.ca/est-pre/20062007/p3a_e.asp.

Table 10: Details on Transfer Payments Programs

Over the next three fiscal years, Veterans Affairs Canada will manage the following transfer payments programs in excess of \$5 million:

(\$ millions)	2006-2007	2007-2008	2008-2009
Pensions, and Allowances for Disability and Death	1,702.5	1,688.7	1,621.0
Disability Awards and Allowances	214.8	200.3	190.4
Earnings Loss and Supplementary Retirement Benefit	14.9	30.3	33.8
War Veterans Allowance / Civilian War Allowance	19.6	18.1	16.8
Veterans Independence Program	280.0	290.0	297.0
Last Post Fund	16.3	16.3	16.3
Commonwealth War Graves Commission	8.6	8.6	8.6

For further information on the above-mentioned Transfer Payments Programs, see http://www.tbs-sct.gc.ca/est-pre/20062007/p3a_e.asp.

Table 11: Sustainable Development Strategy

Making a difference in sustainable development has been an ongoing commitment for the Government of Canada. Beginning in 1997, Veterans Affairs and other federal departments and agencies began the process of tabling a Sustainable Development Strategy every three years. These strategies profile the steps departments and agencies are taking to advance sustainable development. In December 2006, federal departments will table their fourth strategy covering the period 2007-2009.

Veterans Affairs' 2004-2006 Sustainable Development Strategy was developed with four themes: Sustaining the Health and Well-Being of our Clients, Sustaining the Health and Well-Being of our Staff, Sustaining Knowledge and Information, and Sustaining Government Operations. Within these four themes, progress is measured against specific objectives, targets and milestones. During the last year of this strategy, the final progress report will be made available on-line.

Veterans Affairs' 2007-2009 Sustainable Development Strategy will follow a more government-wide approach through the use of a series of common federal sustainable development goals that focus on environmental quality and sustainable development management. In particular, Veterans Affairs will make commitments to government-wide targets and performance measurements in three priority areas: building energy, vehicle fleets, and green procurement. In addition to these government-wide priorities, Veterans Affairs will also develop targets and performance measures appropriate to its mandate. Together, these government-wide and Department-specific goals and targets will demonstrate Veterans Affairs' strong commitment to advancing sustainable development.

Table 12: Internal Audits and Evaluations

Veterans Affairs Canada develops its annual audit and evaluation plan using a risk-based approach. This plan is approved by an Audit and Evaluation Committee, chaired by the Deputy Minister. The intent of the audit and evaluation plan is to ensure that the projects are clearly aligned with VAC's Five-Year Strategic Plan, Program Activity Architecture and Management Accountability Framework. The Department undertakes audit and evaluation projects in areas that are deemed the highest risk. To focus attention on those areas, where use of the available resources would best achieve the objectives of audit and evaluation, the following criteria are considered during project selection: materiality, likelihood, complexity and sensitivity/reputation. During the ranking of the proposed engagements, consultations are held with senior managers, program managers and audit and evaluation staff. Findings and recommendations of previous audits, evaluations and reviews, as well as the extent of follow-up and corrective action taken by management are also used to assess potential projects. Audit schedules are compared with those of the Office of the Auditor General and Veterans Affairs' Sustainable Development Strategy in order to prevent overlapping visits and undue interference with operations. Consultation with partners is conducted on an ongoing basis.

The long range plan attempts to provide some balance, so that a variety of functions, activities and organizational entities are covered annually through cyclical projects (e.g., Financial Management and Control, Residential Care, and Organizational Governance). Follow-up to findings also contribute to current and future year planning. The plan has some flexibility to allow for requests from management for special studies demanded by unforeseeable circumstances, from central agencies for the Transfer Policy requirements, and for follow-up reviews on the actions taken on recommendations.

AUDIT AND EVALUATION COMMITMENTS OVER THE NEXT THREE FISCAL YEARS

Fiscal Year	Project	Type
2006-2007	Contracting	Assurance Audit
	Conflict of Interest	Audit
	Post-payment Process	Assurance Audit
	Residential Care - Phase II	Audit
	Equipment Recycling Program	Assurance Audit
	Federal Health Claims Processing Systems Adjudication Process	Assurance Audit
	Administered Accounts	Assurance Audit
	Financial Management and Controls (cyclical) - Phase II	Assurance Audit
	Information Technology Security	Assurance Audit
	Service and Program Modernization (The New Veterans Charter) - Evaluation Assessment	Evaluation
	Organizational Governance (cyclical) - Phase II	Audit/Evaluation
	Federal Health Claims Processing Systems - Program of Choice Analysis	Assurance Audit
2007-2008	Business Continuity Planning	Assurance Audit
	Follow-up of the Audit of Outsourcing of Health Claims Administration	Audit
	Management of Medications at Ste. Anne's Hospital	Assurance Audit
	Ste. Anne's Hospital - Capital Expenditures	Assurance Audit
	Federal Health Claims Processing System - Special Authorization Units and Treatment Authorization Centres	Audit / Evaluation
	Operational Stress Injury Clinics	Evaluation
	Review Redress for the Re-establishment Program of the New Veterans Charter	Evaluation
2008-2009	Service and Program Modernization (The New Veterans Charter) - Formative Evaluation	Evaluation
	Human Resources Division (cyclical) - Pay Audit	Assurance Audit
	Funeral and Burial Program (Last Post Fund)	Evaluation
	War Veterans Allowance	Evaluation

Note:

Order of priority to be set by the Audit and Evaluation Committee

For further information on planned audits and evaluations for Transfer Payments Programs in excess of \$5 million, see

http://www.tbs-sct.gc.ca/est-pre/20062007/p3a_e.asp.

SECTION IV – OTHER ITEMS OF INTEREST

The Veterans Affairs Canada Corporate Services Branch assists in the internal administration of the Portfolio. It is responsible for ensuring the effective and efficient use and protection of the Portfolio's resources. The Organizational units that comprise Corporate Services are in the areas of finance, human resources, information management, telecommunications and technology access, security and real property services and service management. Total Corporate Services spending for 2006-2007 is expected to be \$61.6 million, including employee benefit plan costs.

The activities within these areas focus on internal functions and processes that are essential to a well-supported workforce, ready to provide the best possible service to our clients and their families, through our client-centred service approach. The Portfolio's ability to meet the planning period's strategic priorities will depend upon the success it has in aligning its strategic human resources initiatives to support the goals of the organization and information technology capacity in support of service improvement and organizational effectiveness.

Management Accountability Framework

The Management Accountability Framework (MAF) establishes the standards for management in government and is the basis for management accountability between Veterans Affairs and the Treasury Board Secretariat, and the Public Service Human Resources Management Agency. The MAF consists of ten integrated elements supported by a series of complex indicators and measures for sound management. By following the principles of the MAF, Veterans Affairs demonstrates its commitment to improved management processes and clear accountabilities within the Portfolio.

VAC has used the 2005-2006 MAF process to identify opportunities for improvement in pursuit of management excellence.

Veterans Affairs Canada amended its previously approved 2006-2007 Program Activity Architecture in June of 2006, to incorporate the New Veterans Charter and to improve the PAA to more accurately reflect how Veterans Affairs Canada allocates and manages resources for its various programs and activities. The amendments will affect one of the Strategic Outcomes and three of the Program Activities that were previously approved by the Treasury Board. This will affect 2007-2008 and future years Estimates and Public Accounts display as well as establish reference levels for 2007-2008 and future years.

The People Component of the Management Accountability Framework has been established within the overall vision of the MAF and it expands on the human resources management component. With the legislation in support of the Public Service Modernization Act now in force, there is an opportunity to change the way we

MAF Elements

Public Service Values
 Governance and Strategic Directions
 Results and Performance
 Learning, Innovation and
 Change Management
 Policy and Programs
 Risk Management
 People
 Stewardship
 Citizen-focussed Service
 Accountability

manage our human resources. The Public Service Employee Survey (PSES) plays an important role in PSMA implementation and HR modernization. The PSES will provide management with a baseline for assessing trends and to measure VAC's progress towards sound human resources management. The survey results will provide us with important information to make our workplace better and to ensure our staff remain committed and engaged. Improving the public service workplace is key to improving service to Canadians.

PSMA legislation points to the importance of identifying current and future needs both at the organisational and Public Service-wide levels. Integrated Human Resources and business planning not only enables the achievement of the expectations outlined in the MAF but it also supports the achievement of business excellence by promoting initiatives to attract and retain an engaged, sustainable, competent and diverse workforce. VAC will continue to focus on capacity building in integrating business and HR planning. In looking at future needs, consideration will be given to the representation of women, visible minorities, and Aboriginal peoples where under-representation is expected.

The Veterans Review and Appeal Board will strengthen its management practices and capacities through an emphasis on citizen-focussed service, clear strategic direction, decisions based on results and performance, awareness and assessment of risk and valuing its people through fair workplace practices.

During 2006-2007, the Board will conduct an organizational review and develop a three-year human resources plan. Based on workload and performance, the plan will provide for changes resulting from improved service delivery components such as claim appraisal and management and focus on a succession plan, an extensive training plan to ensure the ongoing availability of qualified staff and continuity in expertise. Assessment of strategic and operational risks takes place annually and risk consideration is an integral aspect of project planning. Collectively, these practices improve program delivery for appellants.

Information Technology and Telecommunications

Continued advancement of VAC's information technology and telecommunications is necessary to expand and improve access to its programs, services and information. Successes in the implementation of on-line services, through the Government On-Line initiative, have heightened demand for additional and more comprehensive service. The New Veterans Charter initiative will provide modernized programs and services for the younger CF clients and their families who, like a great number of Canadians, are more reliant on the Internet to contact the Department and to access information. While expanding our computing capacity, we must ensure that all service channels (Internet, phone, mail, in-person) are available and fully supported for Canadians. With an increasing demand for digital information, electronic programs and services there is a growing requirement for VAC to increase its electronic storage and management capacity. VAC must also remain current with the advancements in telecommunication services and security which are part of Canadians' normal expectations. There is a considerable challenge to ensure VAC delivers meaningful services and that client information in each channel is accurate, accessible, consistent, secure and is handled according to privacy legislation.

Additionally, the information technology services of each federal department, including VAC, will evolve further toward shared infrastructure and solutions as part the service transformation initiative.

Service Improvement Initiative

VAC is one of many departments participating in the government-wide Service Improvement Initiative with the objective of achieving significant, measurable and sustainable improvement in the level of Canadians' satisfaction with the Federal Government's programs and services. To this end, in May and June 2005, VAC conducted its third National Client Satisfaction Survey using the Common Measurements Tool. Although VAC's overall level of satisfaction in 2005 (84%) decreased slightly from 87% in 2003, this rating is still considered positive and well above the norm for Federal Government departments particularly in light of the major transformation currently underway with VAC's programs and service delivery.

The 2005 National Client Satisfaction Survey results have refocused VAC's primary opportunities for service improvement, which include: Waiting time for a written response; Ease in finding information on programs and services; Information on applying for or accessing a benefit or service; Questions being answered; and Clarity of written communications. These service areas, together with the New Veterans Charter, will form the basis of future service improvement activities. VAC's fourth National Client Satisfaction Survey will be administered in 2007.

Acronyms

AEC	Audit and Evaluation Committee
CCRP	Continuing Care Research Project
CF	Canadian Forces
DEB	Departmental Executive Board
DND	Department of National Defence
EPA	Effective Project Approval
MAF	Management Accountability Framework
OAG	Office of the Auditor General
OSI	Operational stress injuries
OSV	Overseas Service Veterans
PAA	Program Activity Architecture
PSES	Public Service Employee Survey
PSMA	<i>Public Service Modernization Act</i>
PTSD	Post-Traumatic Stress Disorder
QMP	Quality Management Program
RCMP	Royal Canadian Mounted Police
SMC	Senior Management Committee
TBS	Treasury Board Secretariat
VAC	Veterans Affairs Canada
VRAB	Veterans Review and Appeal Board

Web Sites

The following Web sites will provide more detailed information on material provided in this report. If further information is required, contact may be made through our general enquiries lines listed on the last page of this report.

Audit and Evaluation Reports:

<http://www.vac-acc.gc.ca/general/sub.cfm?source=department/reports/deptaudrep>

Canada Remembers:

<http://www.vac-acc.gc.ca/remembers/>

Clients:

<http://www.vac-acc.gc.ca/clients/>

DND-VAC Centre for the Support of Injured Members, Injured Veterans and their Families:

http://www.dnd.ca/hr/thecentre/engraph/home_e.asp

Human Resources Five-Year Strategic Plan:

<http://www.vac-acc.gc.ca/general/sub.cfm?source=department/reports>

Mental Health:

<http://www.vac-acc.gc.ca/clients/sub.cfm?source=mhealth>

National Client Satisfaction Survey:

<http://www.vac-acc.gc.ca/general/sub.cfm?source=department/reports/ncss05>

New Veterans Charter:

<http://www.vac-acc.gc.ca/clients/sub.cfm?source=Forces/nvc>

On-line Services:

http://www.vac-acc.gc.ca/clients/sub.cfm?source=e_services

Providers and Professionals:

<http://www.vac-acc.gc.ca/providers>

Regulations:

<http://www.vac-acc.gc.ca/general/sub.cfm?source=department/Legislation>

Royal Canadian Mounted Police:

<http://www.vac-acc.gc.ca/clients/sub.cfm?source=rcmp>

Ste. Anne's Hospital:

<http://www.vac-acc.gc.ca/general/sub.cfm?source=steannes>

Strategic Plan (Veterans Affairs Canada):

<http://www.vac-acc.gc.ca/general/sub.cfm?source=department/reports>

Strategic Plan (Veterans Review and Appeal Board):

http://www.vrab-tacra.gc.ca/VRAB-TACRA_Documents.htm

Sustainable Development Strategy:

<http://www.vac-acc.gc.ca/general/sub.cfm?source=department/reports>

Veterans Affairs Canada:

<http://www.vac-acc.gc.ca/general/>

Veterans Review and Appeal Board:

<http://www.vrab-tacra.gc.ca>

Youth and Educators:

<http://www.vac-acc.gc.ca/youth/>

General Inquiries

If you wish to make a general enquiry about Veterans Affairs Canada, its programs or services, please call 1-866-522-2122. If you wish to make a general enquiry about Veterans Review and Appeal Board, please call 1-800-450-8006.

Portfolio Publications

The Portfolio produces a variety of publications on its programs and services. Copies of these publications can be obtained from your nearest Veterans Affairs Canada district or regional office.

Our staff in Policy Planning and Liaison are responsible for coordinating the development of this report, the associated Performance Report, as well as a number of other departmental reports. These are available on-line at:

<http://www.vac-acc.gc.ca/general/sub.cfm?source=department/reports>. For more information or if you have any questions, please contact:

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