

# VETERANS AFFAIRS

**2004-2005 PERFORMANCE REPORT**

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A handwritten signature in black ink, reading "Albina Guarnieri". The signature is fluid and cursive, with the first name "Albina" written in a smaller, more compact script than the last name "Guarnieri".

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**The Honourable Albina Guarnieri, P.C., M.P.  
Minister of Veterans Affairs**



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SECTION I - OVERVIEW

MINISTER'S MESSAGE



*Two thousand and five* was declared the *Year of the Veteran*. A year for all Canadians to *Celebrate, Honour, Thank, and Remember* Veterans for their achievements and sacrifices. It is also a year in which to *Teach* our youth of the role our service men and women played, and continue to play, in the defence of freedom around the world. It is with a profound respect and admiration for our very special clients and their families, that I, as Minister of Veterans Affairs, present to you the report on our performance for the year ending March 31, 2005.

During this reporting period, we pursued our mandate of delivering programs and services that address the needs of our aging war Veterans. At the same time, we began to look at developing a new suite of programs and services that address the specific needs of our younger still-serving Canadian Forces clients and Veterans, particularly as they transition from military to civilian life.

The role Veterans Affairs has played in serving its clients has always been – continues to be – very dynamic. When the Department was created, its primary function was to care for Veterans returning from the Second World War and to assist them in their re-establishment into Canadian society. Over the years, our programs and services have evolved to ensure that we keep pace with their changing needs. Today, we see a rise in the number of Canadian Forces Veterans and RCMP clients, whose needs are also diverse. To address these needs, the Department was successful in having legislation passed in the form of a new Veterans Charter, which will modernize the suite of benefits and services available to clients, while continuing to provide a high level of service to our war Veterans. To improve service delivery, we implemented a National Client Contact Network, continued our work on the modernization of Ste. Anne's Hospital and extended Veterans Independence Program eligibility to provide housekeeping and/or grounds maintenance services to qualified primary caregivers.

During the past year we engaged our Veterans and all Canadians in commemoration by marking significant milestones such as the 60<sup>th</sup> Anniversary of the Battle of Normandy, the 60<sup>th</sup> Anniversary of the Italian Campaign and the 60<sup>th</sup> Anniversary of the Liberation of the Netherlands. With the declaration of 2005 as the *Year of the Veteran*, a series of events and initiatives were planned and carried out. Communities, groups, organizations and individuals from coast-to-coast-to-coast have been paying tribute to Canadian Veterans through various events and activities. There have been a number of innovative projects to recognize Veterans. For example, the Department partnered with Scouts Canada to recognize the accomplishments of those who have so admirably served Canada through the distribution of 150,000 appreciation badges to Veterans in their communities.

## SECTION I - OVERVIEW

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It has been a busy year and I am proud of what the dedicated staff of Veterans Affairs have been able to accomplish through the enthusiasm of volunteers and their tireless efforts. Although much has been accomplished there is still much more to do. Through the efforts of staff and partners, I can assure you that Veterans Affairs will continue to deliver, to our very special clients, the programs and services they require.

A handwritten signature in black ink, reading "Alina Guarnieri". The signature is fluid and cursive, with a large initial "A" and "G".

The Honourable Alina Guarnieri, P.C., M.P.  
Minister of Veterans Affairs

## SECTION I - OVERVIEW

### CHAIR'S MESSAGE



I am pleased to submit the annual performance report for the period April 1, 2004, to March 31, 2005.

During this time, we have continued to take important steps toward improving the quality of the appeal process and undertaking a number of new initiatives. A pilot to provide modified hearings for Post-Traumatic Stress Disorder clients was conducted in conjunction with the Bureau of Pensions Advocates in Quebec, as well as plans for specialized training for Members in the next fiscal year in cooperation with the Ste. Anne's Hospital Centre. We have also continued to enhance the Members' professional development program including training initiatives such as the assessment of medical evidence and their understanding of the particular circumstances of applicants.

The responsibility to deal with the interpretation of the *Veterans Review and Appeal Board Act* rests with the Board. On February 1, 2005, the Board issued its first Interpretation Decision dealing with the criteria for new evidence for reconsideration of an appeal decision. The request for the interpretation was initiated by the Bureau of Pensions Advocates and a number of Veterans' organizations made representations at the hearings. The Board also implemented measures to improve the Member selection process for Governor-in-Council appointments and introduced a performance management framework for Members of the Board once they are appointed.

Many steps have also been taken to strengthen the effectiveness and efficiency of our organization and the appeal process. An innovative project was implemented to electronically scan statement of case documents which has resulted in an easily handled and accessible electronic document, a significant reduction in the production of paper copies which contributes to sustainable development goals, a reduction in file storage space, and increased staff training. New communications tools were also developed through letters to applicants and Web site enhancements. Through these measures and effective communications with all parties to an appeal, we hope to sustain and further improve upon our efforts to offer quality service to applicants.

I also want to note that during this period, the extra efforts of the Members, including unprecedented requirements to travel for longer and more frequent periods, allowed the Board to maintain its hearing volumes. Our staff and Members at headquarters in Charlottetown and our Members located across the country have been crucial to the Board's successes, and I would like to acknowledge their contributions.

A handwritten signature in cursive script that reads "Victor Marchand".

Victor Marchand  
Chair  
Veterans Review and Appeal Board

## SECTION I - OVERVIEW

### MANAGEMENT REPRESENTATION STATEMENT

I submit for tabling in Parliament, the 2004-2005 Departmental Performance Report for Veterans Affairs.

This document has been prepared based on the reporting principles contained in the Treasury Board of Canada Secretariat's *Guide for the preparation of 2004-2005 Departmental Performance Reports*:

It adheres to the specific reporting requirements;

It uses an approved Business Lines structure;

It presents consistent, comprehensive, balanced and accurate information;

It provides a basis of accountability for the results pursued or achieved with the resources and authorities entrusted to it; and

It reports finances based on approved numbers from the Estimates and the Public Accounts of Canada.



Jack Stagg  
Deputy Minister  
Veterans Affairs  
19 September 2005



Victor Marchand  
Chair  
Veterans Review and Appeal Board  
19 September 2005



**SECTION I - OVERVIEW**

**SUMMARY INFORMATION**

The Veterans Affairs Portfolio consists 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. The Portfolio exists to repay the nation's debt of gratitude to those men and women whose courageous efforts have given Canada a legacy of peace and freedom and have contributed to our growth as a nation.

The Portfolio provides programs and services to a highly diverse clientele which reflects the remarkable breadth of Canada's contributions to world peace. Our family of clients includes Canada's war service Veterans, Canadian Forces (CF) Veterans and members, past and present members of the Royal Canadian Mounted Police (RCMP), their survivors and dependants, certain Allied Veterans and eligible civilians. On a broader scale, the citizens of Canada are also clients. In our endeavours to keep alive the achievements and sacrifices by those who serve Canada in times of conflict and peace, VAC reaches out to Canadians and communities, at local, national and international levels. Given that today's young people will play a major role in keeping the legacy of Canada's Veterans alive for future generations, the Department is making a concerted effort to reach out to and engage youth.

The Department fulfills its responsibilities by offering programs and services to support the health and wellness of our clientele. Furthermore, to provide the best service possible to our clients, we have been modernizing and enhancing our programs and services, and encouraging all Canadians, especially youth, to participate in remembrance activities, so that the torch of remembrance is held high for future generations.

The Veterans Review and Appeal Board provides an independent disability pension and War Veterans Allowance redress program that demonstrates fairness, competence and excellence and ensures our clientele receives the benefits to which they are entitled under the law.

The missions of the Department and the Board are as follows:

<b>Veterans Affairs Canada</b>	<b>Veterans Review and Appeal Board</b>
To provide exemplary, client-centred services and benefits that respond to the needs of Veterans, our other clients, and their families, in recognition of their services to Canada; and to keep the memory of their achievements and sacrifices alive for all Canadians.	To ensure fairness in Canada's programs for disability pensions and war Veterans allowances by providing research and advisory support and fair and expeditious appeal adjudications.

**SECTION I - OVERVIEW**

Total Financial Resources for the Department (\$ millions)

Planned Spending	Total Authorities	Actual Spending
2,790.7	2,807.1	2,695.4

Total Human Resources for the Department

Planned	Actual	Difference
3,376	3,463	87

**SECTION I - OVERVIEW**

RESULTS ACHIEVED IN RELATIONSHIP TO DEPARTMENTAL STRATEGIC OUTCOMES, PRIORITIES AND COMMITMENTS

Strategic Outcome	2004-2005 Priorities / Commitments	Type	Planned Spending (\$ millions)	Actual Spending (\$ millions)	Current Status
<b>BENEFITS AND SERVICES PROGRAMS STRATEGIC OUTCOME</b>					
The delivery of benefits and services that contribute to the independence, quality of life and standard of living of Canada's war Veterans, eligible CF Veterans and still-serving members, RCMP clients, qualified civilians and their families in recognition of their sacrifice to the nation.	<ul style="list-style-type: none"> <li>▶ Improving and expanding services for CF Veterans</li> <li>▶ Partnering to serve the RCMP and eligible civilians</li> <li>▶ Transforming service delivery and promoting innovation in policies and practices</li> </ul>	Ongoing Ongoing Ongoing	2,660.0	2,561.0	<ul style="list-style-type: none"> <li>▶ Successfully met</li> <li>▶ Successfully met</li> <li>▶ Successfully met</li> </ul>
<b>PENSIONS ADVOCACY PROGRAM STRATEGIC OUTCOME</b>					
The rights of Veterans Affairs Canada clients protected through professional, legal representation in appealing decisions related to disability pensions and allowances.	<ul style="list-style-type: none"> <li>▶ Improving and expanding services for CF Veterans</li> <li>▶ Partnering to serve the RCMP and eligible civilians</li> </ul>	Ongoing Ongoing	8.9	8.7	<ul style="list-style-type: none"> <li>▶ Successfully met</li> <li>▶ Successfully met</li> </ul>
<b>CANADA REMEMBERS PROGRAM STRATEGIC OUTCOME</b>					
A knowledgeable Canadian public that recognizes the achievements and sacrifices of Canada's citizens in the defence of freedom and appreciates the historical significance of these accomplishments in the development of Canada as a nation.	<ul style="list-style-type: none"> <li>▶ Providing strong leadership in the delivery of Remembrance programming through effective partnerships</li> </ul>	Ongoing	51.6	48.0	<ul style="list-style-type: none"> <li>▶ Successfully met</li> </ul>

**SECTION I - OVERVIEW**

Strategic Outcome	2004-2005 Priorities / Commitments	Type	Planned Spending (\$ millions)	Actual Spending (\$ millions)	Current Status
<b>CORPORATE ADMINISTRATION</b>					
Activities focus on service improvement and organizational effectiveness through the strategic management of our staff, improved communications, expanded use of technologies and a greater contribution to national policy development in areas that are directly related to the well-being and recognition of our Veterans and other clients.	▶ Aligning our strategic human resources plan to support the goals of the organization and the aspirations of our people	Ongoing	59.5	66.8	▶ Successfully met
	▶ Advancing the development of our information technology capacity in support of service improvement, organizational effectiveness and Government On-Line	Ongoing			▶ Successfully met
<b>VETERANS REVIEW AND APPEAL BOARD STRATEGIC OUTCOME</b>					
Fairness in the Disability Pension and War Veterans Allowance Program.	▶ Improved communication with appellants, staff and stakeholders	New	10.7	10.9	▶ Successfully met
	▶ Improved service delivery	New			▶ Successfully met
	▶ Improved management accountability framework	New			▶ Successfully met
	▶ Smooth transition	New			▶ Successfully met



**Web Site Access**

**The Portfolio (Organization):**

- Bureau of Pensions Advocates
- Corporate Services Branch
- Policy Planning and Liaison
- Public Programs & Communications (formerly Public Affairs Branch)
- Ste. Anne's Hospital
- Veterans Review and Appeal Board
- Veterans Services Branch

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

**The Department:**

- Departmental Reports
- Disclosure of Travel and Hospitality Expenses
- Legislation Administered by Veterans Affairs
- Mandate, Mission, Vision, Values, and Ethics
- People in Charge
- Service Standards

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

**The Board:**

- About VRAB
- Contact Us
- Documents
- Frequently Asked Questions
- Service Commitment
- What's New

[http://www.vrab-tacra.gc.ca/VRAB-TACRA\\_contents.htm](http://www.vrab-tacra.gc.ca/VRAB-TACRA_contents.htm)

OVERALL DEPARTMENTAL PERFORMANCE

Canadians have grown to know “change” as a constant in all aspects of life. Veterans Affairs Canada is no different, in that we continue to adapt and improve our programs and services in order to meet the shifting needs and demands of our clients. During the year in review, there has been a significant number of accomplishments. One highlight was the drafting (passing in May) of a new Veterans Charter which is designed to transform the current structure and content of programs and services to better meet emerging needs of our CF clients and give them the best opportunity for successful transition to civilian life. The Veterans Independence Program’s (VIP) eligibility was extended to provide housekeeping and grounds maintenance service to qualified primary caregivers. As well, a Continuing Care Research Project will provide us with a better understanding of the support seniors need as they move through the various stages of life.

During the year in review, Ste. Anne’s Hospital continued to uphold its long held reputation as a Centre of Excellence. The hospital, with all of its offerings, strives to provide the highest quality of care and services to its clients and their families. It does so by developing cutting edge clinical programs that meet the complex needs of those it serves.

In November 2004 came the announcement that the year 2005 would be declared the *Year of the Veteran*. This special recognition provides us the opportunity to ensure all Canadians are made aware of the sacrifices Veterans made to make Canada the country it is today. The Department faces the challenging reality that as traditional war Veterans age, they become less and less able to lead remembrance activities and travel abroad. At the same time, the Department recognizes the need to pass the torch of remembrance to our youth and to ensure that future generations never forget. This year has been particularly busy with many commemorative celebrations including the 60<sup>th</sup> anniversary of three overseas events.

The Veterans Review and Appeal Board applicants have increasingly complex medical conditions and interrelationships between diseases. As well, changes in pension legislation and streamlining within VAC have had an impact on how the Board conducts its operations. The Board continues to strengthen its capabilities through improvements in research, training, program delivery, and communication to ensure a fair adjudicative process.

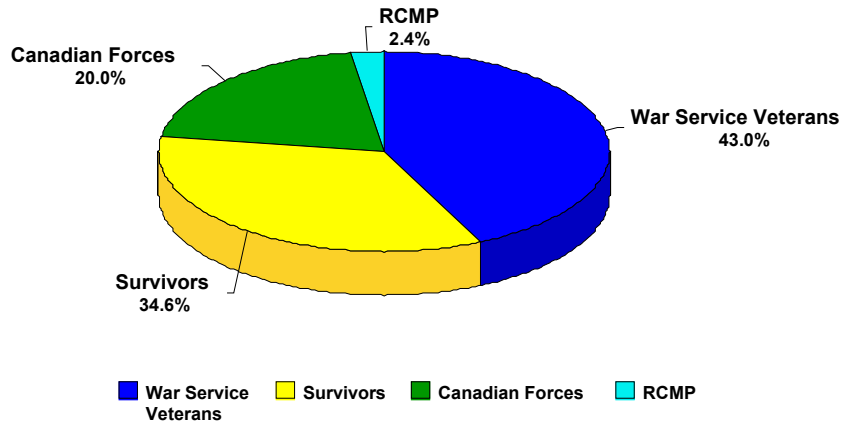
Over the year many accomplishments have been made toward our strategic outcomes, but more needs to be done as we strive to meet the changing needs of our clients. As you read forward, you will find more detail on the Portfolio’s performance accomplishments. Veterans Affairs’ performance and the financial tables are presented using the reporting framework for the last time provided under the departmental strategic outcomes and business lines. Future performance and financial tables will be completed using the new Program Activity Architecture (PAA).

As of March 2005, VAC was providing benefits and services to approximately 219,000 clients. Over the past several years, our client base has been shifting and it is expected

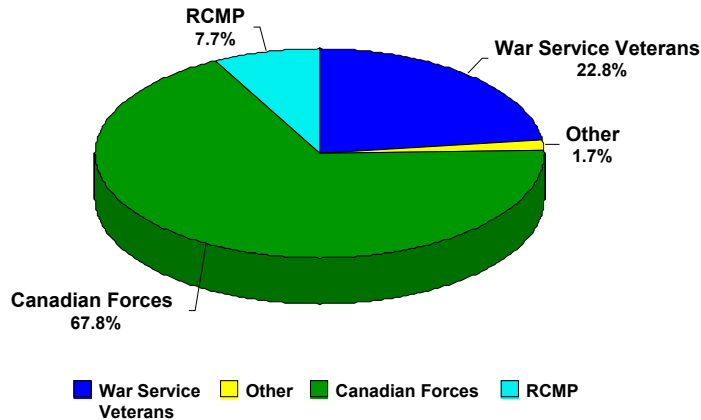
**SECTION I - OVERVIEW**

to continue to change dramatically over the next ten years. Contrary to a common misperception, Veterans Affairs is not a “dying department” but is a vibrant organization whose services are still very much in demand by a highly deserving and diverse population of Canadians. While the Department is witnessing a decline in the number of war Veterans we serve, there continues to be an increase in the number of Canadian Forces clients who are looking to VAC for support and assistance. In fact, forecasts point to increases in the number of clients accessing VAC programs and benefits in the short-term and only marginal declines in the medium term. It should be noted that the Department has witnessed an increase in the number of first applications for disability claims.

The following is an approximate breakdown of the people served by VAC:



The Veterans Review and Appeal Board served the same group of clients as VAC, specifically those who have been denied pension entitlement for a claimed disability or who are dissatisfied with their assessment for a pensioned condition. The following is an approximate breakdown of the people served by the Board:



The above percentages are based on 6,430 review and appeal decisions finalized as of March 31, 2005.





SECTION II - ANALYSIS OF PERFORMANCE BY STRATEGIC OUTCOME

**Benefits and Services Program**

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Strategic Outcome

The delivery of benefits and services that contribute to the independence, quality of life and standard of living of Canada's war Veterans, eligible Canadian Forces Veterans and still-serving members, RCMP clients, qualified civilians and their families in recognition of their sacrifice to the nation.

Planned Spending (April 1, 2004, to March 31, 2005): \$2,720.5 million  
Total Authorities Rec'd: \$2,728.7 million  
Actual Spending 2004-2005: \$2,617.7 million  
FTE's: 2,558  
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**What the Department is to accomplish and why it is important to Canadians:**

Veterans Affairs Canada's goal is to provide exemplary, client-centred benefits and services that respond to the needs of Veterans, other eligible clients and their families. By promoting independence and an improved quality of life, VAC is assisting our clients to continue to be valuable, contributing members of their community and society. VAC recognizes that our client base continues to shift in part due to the advancing age and deteriorating health of our traditional Veterans. This in turn translates into more intense and complex care needs. Younger CF clients, many with growing families, have different though equally demanding needs. Indeed, this diversity of clientele results in each group having unique needs and expectations. Services are very much in demand and VAC continues to be innovative in adapting its programs and services to meet all of our clients needs.

On a broader scale, Canadians benefit by VAC ensuring that its programs and services are aligned with the 2005 Government of Canada outcomes such as "Healthy Canadians With Access to Quality Health Care" and "Inclusive Society That Promotes Linguistic Duality and Diversity." ([http://www.tbs-sct.gc.ca/report/govrev/05/cp-rc\\_e.asp](http://www.tbs-sct.gc.ca/report/govrev/05/cp-rc_e.asp))

**Expected Results:**

*Intermediate outcome*

To assist our family of clients with their health and wellness, thereby promoting independence and improving their quality of life.

*Immediate outcome*

To provide client-centred benefits and services that respond to the needs of our family of clients.

**Priorities:**

Improving and expanding services for CF Veterans and still-serving members.

Partnering to serve the RCMP and eligible civilians.

**Performance Accomplishments:**

**Ste. Anne's Hospital**

Ste. Anne's Hospital provides eligible Veterans and civilians with geriatric and psycho-geriatric care. The goal of the hospital is to preserve the dignity and independence of each client. This facility accommodates more than 485 Veterans and is the last remaining federal hospital administered by Veterans Affairs Canada. This medical institution is unique in that it offers much more than a typical hospital or long-term care facility. Through its "Liaison Centre" (day centre) it also provides care and support services to 175 eligible persons still living in their own homes. The Ste. Anne's Centre, which opened in 2001, provides mental health services to 225 Canadian Forces members and Veterans (especially to those who suffer from post-traumatic stress disorder and other psychological problems linked to operational stress).

In the winter of 2005, the dementia care program will transfer to a new pavilion that has been designed for elderly Veterans with cognitive impairment. As part of this program, the interdisciplinary teams have worked diligently to reduce the use of physical restraints while offering a safe environment. To date, physical restraint use has been reduced by 80%.

During the fiscal year, a commercialization venture with Health Care Food Services was established which allows all Canadians who suffer from dysphagia to benefit from the highly specialized food products developed by the hospital's expert staff. The hospital continues its clinical research in this field and monitors its dysphagic clients with the Body Mass Index as a measure of a healthy nutritional status. A new pain management clinic was opened in the fall of 2005 that will allow the hospital to achieve its goal of offering a "pain-free living environment." Applied clinical research in the area of dementia care, pain management, and post-traumatic stress disorder continues to support the achievement of the hospital's vision.

In recent years, there has been a growing understanding of the causes of mental illness as well as of the urgency to respond with appropriate and timely treatment for those who suffer from such illness. Since 2002, VAC and the Department of National Defence (DND) have been working in partnership to create a common strategy that will effectively respond to the mental health needs of Canadian Forces members and Veterans. A key initiative of the VAC mental health strategy was to establish the Ste. Anne's National Operational Stress Injuries (OSI) Centre as a National Centre of Excellence in the treatment of operational stress injuries. This VAC Network of Excellence now includes the Ste. Anne's National OSI Centre and several out-patient

OSI Clinics at selected VAC Priority Access Bed facility sites. These include Parkwood OSI Clinic in London, Ontario, and La Maison Paul Triquet OSI Clinic located in Quebec City, Quebec, both of which officially opened in February 2004. The Deer Lodge OSI Clinic in Winnipeg, Manitoba, was officially opened in April 2005.

The hospital has been undergoing major renovations and construction in order to modernize the quality of care for our residents and bring the hospital in line with provincial standards. This \$67.7 million project will result in having 446 beds situated in more private and appropriate accommodations and will provide Veterans with an enhanced living environment. As of March 31, 2005, the construction of the power plant and the electrical sub-station was 98% complete. These buildings are scheduled to be operational by the end of summer 2005. The construction of the new pavilion is well underway and is expected to be complete late 2005. Once completed, more than 100 Veterans suffering from cognitive deficits will be able to take advantage of a facility which is more secure and better adapted to their specific needs. With respect to the renovation of the main Tower, plans are for completion in the spring of 2008. A constant challenge to a project of this magnitude is to maintain the critical balance between the provision of patient care in the midst of major renovations and construction.

#### *Service and Program Modernization Task Force*

Since the Second World War, Veterans Affairs (VA) has worked within a "Veterans Charter" providing programs and services to our clients. This comprehensive legislation was considered to be, when enacted in the 1940s, "the most ambitious program of rehabilitation ever undertaken, in this or any other country." However, as the role and demographics of our CF clients have evolved in recent years, it became apparent that our existing programs and services neither had the scale nor the focus to meet the emerging needs of our CF members, Veterans and their families. In response, VAC established, in 2003, a Service and Program Modernization Task Force (Task Force) to research, develop and implement amendments to the current content and structure of our programs and services.

In March 2004, the VAC-CF Advisory Council (VAC-CFAC), released a major discussion paper entitled *Honouring Canada's Commitment: "Opportunity with Security" for Canadian Forces Veterans and Their Families in the 21<sup>st</sup> Century*. The VAC-CFAC called for action to "address the changing face and needs of Canada's Canadian Forces Veterans and their families". In May 2004, the Ministers of Veterans Affairs and the Department of National Defence announced the Government of Canada's plans for modernized programs to better serve CF clients and promised to consult Veterans' organizations on the design of disability awards and associated wellness programs.

Throughout the fiscal year, the Task Force examined and consulted with stakeholder groups on the key program components of disability awards and wellness programs to replace today's pension system for new applicants. During December 2004 and January 2005, focus groups were conducted to gauge the reaction of potential future clients to the program proposals. A total of 11 sessions were held in four sites with CF members, CF Veterans, and their families.

Feedback from these sessions re-affirmed that CF members and Veterans wanted programs and services tailored to their needs and the needs of their families. They also want programs that support wellness, independence, and a successful transition to civilian life. A new Veterans Charter was created to meet these needs.

During 2004-2005, the Task Force completed the general design for a new suite of programs and services and prepared the required legislative changes. Working with DND, VAC conducted six information sessions with CF members and their families to further gauge potential reactions to this new suite of programs and services prior to parliamentary tabling. These sessions, the first being at CFB Halifax on March 29, 2005, also provided a forum for CF members and their families to be among the first to hear details of the new Veterans Charter. The majority of participants indicated they both understood and agreed with VAC's proposed approach. A significant finding was that the level of agreement with the proposal rose in proportion to the participant's understanding.

The new Veterans Charter will provide a one-stop, client-centred service with VAC case managers to ensure that the needs of CF members, Veterans, and their families are properly identified, addressed, monitored, and followed up, and to ensure that there is coordination of service providers. This comprehensive "wellness package" is designed to provide releasing CF members and their families with the best opportunity for successful transition to civilian life. The package contains the following key elements: rehabilitation services; health benefits; job placement assistance; economic loss support; disability awards; and case management. The new Veterans Charter will also recognize the contribution that CF members have made to Canada and the world community. These changes will not affect disability pensions and other services in place for existing clients.

In addition, the new Veterans Charter will result in amendments to the *Public Service Employment Act* and to the *Public Service Employment Regulations* that, once passed, will enable members of the Canadian Forces to participate in competitive processes formerly limited to public servants. Also, the changes will enable certain medically-released CF members to be appointed without competition to public service positions, for which they are qualified.

### RCMP

VAC continued close consultations with the RCMP on the modernization front throughout 2004-2005. The RCMP's intention to conduct a needs analysis was deferred due to other priorities. The RCMP maintains that prior to participating in the Modernization scheme, a full needs study must be undertaken. Accordingly, following key meetings of the VAC-RCMP Steering Committee in December 2004, and briefings to RCMP officials in late February 2005, a dedicated RCMP Project Team was established in mid-April 2005, to study RCMP members' and disability pensioners' needs. An in-depth needs identification project is being conducted during the summer of 2005. Based on the analysis, results and recommendations, the RCMP will determine how best to proceed to address the identified needs. VAC will continue to support the RCMP during the study and will collaborate with this partner to respond to needs identified.

### Disability Pension Program

Through administration of the *Pension Act*, VAC's Disability Pension Program provides disability pensions to those suffering from disabilities related to military service, either during peace or war time and to eligible RCMP members. Applications for disability pensions, along with supporting service records and medical documentation, are forwarded to Head Office in Charlottetown. Based on the submitted information, and using the provisions of the *Pension Act*, a determination is made regarding the extent to which the claimed disability is related to military or RCMP service. The disability pension is based on the severity of the disability, as verified by a medical examination, and assessed in accordance with the Table of Disabilities. Disability pensions are paid in accordance with rates set out in the *Act*, with those clients whose pensioned disabilities are assessed at 5% and higher being paid a monthly pension.

In 2004-2005, there was an increase of 6.4% from 2003-2004 in first applications for disability pensions which lead to a backlog of applications to be processed. In order to meet this challenge, a national backlog reduction strategy was employed. This strategy, based on projected intake of new applications, set monthly goals for the Districts, Regions, and Head Office. Various other strategies were also employed to meet these monthly goals. For example, in the Adjudication Centre of Expertise, resources dedicated to first application adjudication have been increased through the hiring of additional adjudicators and the reallocation of existing resources. In addition, monthly progress reports are being provided to senior management. Achieving these monthly goals will reduce the number of pending applications to a pre-determined acceptable level by June 2006. During 2004-2005, we have made inroads into the backlog and as such, clients should have experienced improvements in the processing of their disability pension applications.

### Integrated Service Delivery Framework (ISDF)

During the fiscal year, VAC completed its implementation of the ISDF. Through this service improvement initiative, the organization has become more efficient and integrated with its national policies and business processes more consistently applied. We established networks and partnerships to enhance service delivery and improve our capacity to meet client needs. A functional direction review was completed to establish clear organizational reporting relationships. The Department has refined the resource allocation model and have defined roles and responsibilities to ensure equitable distribution of human and financial resources. Interdisciplinary client service teams, within our districts, have been resourced and operationalized, contributing positively to the overall care plan of our clients. The centres of expertise and management centres have been implemented. During 2004-2005, the National Call Centre Network (NCCN) had an operational issue dealing with the number of calls abandoned. Through defining and understanding the problems and applying best practices, NCCN were able to take corrective action. This has led to NCCN stabilization, with over 90% of calls being responded to immediately.

*Veterans Independence Program (VIP)*

VAC's VIP helps qualified Veterans and caregivers remain healthy and independent in their own homes. On December 7, 2004, the Government of Canada announced the extension of VIP housekeeping and/or grounds maintenance services, for life, to primary caregivers of Veterans. The extension will benefit approximately 4,000 qualified primary caregivers. This includes eligible spouses, common-law partners of all Veterans who were in receipt of these VIP services at the time of their death or who had admission to a long-term care facility since the VIP began in 1981, and other qualified individuals.

On February 15, 2005, these changes to the *Veterans Health Care Regulations* came into effect. Policies and business procedures were developed to facilitate implementation of the new regulatory provisions. As of March 31, 2005, 3,369 applications had been sent to individuals who might be eligible for VIP services as a result of the amendments. Of these, 2,066 completed applications were received back for processing, 803 were subsequently processed and 746 of those were favourably ruled upon.

*Research and Information Directorate*

Knowledge acquired from research is of relevance to departmental decision and policy makers, program planners, health managers, clinicians, and various stakeholders. Their common efforts support the health and well-being of VAC's diverse family of clients, including Veterans, CF members, and the RCMP.

VAC has continued to build upon its capacity by monitoring scientific developments on military health issues. A public Web site was launched to facilitate the sharing of VAC's research results and activities. VAC continues to share research information and collaborate through national and international partnerships with Department of National Defence, Veterans administrations in other countries, international and national committees, Canadian universities, and provincial organizations.

On September 10, 2004, the Minister announced that VAC, in partnership with the Government of Ontario, would conduct a two-year Continuing Care Research Project. This project will provide Canadians with a better understanding of the support seniors need, to age with dignity and to make their own decisions about the care they need.

A joint research project with DND completed a prospective cross-sectional study to assess risk factors for the development of Noise-Induced Hearing Loss in a wide range of military trades. Participants of the study totalled 1,057 individuals working in 107 land, sea, air, and shared trades. Based on the findings, recommendations have been made to enhance and expand the CF hearing conservation program.

VAC, in partnership with the University of Alberta, Mount St. Vincent University, the Royal Canadian Legion (RCL), and Statistics Canada, is involved in a Rural Seniors

Project. Ultimately, the knowledge gained through this research project will improve models of support and service delivery to rural clients and seniors. The results are expected in March 2006. More research projects are underway on mental health and other military health topics.

### Legislation

To further the strategic priority of improving and expanding services for CF Veterans and members, VAC completed in 2004-2005 the design and drafting of a new Veterans Charter. Legislation was drafted to provide a suite of new programs including Job Placement, Physical, Psychological, and Vocational Rehabilitation and Assistance, Disability Awards, Earnings Loss Support and Extended Health Benefits. This legislation, when implemented, will authorize and enable VAC to deliver improved and expanded services that will meet the needs of CF Veterans, members, and their families as they transition from military to civilian life.

As this fiscal year closed, the final touches were being added to this legislation, and as will be reported upon next year in more detail, legislation was shepherded through Parliament and received Royal Assent on May 13, 2005 as Bill C-45, the *Canadian Forces Members and Veterans Re-establishment Act*.

### Partnerships

Collaboration with partner organizations has become a way of doing business and not just a project by project event. As mentioned throughout the report, extensive partnerships have been conducted during the fiscal year. Ongoing partnerships with the DND, RCL, RCMP, provinces, universities, communities, and other countries continue to prove successful in providing more efficient and effective services. These partnerships allow VAC to gain important knowledge from others' best practices.

An example of an effective partnership is the Federal Healthcare Partnership (FHP). Six permanent member departments, agencies, and organizations who are responsible for providing healthcare benefits and services working together on common issues. Clients, more than one million, include Veterans, Canadian Forces members, RCMP, First Nations and Inuit people, inmates of federal institutions, asylum seekers, and refugees. The FHP has two main goals: to achieve economies of scale while enhancing the provision of care, and to provide strategic issues leadership. During the 2004-2005 year, the collaborative efforts of this partnership have achieved substantial cost savings/avoidance of more than \$16.8 million in the delivery and purchasing of healthcare services and products for the clients of these respective departments.

In addition to its core programs including audiology, vision care, dental, oxygen therapy and medical equipment recycling, the Federal Healthcare Partnership was asked to address the Auditor General's recommendations in response to the 2004 value-for-money audit of the drug benefit programs administered by the six permanent member organizations of the FHP. The results of the audit were tabled in the House of Commons on November 23, 2004, and partner organizations agreed with, and committed to, addressing the Auditor General's recommendations by working

collaboratively through the FHPS. In late fall 2004, under the authority of the FHP Deputy Ministers and the Chair of the FHP Executive Committee, four Task Groups with representatives from the six partner organizations and FHPS were established to develop and implement the Federal Government's response to the recommendations.

On-going challenges for the Secretariat include the facilitation of consistent interdepartmental collaboration. Also, shifting priorities in partner departments have, in many cases, resulted in necessary changes to action plans and timelines for FHP projects.

Although there are many valuable programs that could fall under the FHP umbrella, it must be noted that financial and human resources limit the number of possibilities that it has capacity to pursue. Such limitations reinforce the need for the FHP to be deliberate in its choice of programs where collaboration could yield the biggest return.

 **Web Site Access**

**Clients:**

- Bereavement
- CF Activities
- Contact Us
- Foreign Countries
- Health Promotion
- Medals and Decorations
- Veterans Services
- What's New

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

**Providers and Professionals:**

- Care for the Caregiver
- Client Centred Service Approach
- Disability Pensions
- Health Care Provider Information
- Research
- What's New

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

**Ste. Anne's Hospital:**

- Articles Published by our Researchers
- Leading Edge Programs
- New Research Environment
- Our Philosophy Towards Care and Service
- Our Services
- Our Statistics

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



## Pensions Advocacy Program

### Strategic Outcome

The rights of Veterans Affairs Canada clients protected through professional, legal representation in appealing decisions related to disability pensions and allowances.

Planned Spending (April 1, 2004, to March 31, 2005): \$8.9 million

Total Authorities Rec'd: \$8.9 million

Actual Spending 2004-2005: \$8.7 million

FTE's: 85

### What the Department is to accomplish and why it is important to Canadians:

The Bureau of Pensions Advocates (the Bureau) consists of 14 district offices across Canada and a Head Office in Charlottetown. The Bureau is responsible for providing advice and counselling to clients who are uncertain about any aspect of the decision they receive from Veterans Affairs Canada regarding their application for pension. The Bureau's lawyers and their legal assistants work together to help applicants determine the best way to proceed in their particular situation. This assistance is provided free of charge. Options available include the Bureau requesting a review of the case by a Pension Adjudicator, representing a client before the Board, or counselling a client not to proceed. Of the applicants who proceed to the Board, approximately 95% are represented by the Bureau. The remaining 5% are represented by a Service Officer of the RCL, a Veterans' organization, a private solicitor, or they may have chosen to represent themselves.

Given our Advocates' experience in pension matters, they are considered specialists in the area of disability pension claims. This expertise enables the Bureau to provide information and education through outreach programs for potential clients, and seminars for active and retired members of the CF, RCMP, and Veterans' organizations.

VAC's Pensions Advocacy Program Strategic Outcome is aligned with the Government of Canada's outcome - Income Security and Employment for Canadians - in *Canada's Performance 2005 Report* ([http://www.tbs-sct.gc.ca/report/govrev/05/cp-rc\\_e.asp](http://www.tbs-sct.gc.ca/report/govrev/05/cp-rc_e.asp))

### Expected Results:

#### *Intermediate outcome*

To provide free advice, assistance, and representation for individuals dissatisfied with decisions rendered by VAC with respect to their claims for entitlement to disability pension, or any assessment awarded for their pensioned conditions.

#### *Immediate outcome*

To assist clients in the preparation of applications for reviews or appeals and to arrange for applicants and pensioners to be represented by a pensions advocate at hearings on reviews or appeals.

**Priorities:**

Improving and expanding services for CF Veterans and still-serving members.

Partnering to serve the RCMP and eligible civilians.

**Performance Accomplishments:**

During the reporting period there were large-scale developments in VAC, in the area of modernization of client programs, which had a direct impact on the Bureau's priorities. As well, the number of applications for pensions continued to rise, which in turn, resulted in an increase in the number of clients coming to the Bureau to discuss options for redress. These factors have affected the Bureau's plans and priorities.

Beginning in the fall of 2004, a client feedback mechanism was implemented where every client who was represented at a Review or Appeal hearing before the Board, was given the opportunity to fill out a detailed questionnaire immediately following the hearing. The purpose of the questionnaire was to obtain feedback about the service offered by employees of the Bureau, in order to make improvements where necessary. Of the 2,010 questionnaires returned, our clients reported that they were "satisfied" or "very satisfied" overall with the service they received from the Bureau 94% of the time. Of note, there was similarly a 94% satisfaction rate with the quality of representation by Bureau lawyers.

In addition to the client feedback questionnaire, two reforms were introduced to Bureau staff, and were implemented beginning in the fall of 2004. The first, a Client Service Protocol called for an increase in the number of contacts with clients, either by phone, in person or in writing. This initiative was intended to ensure that clients were fully aware of the redress process and of the progress of their own claim. The second was the development and distribution of three printed information sheets; one to inform clients about the mandate of the Bureau, and two others to provide details on what to expect at Review and Appeal hearings.

For six months beginning in April 2004, a case management process was piloted in the Bureau's Halifax District Office. This experimental program was intended to determine if it was possible to fast-track certain cases, eliminating the need to proceed to a formal hearing. This would save time and expense in the redress process. At the end of the pilot, it was discovered that only a small number of cases were amenable to "fast-tracking". It was decided, in conjunction with the Board, that the case management project would not develop into a new working process within the Bureau at this time.

Due to the increase in the volume of cases received by the Bureau, and with the need to focus on program modernization, the Bureau did not pursue its plans to increase its presence at additional CF locations. Resources intended for this initiative were assigned to handle the case load.

To build upon our relationship with the RCMP, Bureau staff across the country were available to give presentations to RCMP audiences about the services and benefits

offered by VAC, particularly the pension process and redress options available.

**8**

**Web Site Access**

**Bureau of Pensions Advocates:**

- The Role of Bureau of Pensions Advocates
- The Review and Appeal Process
- How to Contact the Bureau

<http://www.vac-acc.gc.ca/general/sub.cfm?source=department/organization/bpa1>

## Canada Remembers Program

### Strategic Outcome

A knowledgeable Canadian public that recognizes the achievements and sacrifices of Canada's citizens in the defence of freedom and appreciates the historical significance of these accomplishments in the development of Canada as a nation.

Planned Spending (April 1, 2004, to March 31, 2005): \$51.6 million

Total Authorities Rec'd: \$54.1 million

Actual Spending 2004-2005: \$48.0 million

FTE's: 106

### What the Department is to accomplish and why it is important to Canadians:

The Canada Remembers Program endeavours to preserve the memory of our Veterans by remembering and honouring those who have proudly served our country in times of conflict and peace. This includes engaging communities in remembrance activities and promoting an understanding of the significance of Veterans' contributions to life in Canada as we know it today. As a special honour to all Veterans, the Government of Canada declared 2005 as the *Year of the Veteran*.

Veterans Affairs Canada meets its remembrance mandate through delivery of the Canada Remembers Program, which endeavours to keep alive the achievements and sacrifices made by those who served Canada in times of war, military conflict, and peace, and to promote an understanding of the significance of these efforts in Canadian life as we know it today. This is done through the maintenance of Government of Canada (GOC) memorials and cemeteries, the provision of funeral and burial services, national and international ceremonies and events, learning opportunities, educational materials and public information.

Our Canada Remembers Program Strategic Outcome is aligned with the Government of Canada's Outcome - Vibrant Canadian Culture & Heritage - in the *Canada's Performance 2005 Report* ([http://www.tbs-sct.gc.ca/report/govrev/05/cp-rc\\_e.asp](http://www.tbs-sct.gc.ca/report/govrev/05/cp-rc_e.asp)).

### Expected Results:

#### *Intermediate outcome*

To preserve the memory of our Veterans by remembering and honouring those who have proudly served our country in times of conflict and peace.

#### *Immediate outcomes*

To keep the achievements and sacrifices of Canadian Veterans and their memory alive for all Canadians.

To contribute to public knowledge and appreciation of the historical significance of

these accomplishments and their contribution to the development of Canada as a nation.

**Priorities:**

Providing strong leadership in Remembrance programming through effective partnerships.

**Performance Accomplishments:**

**Year of the Veteran**

In November 2004, the Honourable Albina Guarnieri, Minister of Veterans Affairs (the Minister), declared the year 2005, as the *Year of the Veteran*. This special year offers Canadians the opportunity to show gratitude to Veterans; retell history; understand the contributions and courage of Canadians in time of conflict and peace; and inspire youth and other Canadians to take an active part in remembrance. On December 14, 2004, the Minister launched the *Year of the Veteran* on Parliament Hill and on January 18, 2005 the Minister opened the *Year of the Veteran* in Halifax, Nova Scotia. To mark the occasion, a large canvas mural depicting wartime and peacekeeping scenes (painted by Kosovan refugee, Zeqirja Rexhepi) was unveiled. Guests included Veterans, families, youth, and representatives from military and Veterans groups across the Atlantic Region. On March 22, 2005, the Minister, together with Mike Scott, Chief Commissioner, Scouts Canada, launched the "Invitation to Remember" Program. In 2005, Scouts across Canada will present 150,000 Veterans with "thank you" badges in honour of their sacrifices.

VAC led the government-wide planning for the *Year of the Veteran* and contributed funding to other federal government departments/agencies to allow them to engage Canadians in this special year and to ensure that all Canadians are aware of the sacrifices Veterans made to form the Canada we know today. A wide array of promotional materials such as lapel pins, parade banners, videos, retractable banners, posters, brochures, etc., were developed and distributed nationally. In partnership with the National Capital Commission, a special banner was produced commemorating the *Year of the Veteran*.

VAC has continued to provide a leadership role in engaging communities through partnerships and by hosting major national and international ceremonies and events that recognize and honour Canada's war dead and Veterans. The Canada Remembers Program engaged many Canadians and Canadian communities in events and activities of a commemorative nature, by providing modest funding to non-profit groups and organizations. This year VAC conducted three overseas events - the 60<sup>th</sup> Anniversary of D-Day and the Battle of Normandy, the 60<sup>th</sup> Anniversary of the Italian Campaign, and the 60<sup>th</sup> Anniversary of the Liberation of Belgium. Collectively, the official delegations included 121 Veteran delegates and representatives of the major Veterans organizations, and 26 youth representing every province and territory. VAC further enhanced Canadian participation by hosting one major event in each province and territory and one in Ottawa commemorating the 60<sup>th</sup> Anniversary of D-Day.

Veterans' Week continues to be one of the highlights of our yearly remembrance activities in recognition of Canadian Veterans. Numerous events were held across the country. The theme for 2004 was "Canada Remembers the Italian Campaign," which paid tribute to all of Canada's Veterans, in particular those who served for Canada during the Italian Campaign.

### Subsidy

On May 12, 2004, VAC announced a \$1,000 travel subsidy for eligible Veterans returning to Normandy during the month of June 2004. The same subsidy was made available to Veterans returning to Italy in October and November 2004. Altogether, the travel subsidy was paid to 360 Veterans who travelled to France and to 83 Veterans who travelled to Italy. In December 2004, VAC announced the \$1,000 travel subsidy would be accessible for eligible Veterans returning to the Netherlands in May 2005.

### Torch of Remembrance

In 2004-2005, VAC involved youth as a key element of its commemorative overseas events and ceremonies, recognizing that the future of remembrance rests with young Canadians. If the "torch of remembrance" is to be embraced by future generations, then the youth of today must be involved in as many commemorative activities as possible. This will ensure that they have a deep and lasting understanding of the legacy of Canada's Veteran population. It is also essential that a comprehensive learning strategy be in place to ensure that the youth are well-equipped to carry the "torch of remembrance".

### Learning and Educational Materials

VAC has reached out to youth across the country through innovative and creative approaches, such as a new interactive on-line remembrance learning module, various learning material, and multi-media educational kits. In 2004, more than 21,000 Veterans' Week learning packages were sent to Canadian schools. As well, youth participated in two overseas remembrance events, following which they assumed their new role as Youth Ambassadors in their local communities.

VAC has partnered with Encounters With Canada, a Government of Canada initiative, to offer a "Canada Remembers" theme week each November. This initiative offers various action-oriented one-week programs of activities which engage youth in discussions about the development of our country, the values that have characterized us as Canadians, the nature of conflict and peace, and the contributions that have defined Canada on the world stage, both in the past and in the present. VAC also partnered with Scouts Canada and on March 22, 2005 Scouts Canada launched an appreciation badge to be presented by Cubs, Scouts, and Venturers to local Veterans.

Our Student Guide Program in France is an opportunity for Canadian students to work, for a period of four months, as interpretative guides at the Canadian National Vimy Monument and the Beaumont-Hamel Newfoundland Memorial in France. There were approximately 40 students working as guides during 2004-2005.

VAC is in the process of rewriting and publishing its 17 core publications. The following seven publications were distributed in early 2005: *Canada-Belgium; Canada-Netherlands; The Scheldt; Canadians in Hong Kong; Native Soldiers - Foreign Battlefields; The 1942 Dieppe Raid*, and *A Day of Remembrance*. The following four booklets will be available in early fall: *The Battle of the Gulf of St. Lawrence, The Battle of the Atlantic, Valour at Sea*, and *Nursing Sisters*. The remaining six booklets are scheduled to be completed in the winter of 2005-2006.

In addition to developing a new Learning Strategy for Overseas Events, VAC is looking at developing a series of mini-learning modules to support its core Learning Kits.

In recognition of the Canadian Forces, VAC is in the process of developing a series of twelve CF Public Information sheets covering various CF peace support efforts across the world. The following four CF Public Information sheets were distributed in the spring of 2005; *The Faces of Peace: Veterans of the Canadian Forces, The Canadian Forces in the Golan Heights of Syria, The Canadian Forces in Cyprus*, and *The Canadian Forces in Egypt*. In addition, a new CF Web site has been developed and is being launched in 2005. It comprises various resources to help the public understand the unique achievements and sacrifices CF members made over the past 50 years, such as the CF Public Information sheets, a photo gallery, learning activities, and the Canadian Forces Wall of Remembrance.

In an effort to provide information to Canadians about remembrance subjects, VAC responded to the following inquiries during 2004-2005; 1,001 correspondence, 323 e-mails, and 8,036 calls to our 1-800 lines.

### *Maintenance of Memorials, Graves and Artifacts*

VAC continued its partnership with the Last Post Fund (LPF) to provide funeral, burial, and grave marker assistance to Canada's Veterans and thereby honouring those who died in service to Canada. Two-thousand, five hundred and twenty funeral and burial applications were approved, and work continued on consolidation of the Veterans Burial and LPF Regulations.

VAC maintains graves and memorials outside of Canada through the Canadian Agency of Commonwealth War Graves Commission. There are approximately 112,000 Canadian war dead located in over 80 countries throughout the world, and approximately 350,000 grave sites in about 15,000 cemeteries across Canada.

In May of 2004, a grave registry pilot project was launched by VAC and the Commonwealth War Graves Commission to locate and identify all Veterans' graves throughout the Province of Quebec. Ultimately, this inventory will expand to include all Veteran burials across Canada. The tracking system has the ability to capture information pertaining to grave maintenance and also concession information. During fiscal year 2004-2005, there were 3,025 cemeteries and 9,342 graves added to the system. In addition to cemeteries in Quebec, the project included the Fort Massey Veteran Cemetery in Nova Scotia, the Esquimalt Veteran Cemetery in British Columbia and the Floral Hills Cemetery in Prince Edward Island. This project involved the creation of a

separate grave tracking database which, when completed, will allow the general public to access information about Veterans buried across Canada.

### Vignettes

VAC partnered with Canadian Heritage and the Historica Foundation to produce, in both French and English, eight "Heritage Minutes" celebrating Canada's military history: Johnny Lombardi (D-Day/Juno Beach); Veterans' Housing (The Home front, return of the soldiers); Tommy Prince (the Aboriginal hero in the Second World War and Korea); Vimy Ridge (First World War); Andrew Mynarski (with a tie-in to Valiants Memorial); Mona Parsons (the liberation of Holland); Hong Kong (First World War), and Peacekeeping (role played by our military). The Heritage Minutes series is being made available for broadcast nationally through a network of more than 50 television stations.

VAC partnered with the Dominion Institute for development of a series of "Memory Project" programs related to the commemoration of the 60<sup>th</sup> anniversaries of the Italian Campaign and the Liberation of Holland. A number of activities took place in 2004-2005. For example, Memory Project Veteran volunteers conducted 1,000 visits with approximately 100,000 youth to share their personal stories and educate youth about Canada's role in the Italian Campaign and the Liberation of Holland in the Second World War. In eight city centres across Canada, training sessions were held for those Veterans and CF personnel interested in volunteering with the "Memory Project". There was a bilingual Memory Project Student Story Contest with prizes to the winning submissions. These activities have helped educate today's youth on the realities of war. The events engaged Veterans and youth in local community settings, as well as supported VAC's mandate to keep alive the memory of the sacrifices and achievements of Canadian Veterans.

A separate partnership with Dominion Institute was established to develop and deliver an editorial campaign consisting of interviews with 14 well-known Canadians, including Farley Mowat and Mike Myers. These interviews reflected on the meaning of remembrance in the context of the *Year of the Veteran*. They were profiled in the Can West-Global newspaper chain of publications during two seven-week runs, with one article per week being published for a total of 14 articles. Each interview was accompanied by a photograph of the individual and provided information related to significant historical dates and activities as well as various *Year of the Veteran* events and activities being undertaken by VAC and other organizations.

VAC continued to use electronic media to provide the public with access to historical information about Canadians who have died in service to Canada. The Canadian Virtual War Memorial (CVWM) Web site is an on-line registry of information about graves and memorials of more than 116,000 Canadians. Its purpose, through the preservation of photographs, postcards, letters, and personal memorabilia, is to recognize and keep alive the memory of the achievements and sacrifices made by those who served Canada in the defence of freedom. Between April 1, 2004, and March 31, 2005, the CVWM Web site received 216,314 visitors. During the same time, VAC added information on 1,197 Canadians, updated 3,019 entries, and published 9,746 images to



the CVWM.

A searchable Web-based video delivery platform, the Heroes Remember Project (HRP), was launched by VAC in 2004. The HRP Web site constitutes an incredible resource which captures the personal histories of more than 800 Veterans from all regions of Canada and from each of the 20<sup>th</sup> century's wars and conflicts. Users can search for video vignettes pertaining to specific wars, campaigns, military branches, units/ships, and military occupations via drop-down lists. Users can also search against last names and first names of Veterans, as well as keyword searches against the full text. From these search results, users are directed to specific video vignettes for viewing.

### *Seventh Book of Remembrance*

In the Memorial Chamber of the Peace Tower there are six Books of Remembrance. The names of those who have fallen in service to Canada are recorded in these books. Since 2003-2004, VAC has been working on a Seventh Book of Remembrance which is being created to honour the women and men who lost their lives during active duty in Canada or while deployed overseas. Entitled "In the Service of Canada" this Book is devoted exclusively to those valiant men and women of the CF who gave their lives in service to Canada since October 1947, other than those who are already commemorated in the Book of Remembrance - Korean War. During Veterans' Week 2005, the Seventh Book will be installed on Parliament Hill and made available for viewing on VAC's Web site. The creation of this Book would not have been possible without VAC's continuing partnership with the DND and the support of many Veterans' organizations.

### *Canadian Battlefield Memorials Restoration Project*

The Canadian Battlefield Memorials Restoration Project continues the repair and restoration work on Canadian First World War battlefield memorials in France and Belgium. This restoration, a \$30 million five-year project, involves the repair, restoration, and rehabilitation of memorials (whose average age is 75 years) - the most notable being the Vimy Monument; rehabilitation of 11 smaller memorials; the conservation of battlefield terrain and forest management at Vimy and Beaumont-Hamel; and a Subterranean Features Investigation at these two sites. The major construction contract was awarded on October 7, 2004. Restoration work began on the Vimy Monument December 1, 2004, and will be completed by December 31, 2006. The completion date for the restoration of the Vimy Monument, initially scheduled for July 2006, was postponed due to contracting delays in 2004.

Battlefield terrain conservation at Vimy and Beaumont-Hamel is progressing with an expected completion date of December 2006. These sites comprise close to 80% of conserved First World War battlefields in existence, and with their overwhelming popularity and an increasing number of visitors every year, the sites' fragile battlefield terrain features are subject to wear and tear. As these sites have extensive systems of underground tunnels, subways, and dugouts, VAC completed a Subterranean Features Investigation in March 2004. Due to the nature and complexity of the results of this investigation, it was recommended that a monitoring program of the subterranean features be developed and implemented. An evaluation of the Monitoring Program will help to determine a long-term approach in the mitigation of risks associated with

subterranean features.

The rehabilitation and restoration of the other smaller memorials remain at different stages of completion. In all components of the project, activities are on budget and on target to be completed by December, 2006.

 **Web Site Access**

**Canada Remembers:**

- Books of Remembrance
- Canadian Virtual War Memorial
- History
- Memorials
- Records and Collections
- What's New

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

**Canadian Battlefield Memorials Restoration Project:**

- First World War Memorials in Europe
- Interactive Vimy
- Rehabilitation of Canada's Memorial Sites
- Restoration and Rehabilitation of Vimy

<http://www.vac-acc.gc.ca/remembers/sub.cfm?source=Memorials/cbmr>

**Youth and Educators:**

- Activities
- Doing Research?
- Fun Stuff
- Multi-Media
- Student Guide Program
- Teachers' Resources
- Working on a Project?

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

## Corporate Administration

### Strategic Outcome

Activities focus on service improvement and organizational effectiveness through the strategic management of our staff, improved communications, expanded use of technologies, and a greater contribution to national policy development in areas that are directly related to the well-being and recognition of our Veterans and other clients.

Planned Spending (April 1, 2004, to March 31, 2005): \$59.5 million

Total Authorities Rec'd: \$67.4 million

Actual Spending 2004-2005: \$66.8 million

FTE's: 605

### What the Department is to accomplish and why it is important to Canadians:

Effectively and efficiently managing internal operations contributes greatly to the success of the service we provide to our Veterans and other clients. The Portfolio relies on Corporate Administration activities and priorities to ensure the management, protection and placement of resources. Across the Portfolio, key support services to core business are provided in the areas of finance, human resources, materiel resources, information and technology access, communications, security, and information management. Our dedicated staff are pivotal in the progress we make; therefore, we need to ensure that we support our staff as they conduct their day-to-day operations. To do this we provide them with the necessary training and equipment required to do their job, and the information they need for work-life balance, career enhancement, and conflict resolution. Our various strategic plans assist staff in managing and monitoring future direction. Goals established through the Government of Canada's government-wide initiatives also provide guidance, focus, and direction.

### Expected Results:

#### *Intermediate outcome*

To ensure the effective and efficient use and protection of the Portfolio's resources (financial, human, material, and information technology).

#### *Immediate outcome*

To provide support services to the core business in the areas of finance, human resources, materiel resources, information and technology access, communications, security, and information management.

### Priorities:

Aligning our strategic human resources plan to support the goals of the organization and the aspirations of our people.

Advancing the development of our information management and information technology capacity in support of service improvement, organizational effectiveness, and Government On-Line.

**Performance Accomplishments:**

**Human Resources Strategic Plan 2002-2007**

The Human Resources Five-year Strategic Plan provides a framework for the strategic management of human resources. It focusses on two main objectives, integrity of our programs and service improvement, and organizational effectiveness, along with ten priorities for action. Achieving these objectives requires that programs have adequate staff resources with the necessary skills, abilities, and knowledge to fulfill their responsibilities. The success of the organization is dependent upon the people who work for VAC and the steps that are taken to engage, retain, and develop their talents and prepare for the demographic challenges of the future.

**Corporate Services Integrated Service Delivery Framework (CS ISDF)**

On December 9, 2004, Corporate Services Branch launched CS ISDF. The purpose is to modernize corporate services delivery. The CS ISDF aligns corporate service delivery of finance, human resources, information technology, security, information management, and administration to support the Veterans Services Branch interdisciplinary Client Service Teams and Centres of Expertise. The CS ISDF also aligns the Corporate Services Branch enabling it to become more adaptable to the evolving business needs of the Department and Government of Canada. It is intended that efficiencies will be gained throughout this initiative and the resources freed up would be available for direct service to our clients.

**Information and Technology Services**

The rapid growth in on-line services offered to Canadians must be supported by secure and competent information technology. Continuous improvements to our information technology capacity are necessary to enhance access for Canadians. Increased demand for the availability of all modes (Internet, phone, mail, in-person) of technology presents constant challenges. Proper planning, consultation, and training are ongoing to ensure the integrity and cost effectiveness of our on-line capability.

**Communications**

Communications is an integral component of all facets of the Portfolio and it is critical to the success of meeting both external and internal obligations. Our Communications Division is responsible for ensuring the communications needs of our staff, clients, stakeholder groups, and the general public are met. Sharing information which is well coordinated and effectively managed ensures that Veterans Affairs Canada continues to meet its obligations to clients and Canadians.

Modern Comptrollership/Management Accountability Framework

*The Department*

VAC is implementing a Management Accountability Framework (MAF) that incorporates and builds on the principles of modern comptrollership. This framework will define and clarify expectations of sound management, assess corporate management performance, and integrate existing frameworks such as Human Resources Modernization, Service Improvement Initiatives, Values and Ethics for the Public Service, and Integrated Risk Management. Veterans Affairs Canada demonstrates its commitment to excellence in serving Canadians by taking steps to improve its management of resources and strengthen its decision-making processes. During this fiscal year, VAC has made progress in two of its MAF initiatives. The first project, which focussed on change management, training and recruitment, has resulted in the implementation of a training strategy. This strategy will support the development of new skills required to implement the new Veterans Charter. Secondly, VAC completed a risk-based Audit and Evaluation plan in February 2005.

*The Board*

The Board strengthened its management capacities in the areas of strategic direction, results and performance, and risk management. Improved planning, measurement and analysis of workload, capacity and performance supported operational decisions. A workshop on risk assessment increased employees' and Members' awareness of factors that may impact the Board's ability to fulfill its mandate. This knowledge strengthened the integration of risk management in all of the Board's day-to-day activities. All these efforts contribute to the Board's ongoing commitment to accountability and transparency in its program.

Government On-Line

The Government of Canada made a commitment in the 1999 *Speech from the Throne*, to become "known around the world as the government most connected to its citizens, with Canadians able to access all government information and services on-line at the time and place of their choosing." Over a six year period ending in 2005, VAC and all other federal government departments have resolved to deliver key services over the Internet to individuals and businesses. At the same time, organizations collaborated to bring about more integration of their programs and services as a means of simplifying access by citizens. At Veterans Affairs we strongly support this commitment and for the first time in its history, Web site visits outnumber telephone calls.

We continued our progress in three specific areas of interest. The first is the availability of Veterans Affairs Canada's electronic services and information with respect to its pensions and allowances, and health care programs through implementation of the Benefits and Health Services On-line, e-health assessment. The second area relates to on-line Remembrance of those who honourably served Canada. The third area involves improving access to reliable and up-to-date information from all levels of government information for seniors, their families, and caregivers through the inclusion of the Seniors Canada On-line Web site in the Collaborative Seniors' Portal Network.

This year, VAC has fielded the Benefits and Health Services On-Line e-health assessment to departmental and contract nurses, and also to occupational therapists. As well, the Department has implemented an On-Line Disability Pension Application for clients. This application process and the associated On-Line Status Inquiry are both provided to clients under the security and authentication services of the Government of Canada's Secure Channel.

The Canada Remembers Grave Tracking System (CRGT) is designed to manage Veterans Affairs Canada's 350,000 Veteran graves in Canada. This multi-year project began in 2004, and by the end of 2005, will have captured in the CRGT database all Veteran graves in Quebec and 80% of those in New Brunswick and Prince Edward Island.

The Canadian Seniors Portal Network (CSPN) is a unique service delivery model in that each member maintains their own unique Web presence. At the same time, the network will maintain an integrated view of programs and services funded by all three levels of government. Members commit to applying technical, content management, and business standards as a means of ensuring consistent, reliable, and up-to-date presentation of this information. Use of Really Simple Software (RSS), has been successfully tested with the City of Windsor to demonstrate the means by which CSPN member Web sites can effectively send and get information from other member sites within the CSPN. Implementation of this standard technical enabler will take place over the summer and fall 2005. Government On-Line funding has also enabled the completion of a CSPN National Strategy that facilitates an integrated, multi-channel service delivery network for Canadians.

The success of our Government On-Line initiatives could not be achieved without the collaborative efforts of the many partners who share the vision. This includes other federal government departments and agencies, provincial governments, municipalities, voluntary organizations such as the Royal Canadian Legion, and the private sector.



#### Web Site Access

- VAC Five-Year Strategic Plan 2001-2006
- VAC Human Resources Five-Year Strategic Plan 2002-2007  
<http://www.vac-acc.gc.ca/general/sub.cfm?source=department/reports>
- VRAB Strategic Plan 2003-2006  
[http://www.vrab-tacra.gc.ca/VRAB-TACRA\\_Documents.htm](http://www.vrab-tacra.gc.ca/VRAB-TACRA_Documents.htm)
- Government On-Line  
<http://www.vac-acc.gc.ca/general/sub.cfm?source=department/golrep/gol04/contact>
- Seniors Canada On-Line  
<http://www.seniors.gc.ca/index.jsp>
- Canadian Virtual War Memorial  
<http://www.vac-acc.gc.ca/remembers/sub.cfm?source=collections/virtualmem>

## Veterans Review and Appeal Board Program

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Strategic Outcome

Fairness in the Disability Pension and War Veterans Allowance Program.

Planned Spending (April 1, 2004, to March 31, 2005): \$10.7 million

Total Authorities Rec'd: \$11.0 million

Actual Spending 2004-2005: \$10.9 million

FTE's: 109  
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### What the Board is to accomplish and why it is important to Canadians:

The Veterans Review and Appeal Board (VRAB) is a quasi-judicial tribunal which operates independently of VAC, and provides avenues of redress to applicants, ensuring that each individual is treated fairly, efficiently, and in accordance with the appropriate legislation. Its Board Members are independent adjudicators who conduct hearings and issue written decisions which outline the reasons supporting the outcome.

The Board's program provides an appeal process for applicants who are dissatisfied with a service-related disability pension or War Veterans Allowance decision of VAC. This program gives applicants an option to dispute a decision made by the Government of Canada through an independent hearing of their claims and the opportunity to present testimony and documented evidence. Board Members, appointed by the Governor-In-Council, conduct hearings, examine the evidence presented, and issue written decisions in accordance with the legislation and the specific facts and circumstances of each case. The Board makes every effort to ensure applicants receive full and fair hearings that are conducted in a timely manner by a competent, specialized, and independent body of adjudicators.

### Expected Results:

#### *Intermediate outcomes*

To demonstrate fairness, competence, and excellence by providing independent, consistent and reasonable decisions that are grounded in law.

To provide applicants with an impartial and timely review of contested decisions through the appeal program.

#### *Immediate outcomes*

To provide Applicants with the benefits to which they are entitled under the legislation.

To ensure the redress process is accessible and fair.

**Priorities:**

Improved communication with appellants, staff, and stakeholders.

Improved service delivery.

Improved management structure and capacity.

Smooth transition.

**Performance Accomplishments:**

Throughout 2004-2005, the Board met its commitment to make improvements in all program areas. Communications were expanded through the introduction of an acknowledgement letter and information sheet for review and appeal applicants. Discussions were also held with representatives and stakeholders on operational issues. Web site publication of an annotated version of the *Pension Act* and the *Veterans Review and Appeal Board Act* provides summaries of decisions of the Board and the Federal Courts. It also enables applicants and representatives to better understand issues and the nature and extent of evidence that may be required.

During the year in review, the Board developed a transparent and rigorous assessment and selection process for Governor-In-Council appointed Members. The application and interview process will be used to provide a pool of qualified candidates for the Minister. However, while this process is being implemented, the Board has experienced a reduced cadre of Members, due to illness and expiration of terms, and has been challenged to maintain the level of hearings of previous years.

Case management has been refined to identify jurisdictional issues and challenges with a formal design and implementation plan being prepared. Development of a new Members' Training Program includes a more intensive study period for newly appointed Members and annual formal training for all Members. In addition, the research capability and resource information have been enhanced and materials documented in electronic format. Policy and information initiatives included the development of an Interest Decision Inventory, Federal Court summaries, and Practice Guidance which will benefit Members and representatives. Collectively, these measures strengthen the quality and consistency of decision making across the Board.

The Board has been impacted by several external factors influencing its operating conditions, including: a changing environment; an evolving client mix; complexity of medical conditions; pending implementation of new suite of programs and services for CF Veterans, members, and their families; and an introduction of the revised Table of Disabilities. Through this, the Board has been working toward balancing workload while ensuring training and new tools are available and provided in a timely manner.

The main priority for the Board is to carry out its mandate to render well-reasoned disability pension and War Veterans Allowance decisions fairly, efficiently, and in



## SECTION II- ANALYSIS OF PERFORMANCE BY STRATEGIC OUTCOME

accordance with the law while working toward implementing priorities identified within its 2003-2006 Strategic Plan.

The following chart summarizes the number of the Board's finalized decisions over the last three years.

Finalized Decisions	2002-2003	2003-2004	2004-2005
Reviews	5,213	5,015	4,911
Appeals	1,363	1,755	1,756
Reconsiderations	120	258	194
War Veterans Allowance	56	26	23
<b>Total</b>	<b>6,752</b>	<b>7,054</b>	<b>6,884</b>

The decrease in finalized decisions from the previous year is due to the number of Members available to convene hearings and the increased complexity of claims. At year end, 6,813 claims registered with the Board were in progress and had not reached the hearing stage. This number includes applications which may be withdrawn by applicants prior to scheduling a hearing, or at the time of their scheduled hearing.

At the Review hearing, the two factors weighing most heavily in changing a prior decision are the applicant's testimony and additional evidence or information that was not available at the previous level. At the Appeal hearing, the applicant may submit documented evidence and written information. On average, 56.6% of the finalized Review decisions and 28.8% of the finalized Appeal decisions, varied a previous ruling. Ninety per cent of the Review decisions were finalized within 31.3 days and 90% of Appeal decisions were finalized within 26 days, substantially meeting our public commitment to render a decision 30 calendar days following the date of the hearing.

When all Board redress avenues have been exhausted, applicants may apply to the Federal Court for a Judicial Review. In 2004-2005, twenty-five appellants filed an application with the Federal Court (less than 0.4% of the Board's 6,884 decisions). Of the seventeen rulings handed down by the Federal Court this year, seven applications were allowed and returned to the Board for rehearing and ten applications were dismissed. Three decisions were returned to the Board to be reheard pursuant to a Consent Order.

During the fiscal year, the Board has made significant progress in implementing its strategic priorities, improving practices and procedures, and collaborating with representatives on operational issues. All of these initiatives continue to benefit applicants and result in an improved redress process.



**Web Site Access**

**Veterans Review and Appeal Board:**

- About VRAB
- Contact Us
- Documents
- Frequently Asked Questions
- Service Commitment
- What's New

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

**SECTION III - SUPPLEMENTARY INFORMATION**

ORGANIZATIONAL INFORMATION

Veterans Affairs headquarters is located in Charlottetown, Prince Edward Island, with an office in Ottawa, Ontario. In addition, staff serve Canadians from 40 offices or service centres across Canada. VAC also operates Ste. Anne's Hospital in Ste. Anne-de-Bellevue, Quebec. The Board is located in Charlottetown and its members also serve Canadians at 40 locations throughout Canada.

Veterans Affairs is a Portfolio comprised of one Department (Veterans Affairs Canada) and one Board (Veterans Review and Appeal Board). This Board operates at arm's length to the Department and reports to Parliament through the Minister of Veterans Affairs.

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

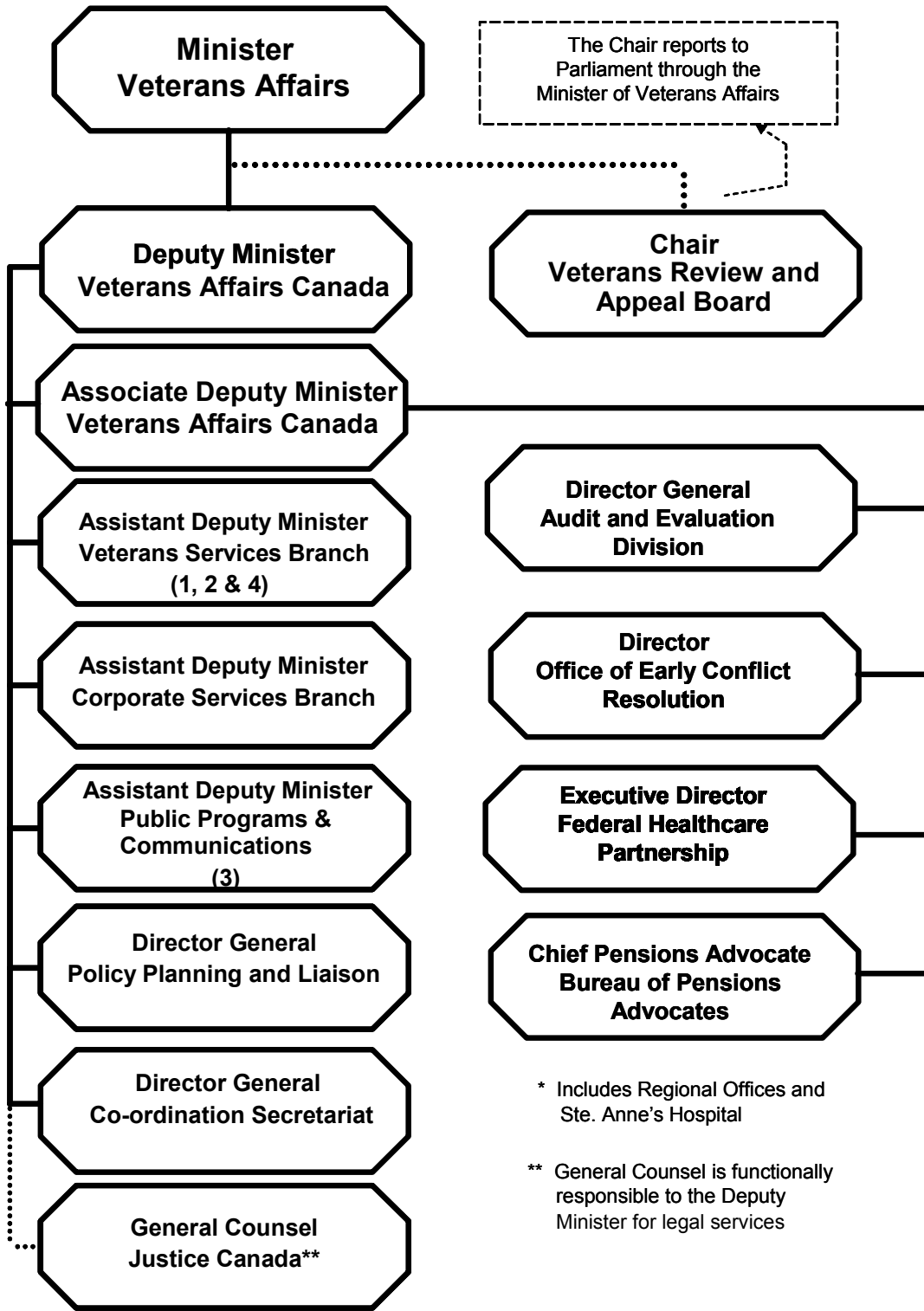
The Board is headed by a Chairperson who is the Chief Executive Officer and reports to Parliament through the Minister of Veterans Affairs. The Chairperson is supported by a Deputy Chairperson, an average of 30 full-time Governor-in-Council appointees, and a Director General.

*Senior Management Committees*

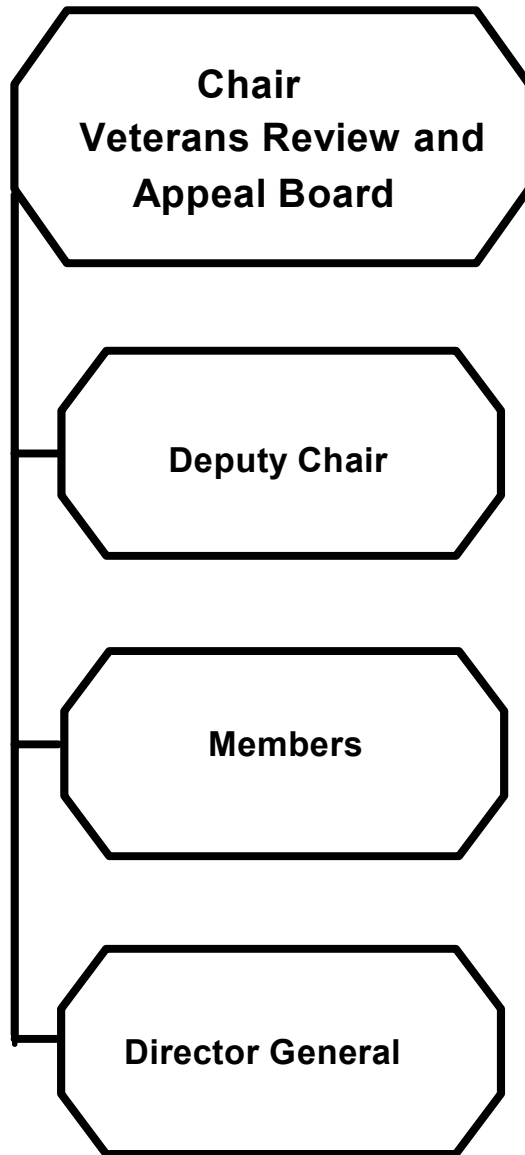
Veterans Affairs Canada's Senior Management Committee is the Departmental Executive Board (DEB).

SECTION III- SUPPLEMENTARY INFORMATION

*Veterans Affairs Canada Organization*



*Veterans Review and Appeal Board Organization*



**SECTION III- SUPPLEMENTARY INFORMATION**

**TABLE I: COMPARISON OF PLANNED TO ACTUAL SPENDING (INCLUDING FULL TIME EQUIVALENTS)**

(\$ millions)	2002-2003 Actual	2003-2004 Actual	2004-2005			
			Main Estimates	Planned Spending	Total Authorities	Actual
Benefits and Services	2,360.9	2,504.4	2,717.5	2,720.5	2,728.7	2,617.7
Corporate Administration	102.7	67.4	59.5	59.5	67.4	66.8
Veterans Review and Appeal Board	11.5	11.1	10.7	10.7	11.0	10.9
<b>Total</b>	<b>2,475.1</b>	<b>2,582.9</b>	<b>2,787.7</b>	<b>2,790.7</b>	<b>2,807.1</b>	<b>2,695.4</b>

<b>Total</b>	2,475.1	2,582.9	2,787.7	2,790.7	2,807.1	2,695.4
Less: Non-Respendable Revenue	29.4	34.8	29.7	29.7	29.7	39.2
Plus: Cost of services received without charge *	25.5	23.1	26.3	26.3	26.3	31.6
<b>Net cost of the Portfolio</b>	<b>2,471.2</b>	<b>2,571.2</b>	<b>2,784.3</b>	<b>2,787.3</b>	<b>2,803.7</b>	<b>2,687.8</b>

<b>Full Time Equivalents</b>	<b>3,501</b>	<b>3,459</b>	<b>3,376</b>	<b>3,376</b>	<b>3,421</b>	<b>3,463</b>
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\* Services received without charge usually include accommodation provided by PWGSC, the employer's share of employees' insurance premiums, and expenditures paid by TBS (excluding revolving funds), Workers' Compensation coverage provided by Social Development Canada, and services received from the Department of Justice Canada (see Table 4).

**SECTION III- SUPPLEMENTARY INFORMATION**

**TABLE 2: USE OF RESOURCES BY BUSINESS LINES**

2004-2005								
Business Lines	Budgetary (\$ millions)						Plus: Non-Budgetary	Total
	Operating	Capital	Grants and Contributions	Total: Gross Budgetary Expenditures	Less: Respendable Revenue	Total: Net Budgetary Expenditures	Loans, Investments and Advances	
<b>Benefits and Services Program</b>								
Main Estimates	749.2	33.3	1,935.0	2,717.5	-	2,717.5	-	2,717.5
<i>Planned Spending</i>	749.2	34.8	1,936.5	2,720.5	-	2,720.5	-	2,720.5
Total Authorities	771.7	18.4	1,938.6	2,728.7	-	2,728.7	-	2,728.7
<i>Actual Spending</i>	736.4	18.3	1,863.0	2,617.7	-	2,617.7	-	2,617.7
<b>Corporate Administration</b>								
Main Estimates	59.5	-	-	59.5	-	59.5	-	59.5
<i>Planned Spending</i>	59.5	-	-	59.5	-	59.5	-	59.5
Total Authorities	67.4	-	-	67.4	-	67.4	-	67.4
<i>Actual Spending</i>	66.8	-	-	66.8	-	66.8	-	66.8

**SECTION III- SUPPLEMENTARY INFORMATION**

2004-2005								
Business Lines	Budgetary (\$ millions)						Plus: Non-Budgetary	Total
	Operating	Capital	Grants and Contributions	Total: Gross Budgetary Expenditures	Less: Respendable Revenue	Total: Net Budgetary Expenditures	Loans, Investments and Advances	
<b>Veterans Review and Appeal Board Program</b>								
Main Estimates	10.7	-	-	10.7	-	10.7	-	10.7
<i>Planned Spending</i>	10.7	-	-	10.7	-	10.7	-	10.7
Total Authorities	11.0	-	-	11.0	-	11.0	-	11.0
<i>Actual Spending</i>	10.9	-	-	10.9	-	10.9	-	10.9



**SECTION III- SUPPLEMENTARY INFORMATION**

TABLE 3: VOTED AND STATUTORY ITEMS

Vote or Statutory Item	Truncated Vote or Statutory Wording	2004-2005 (\$ millions)			
		Main Estimates	Planned Spending	Total Authorities	Actual
1	Veterans Affairs Canada - Operating Expenditures	771.8	771.8	804.8	768.8
5	Veterans Affairs Canada - Capital Expenditures	33.3	34.8	18.4	18.3
10	Veterans Affairs Canada - Grants and Contributions	1,934.8	1,936.3	1,938.4	1,862.9
15	Veterans Affairs - Veterans Review and Appeal Board - Operating Expenditures	8.9	8.9	9.3	9.2
(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	0.2	0.2
(S)	Minister of Veterans Affairs salary and motor car allowance	0.1	0.1	0.1	0.1
(S)	Spending of proceeds from the disposal of surplus Crown assets	-	-	0.1	0.1

**SECTION III- SUPPLEMENTARY INFORMATION**

Vote or Statutory Item	Truncated Vote or Statutory Wording	2004-2005 (\$ millions)			
		Main Estimates	Planned Spending	Total Authorities	Actual
(S)	Refunds of amounts credited to revenues in previous years	-	-	-	-
(S)	Court awards	-	-	-	-
(S)	Losses on foreign exchange	-	-	-	-
(S)	Contributions to employee benefit plans	38.6	38.6	35.9	35.9
	<b>Total Portfolio</b>	<b>2,787.7</b>	<b>2,790.7</b>	<b>2,796.1</b>	<b>2,695.4</b>

- Note:
1. Operating includes minor capital and other health purchased services.
  2. Total authorities are Main Estimates plus Supplementary Estimates plus other authorities.
  3. Due to rounding, figures may not add to totals shown.

The above table summarizes the financial authorities and actual spending by Vote and Statutory Authority for the Veterans Affairs Program and the Veterans Review and Appeal Board Program.

Actual spending was \$100.7 million less than the total authorities due to a re-profiling of capital expenditures to future years and small percentage lapses in the Veterans Independence Program, Disability Pensions, and purchased health services due to a lower than forecast number of clients and reductions in special awards such as attendance allowances.

**SECTION III- SUPPLEMENTARY INFORMATION**

TABLE 4: NET COST OF DEPARTMENT

(\$ millions)	2004-2005
Total Actual Spending	2,695.4
<i>Plus: Services Received without Charge</i>	
Accommodation provided by Public Works and Government Services Canada (PWGSC)	14.3
Contributions covering employers' share of employees' insurance premiums and expenditures paid by TBS (excluding revolving funds)	16.1
Workers' compensation coverage provided by Social Development Canada	0.6
Salary and associated expenditures of legal services provided by Justice Canada	0.6
<i>Less: Non-Respendable Revenue</i>	
	39.2
<b>2004-2005 Net cost of Department</b>	<b>2,687.8</b>

### SECTION III- SUPPLEMENTARY INFORMATION

TABLE 5: CONTINGENT LIABILITIES

There are a number of individual and class action suits against the Government. Because of the complexity of the cases and the uncertainty of their outcomes at this stage, the estimation of contingent liability at this point would be highly speculative and could not be said to be a reasoned evaluation.

**SECTION III- SUPPLEMENTARY INFORMATION**

**TABLE 6: SOURCES OF NON-RESPONDABLE REVENUE**

(\$ millions)	Actual 2002- 2003	Actual 2003- 2004	2004-2005			
			Main Estimates	Planned Revenue	Total Authorities	Actual
<i>Veterans Affairs Program</i>						
<b>Benefits and Services</b>						
Ste. Anne's Hospital: In-Patient Charges to the Quebec Provincial Plan	18.3	17.5	15.7	15.7	15.7	15.7
Ste. Anne's Hospital: Dietary meals	0.3	0.3	0.4	0.4	0.4	0.3
Ste. Anne's Hospital: Domiciliary Care	5.3	5.3	5.0	5.0	5.0	4.2
Recovery of pensions from foreign governments	4.1	2.8	3.5	3.5	3.5	4.0
Refund of previous years, expenditures	5.7	8.6	5.0	5.0	5.0	14.8
Other	0.5	0.4	0.5	0.5	0.5	0.2
<b>Total Non- Responsible Revenue</b>	<b>34.2</b>	<b>34.9</b>	<b>30.1</b>	<b>30.1</b>	<b>30.1</b>	<b>39.2</b>

**SECTION III- SUPPLEMENTARY INFORMATION**

**TABLE 7: RESOURCE REQUIREMENTS BY BRANCH**

2004-2005 (\$ millions)					
Organization	Benefits and Services	Corporate Administration	Total Veterans Affairs Program	Veterans Review and Appeal Board	Total Portfolio
<b>Veterans Services Branch</b>					
Main Estimates	2,653.2	-	2,653.2	-	2,653.2
<i>Planned Spending</i>	2,654.2	-	2,654.2	-	2,654.2
Total Authorities	2,652.5	-	2,652.5	-	2,652.5
<i>Actual Spending</i>	2,555.3	-	2,555.3	-	2,555.3
<b>Public Affairs Branch (Public Programs &amp; Communications)</b>					
Main Estimates	49.6	3.5	53.1	-	53.1
<i>Planned Spending</i>	51.6	3.5	55.1	-	55.1
Total Authorities	54.1	3.8	57.9	-	57.9
<i>Actual Spending</i>	48.0	3.8	51.8	-	51.8
<b>Corporate Services Branch</b>					
Main Estimates	1.8	41.9	43.7	-	43.7
<i>Planned Spending</i>	1.8	41.9	43.7	-	43.7
Total Authorities	9.2	50.1	59.3	-	59.3
<i>Actual Spending</i>	2.3	50.4	52.7	-	52.7
<b>Executive Branch<sup>1</sup></b>					
Main Estimates	4.0	14.1	18.1	-	18.1
<i>Planned Spending</i>	4.0	14.1	18.1	-	18.1
Total Authorities	4.0	13.5	17.5	-	17.5
<i>Actual Spending</i>	3.4	12.6	16.0	-	16.0
<b>Bureau of Pensions Advocates</b>					
Main Estimates	8.9	-	8.9	-	8.9

<sup>1</sup> Executive Branch includes Executive Services, Audit and Evaluation, General Counsel, Office of Early Conflict Resolution, and Policy Planning and Liaison

**SECTION III- SUPPLEMENTARY INFORMATION**

2004-2005 (\$ millions)					
Organization	Benefits and Services	Corporate Administration	Total Veterans Affairs Program	Veterans Review and Appeal Board	Total Portfolio
<i>Planned Spending</i>	8.9	-	8.9	-	8.9
Total Authorities	8.9	-	8.9	-	8.9
<i>Actual Spending</i>	8.7	-	8.7	-	8.7
Veterans Review and Appeal Board					
Main Estimates	-	-	-	10.7	10.7
<i>Planned Spending</i>	-	-	-	10.7	10.7
Total Authorities	-	-	-	11.0	11.0
<i>Actual Spending</i>	-	-	-	10.9	10.9
Total Portfolio					
Main Estimates	2,717.5	59.5	2,777.0	10.7	2,787.7
<i>Planned Spending</i>	2,720.5	59.5	2,780.0	10.7	2,790.7
Total Authorities	2,728.7	67.4	2,796.1	11.0	2,807.1
<i>Actual Spending</i>	2,617.7	66.8	2,684.5	10.9	2,695.4

### SECTION III- SUPPLEMENTARY INFORMATION

TABLE 8: 2004-2005 USER FEE REPORTING TEMPLATE - *USER FEES ACT*

Veterans Affairs Canada charges fees at Ste. Anne's Hospital. During the 2004-2005 fiscal year, total fees collected amounted to \$21.1 million. All revenues generated are non-respondable and are credited to the Consolidated Revenue Fund. Below are details of our fee activities followed by our revenue figures from 2004-2005 through to 2007-2008.

#### Ste. Anne's Hospital: In-Patient Charges to the Quebec Provincial Plan (Other Goods and Services)

When a patient is admitted to Ste. Anne's Hospital for a condition that is related to a pensioned condition, VAC assumes all costs and, therefore, no costs are charged to the Government of Quebec. On the other hand, when a patient is admitted for a non-pensioned condition, the hospital charges a daily rate to the Government of Quebec for the type of care (chronic or acute care) that the patient received. VAC charged the Government of Quebec for these type of patients for a total of 135,686 patient-days in chronic care and 1,270 patient-days in acute care.

**Fee Setting Authority:** Letter received from Quebec's Department of Health and Social Services which specifies the amount that will be paid.

**Service Standard:** Medical, professional, nursing, and support services are delivered according to the standards and practices that prevail in the health care field.

**Performance Results:** In December 2002, the Canadian Council on Health Services Accreditation awarded Ste. Anne's Hospital the highest type of accreditation (three-year) that can be awarded to a health institution. Also, the Construction and Renovation Project at Ste. Anne's Hospital had an impact on the admission of patients due to the fact that the number of beds will decrease from 506 in April 2004, to 446 after the project. The admission of patients has to be managed in conjunction with the decrease in the number of beds available.

**Consultation and Analysis:** Daily rates are set by Quebec's Department of Health and Social Services at \$115 for chronic care and \$198 for acute care.

**Dispute Management Process:** As appropriate, conflicts are dealt with by telephone, correspondence, and/or meetings.

**Date Last Modified:** The daily rates have not changed since 1988-1989.



### SECTION III- SUPPLEMENTARY INFORMATION

#### Ste. Anne's Hospital: Dietary Meals (Other Goods and Services)

VAC charges fees to employees and visitors who use the cafeteria at the hospital to take their meals.

**Fee Setting Authority:** In accordance with current practices in the Quebec Health and Social Services network.

**Service Standard:** Service standards are based on the Sanitation Code for Canada's Food Service Industry and the Food Retail and Food Services Code, among others. Users' suggestions are assessed and implemented whenever possible.

**Performance Results:** Cafeteria users (employees and visitors) are asked to fill out periodic and ad-hoc surveys. A suggestion box is also available for users' comments.

**Consultation and Analysis:** The cost for employees is based on the rate established in Quebec provincial hospitals and mainly covers the cost of the ingredients included in the meal. As for the cost for visitors, it is based on the cost for employees, plus an increase (ratio) of between 1.10 and 1.75.

**Dispute Management Process:** Disputes about food are evaluated on a case-by-case basis. Further to the evaluation, if the user's request has merit, corrective measures are taken.

**Date Last Modified:** Last increase was effective April 1, 2004. Increase in cost of ingredients is taken into consideration.

#### Ste. Anne's Hospital: Domiciliary Care (Regulatory Service)

Accommodation and meal fees are not charged to patients admitted for a pensioned condition. However, when a patient is admitted for a non-pensioned condition, charges are levied to a maximum monthly fee of \$786.56 based on the patient's revenues and other considerations. In 2004-2005, approximately 420 beds were occupied by patients with non-pensioned conditions.

**Fee Setting Authority:** Veterans Health Care Regulations; P.C. 1990-1825; August 28, 1990.

**Service Standard:** Medical, professional, nursing, and support services are delivered according to the standards and practices that prevail in the health care field.

**Performance Results:** In December 2002, the Canadian Council on Health Services Accreditation awarded Ste. Anne's Hospital the highest type of accreditation (three-year) that can be awarded to a health institution. Also, the Construction and Renovation Project at Ste. Anne's Hospital had an impact on the admission of patients due to the fact that the number of beds will decrease from 506 in April 2004, to 446 after the project. The admission of patients has to be managed in conjunction with the decrease in the number of beds available.

**Consultation and Analysis:** The maximum monthly rate for accommodation and meal expenses is set by VAC to match the lower of the following two amounts: 1) the lowest monthly provincial user fee for accommodations and meals in effect on the previous July 1<sup>st</sup>; or 2) the maximum monthly rate applicable for accommodations immediately before October 1<sup>st</sup>, multiplied by the percentage representing the WVA rate for married persons in effect on July 1<sup>st</sup> of the current year compared with the WVA rate for married persons in effect on July 1<sup>st</sup> of the previous year. Residents are advised by letter of the new monthly rate they will be charged.

**Dispute Management Process:** As appropriate, conflicts are dealt with by telephone, correspondence, and/or meetings with residents or their representatives. Also, compensatory measures with regard to pensions may be taken and, if applicable, legal proceedings may be taken to arrive at a settlement.

**Date Last Modified:** The last increase for the monthly fee was October 1, 2003.

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The following is a summary of our actual and forecasted revenues for the period 2004-2005 through 2007-2008.

(\$ thousands)								
Actual Revenue	Forecast Revenue				Estimated Full Cost to Provide Good or Service			
2004-2005	2004-2005	2005-2006	2006-2007	2007-2008	2004-2005	2005-2006	2006-2007	2007-2008
<b>Ste. Anne's Hospital: In-Patient Charges to the Quebec Provincial Plan (Regulatory Service)</b>								
\$15,866	\$15,587	\$15,041	\$14,725	\$14,283	\$47,752	\$46,701	\$47,122	\$47,122
<b>Ste. Anne's Hospital: Dietary Meals (Other Goods and Services)</b>								
\$334	\$357	\$327	\$330	\$330	\$1,111	\$1,087	\$1,096	\$1,096
<b>Ste. Anne's Hospital: Domiciliary Care (Regulatory Service)</b>								
\$3,897	\$4,137	\$3,811	\$3,846	\$3,846	\$16,060	\$15,707	\$15,848	\$15,848
<b>Totals</b>								
\$20,097	\$20,081	\$19,179	\$18,901	\$18,459	\$64,923	\$63,495	\$64,066	\$64,066

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**TABLE 9: MAJOR REGULATORY INITIATIVES**

The following table summarizes the principle regulatory initiatives carried out under the responsibility of the Minister of Veterans Affairs during 2004-2005.

Regulations	Expected Results	Performance Measurement Criteria	Results Achieved
Regulations Amending the <i>Children of Deceased Veterans Education Assistance Regulations</i> , (SOR/2005-171)	<ul style="list-style-type: none"> <li>• Increase the maximum yearly grant for education costs of post secondary education to eligible students under the Education Assistance Program.</li> <li>• Index program to cost of living.</li> </ul>	<ul style="list-style-type: none"> <li>• Continued or increased level of access to the program after the amendment.</li> <li>• Comparison of cost of living with educational costs.</li> </ul>	<p>This initiative was advanced in fiscal 2004-2005, and the final regulatory stages will occur in 2005-2006.</p> <p>Approximately 50 students accessed the program in 2004-2005.</p>
<i>Veterans Burial Regulations</i> , 2005 (SOR/2005-200)	<ul style="list-style-type: none"> <li>• Integrate and harmonize Veterans Affairs' burial programs.</li> <li>• Formalize the partnership with the Last Post Fund for the delivery and administration fo the program.</li> <li>• Improve service quality</li> <li>• Extend program to certain war time overseas civilian groups.</li> <li>• Prescribe maximum assistance amounts.</li> </ul>	<ul style="list-style-type: none"> <li>• Level of simplicity of regulatory framework.</li> <li>• Simplified access point for client service.</li> <li>• Access of program by overseas civilians.</li> </ul>	<p>This initiative was substantially advanced in fiscal 2004-2005, through pre-publication providing an opportunity for Canadians to comment on the proposals. The final regulatory stages will occur in 2005-2006.</p>
Regulations amending the <i>Veterans Health Care Regulations</i> (SOR/2005-39)	<ul style="list-style-type: none"> <li>• Extends housekeeping and grounds maintenance services to primary caregivers of all Veterans who were receiving one, or both of these services, at the time of their death or at the time of their admission to a health care facility.</li> <li>• Enhanced fairness in Veterans Independence Program.</li> <li>• Improved access to Veterans Independence Program.</li> </ul>	<p>Removal of two restrictions: The requirement that the Veteran had passed away after August 1990, and the restriction preventing access to the primary caregiver while the Veteran is in a long-term care facility.</p>	<p>The amendments were registered on February 15, 2005, effectively removing the restrictions.</p> <p>These support the independence of Canada's Veterans and particularly target the needs of volunteer primary caregivers to those Veterans.</p>

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**TABLE 10: DETAILS ON PROJECT SPENDING**

(\$ millions)	Current Estimated Cost	Actual 2002-2003	Actual 2003-2004	2004-2005			
				Main Estimates	Planned Spending	Total Authorities	Actual
<b>Veterans Affairs Program: Benefits and Services Business Line</b>							
Quebec: Ste. Anne's Hospital Project (PPA)	67.7	2.8	4.9	25.1	26.1	16.4	16.3
Overseas: Canadian Battlefield Memorials Restoration Project (PPA)	30.0	3.0	3.3	9.2	9.7	3.0	2.9

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**TABLE II: DETAILS ON TRANSFER PAYMENTS PROGRAMS (TPPs)**

1) Name of Transfer Payment Program: Pensions and Allowances for Disability and Death (Voted)						
2) Start Date: 1919		3) End Date: Ongoing		4) Total Funding: Ongoing		
5) Description of Transfer Payment Program: Provide pensions for disability or death and related allowances to: members of the Canadian Forces and Merchant Navy Veterans who served in the First World War, the Second World War or the Korean War; certain civilians who are entitled to benefits because of their wartime service; former and serving members of the Canadian Forces (including those who served in Special Duty Areas); survivors and dependants of military and civilian personnel.						
6) Objective(s), expected result(s) and outcomes: Expected Result Qualified individuals receive the benefits and services in a fair and timely manner.						
7) Achieved results or progress made: Successfully met						
(\$ millions)	8) Actual Spending 2002-2003	9) Actual Spending 2003-2004	10) Planned Spending 2004-2005	11) Total Authorities 2004-2005	12) Actual Spending 2004-2005	13) Variances between 10 and 12
14) Benefits and Services						
Total Grants	1,465.2	1,533.3	1,628.1	1,628.1	1,583.1	45.0
Total Contributions	-	-	-	-	-	-
15) Total TPP	1,465.2	1,533.3	1,628.1	1,628.1	1,583.1	45.0
16) Comments on Variances: The variance relates to greater than anticipated savings from program expenditures for clients in receipt of special awards such as attendance allowance.						
17) Significant Evaluation Findings and URL to last evaluation: <a href="http://www.vac-acc.gc.ca/general/sub.cfm?source=department/reports/deptaudre">http://www.vac-acc.gc.ca/general/sub.cfm?source=department/reports/deptaudre</a>						

1) Name of Transfer Payment Program: Veterans Independence Program (Voted)						
2) Start Date: 1981		3) End Date: Ongoing		4) Total Funding: Ongoing		
5) Description of Transfer Payment Program: The Department's Veterans Independence Program is a national home care program that assists eligible clients to remain independent in their own homes or communities by offering a variety of programs and services, such as housekeeping, grounds maintenance, and personal care.						
6) Objective(s), expected result(s) and outcomes: Expected Results Clients are satisfied with the benefits and services provided to them. Veterans' needs are met either in long-term care facilities or at home.						

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7) Achieved results or progress made: Successfully met						
(\$ millions)	8) Actual Spending 2002-2003	9) Actual Spending 2003-2004	10) Planned Spending 2004-2005	11) Total Authorities 2004-2005	12) Actual Spending 2004-2005	13) Variances between 10 and 12
14) Benefits and Services						
Total Grants	-	-	-	-	-	-
Total Contributions	185.6	201.0	251.6	253.2	230.7	22.5
<b>15) Total TPP</b>	<b>185.6</b>	<b>201.0</b>	<b>251.6</b>	<b>253.2</b>	<b>230.7</b>	<b>22.5</b>
16) Comments on Variances:  The variance relates primarily to a lower than expected number of clients in receipt of benefits.						
17) Significant Evaluation Findings and URL to last evaluation: <a href="http://www.vac-acc.gc.ca/general/sub.cfm?source=department/reports/deptaurep">http://www.vac-acc.gc.ca/general/sub.cfm?source=department/reports/deptaurep</a>						

1) Name of Transfer Payment Program: War Veterans Allowance/Civilian War Allowance (Voted)						
2) Start Date: 1930		3) End Date: Ongoing		4) Total Funding: Ongoing		
5) Description of Transfer Payment Program:  The War Veterans Allowance is a form of financial assistance available to eligible Veterans, qualified civilians and their survivors, dependants and orphans. In recognition of war service, qualified persons are provided with regular, monthly income to meet basic needs. WVA is based on income, domestic status, and number of dependants. Recipients are paid at a single, married, or orphan's rate. Payments are indexed annually to the CPI. Eligibility for WVA is determined by the war time service of a Veteran or qualified civilian, age or health, income, and residency.						
6) Objective(s), expected result(s) and outcomes:  Expected Result  Qualified individuals receive the benefits to which they are entitled in a fair and timely manner.						
7) Achieved results or progress made: Successfully met						
(\$ millions)	8) Actual Spending 2002-2003	9) Actual Spending 2003-2004	10) Planned Spending 2004-2005	11) Total Authorities 2004-2005	12) Actual Spending 2004-2005	13) Variances between 10 and 12
14) Benefits and Services						
Total Grants	28.0	25.4	24.4	24.4	22.8	1.6
Total Contributions	-	-	-	-	-	-
<b>15) Total TPP</b>	<b>28.0</b>	<b>25.4</b>	<b>24.4</b>	<b>24.4</b>	<b>22.8</b>	<b>1.6</b>

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16) Comments on Variances:  The variance relates to the declining number of clients in receipt of WVA.
17) Significant Evaluation Findings and URL to last audit: <a href="http://www.vac-acc.gc.ca/general/sub.cfm?source=department/reports/deptaudrep">http://www.vac-acc.gc.ca/general/sub.cfm?source=department/reports/deptaudrep</a>

1) Name of Transfer Payment Program: Last Post Fund (Voted)						
2) Start Date: 1922		3) End Date: Ongoing		4) Total Funding: Ongoing		
5) Description of Transfer Payment Program:  The Last Post Fund (LPF) is a non-profit corporation which administers funeral, burial, and grave marking services for Veterans Affairs Canada. Veterans Affairs provides eligible Veterans and civilians with a dignified funeral and burial through the Last Post Fund.						
6) Objective(s), expected result(s) and outcomes:  Expected Result  Funeral, burial, and grave marking services provided to qualified Veterans.						
7) Achieved results or progress made: Successfully met						
(\$ millions)	8) Actual Spending 2002-2003	9) Actual Spending 2003-2004	10) Planned Spending 2004-2005	11) Total Authorities 2004-2005	12) Actual Spending 2004-2005	13) Variances between 10 and 12
14) Benefits and Services						
Total Grants	12.1	11.9	16.3	15.9	10.6	5.3
Total Contributions	-	-	-	-	-	-
15) <b>Total TPP</b>	<b>12.1</b>	<b>11.9</b>	<b>16.3</b>	<b>15.9</b>	<b>10.6</b>	<b>5.3</b>
16) Comments on Variances:  The variance relates to a declining number of payments for funerals and burials in relation to the established funding levels.						
17) Significant Evaluation Findings and URL to last audit: <a href="http://www.vac-acc.gc.ca/general/sub.cfm?source=department/reports/deptaudrep">http://www.vac-acc.gc.ca/general/sub.cfm?source=department/reports/deptaudrep</a>						

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1) Name of Transfer Payment Program: Commonwealth War Graves Commission (Voted)						
2) Start Date: 1917		3) End Date: Ongoing		4) Total Funding: Ongoing		
5) Description of Transfer Payment Program:  The Commonwealth War Graves Commission was established by Royal Charter in 1917. It's duties are to mark and maintain the graves of the members of the Forces of the Commonwealth who were killed in the two World Wars, to build memorials to those who have no known grave and to keep records and registers of the Canadian war dead. Veterans Affairs maintains Canadian war graves and cemeteries through a partnership with the Commonwealth War Graves Commission.						
6) Objective(s), expected result(s) and outcomes:  Expected Result  Cemetery and grave maintenance provided for Canadian war dead throughout the world.						
7) Achieved results or progress made: Successfully met						
(\$ millions)	8) Actual Spending 2002-2003	9) Actual Spending 2003-2004	10) Planned Spending 2004-2005	11) Total Authorities 2004-2005	12) Actual Spending 2004-2005	13) Variances between 10 and 12
14) Benefits and Services						
Total Grants	7.9	8.3	8.6	9.1	9.1	0
Total Contributions	-	-	-	-	-	-
15) <b>Total TPP</b>	<b>7.9</b>	<b>8.3</b>	<b>8.6</b>	<b>9.1</b>	<b>9.1</b>	<b>0</b>
16) Comments on Variances:  No variance reported.						
17) Significant Evaluation Findings and URL to last evaluation: There has been no evaluation in the past five years.						



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TABLE 12: RESPONSE TO PARLIAMENT COMMITTEES, AUDITS AND EVALUATIONS FOR F/Y 2004-2005

Response to Parliamentary Committees
<p>In May 2005, the Standing Committee on Public Accounts tabled its 11<sup>th</sup> report entitled: Chapter 4 (Management of Federal Drug Benefits Programs) November 2004, Report of the Auditor General to the House of Commons.</p> <p>The Committee has endorsed the Auditor General's recommendations designed to bring better coordination of the drug benefits programs, improve data collection and analysis, lower and contain costs, and upgrade claims processing systems. The Committee also recommended to members of the Federal Healthcare Partnership (FHP) the production of plans detailing the actions to be taken to implement the Auditor General's recommendations.<sup>1</sup></p> <p>Veterans Affairs Canada has responded to the Committee's request for action plans by tabling a plan at the February 2<sup>nd</sup> Committee hearing. The Department also took part in the production of a collective action plan (First Level Action Plan) under the aegis of the FHP.</p> <p>The Government response will be tabled before the House of Commons in September 2005. The production of a plan along with timetables and an evaluation framework will be part of the response. For reference to the Committee report, you may consult the following link:</p> <p><a href="http://www.parl.gc.ca/infocomdoc/38/1/parlbus/commbus/house/PACP/report/RP1832830//PACP_Rpt11/PACP_Rpt11_Pg03-e.htm#Veterans">http://www.parl.gc.ca/infocomdoc/38/1/parlbus/commbus/house/PACP/report/RP1832830//PACP_Rpt11/PACP_Rpt11_Pg03-e.htm#Veterans</a></p>

Throughout the year, there were a number of internal audits, evaluations, and responses to the Auditor General conducted across the Portfolio. Internal audits are objective examinations of evidence for the purpose of providing an independent assessment of the soundness of risk management strategies and practices, management control frameworks and practices, and information used for decision-making and reporting. Our evaluations improve the effectiveness of our programs and their delivery in two ways. First, they help our managers to design (or improve the design of) policies, programs, and initiatives. Second, they provide periodic assessments of policy or program effectiveness and information on impacts (both intended and unintended) and alternative ways of achieving expected results.

Program areas respond to all recommendations and observations raised in audit & evaluations through Management Responses and Management Action Plans. Audit & Evaluation further completes a follow-up process where documentation and other

1

The Federal Healthcare Partnership was established in 1994 to develop and implement a strategy to coordinate one federal government purchasing of health care services and products. Health Canada, Department of national Defence, Veterans Affairs, RCMP, Citizenship and Immigration, and Correctional Service Canada are all members of FHP.

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evidence provided, are examined to ensure actions within these program areas fully satisfy the recommendations raised. These steps are fulfilled before finally closing off the report.

Audit & Evaluation Division is also the central point of contact for all Office of the Auditor General (OAG) activities. AED staff manage reporting to the OAG, and notify and work with the program areas to develop action plans and responses to any OAG observations or recommendations. This includes reports to parliament as well as the annual audits of the financial public accounts statements and the sustainable development strategy.

<b>Internal Audits or Evaluations</b>	
<i>INTERNAL AUDITS</i>	<b>Completion Date</b>
<i>Occupational Health and Safety Audit Report</i> - To review the Department's management practices for soundness and compliance with the intent and requirements of applicable legislation, policy, and directives.	April 2004
<i>Ste. Anne's Hospital Modernization Project Audit Framework</i> - To provide independent assurance that project management is consistent with established project management frameworks; risk management strategies and plans are in accordance with the Government's Integrated Risk Management Framework; and key project milestones and activities are completed as planned and reported.	April 2004
<i>Federal Health Care Processing System (FHCPS) Release 3 Implementation Review</i> - To review and assess the implementation of Release 3 (VIP) of FHCPS. Conducted in support of OAG Public Accounts Audit.	October 2004
<i>EVALUATIONS</i>	
<i>Veterans Independence Program Baseline Study</i> - To take a snapshot of VIP payment processing prior to the change-over to the Federal Health Claims Processing System to allow for a comparison after its implementation.	April 2004
<i>Volume 1 of the Disability Pension Program Evaluation</i> - To assess the relevancy of this program, address client impact, and provide input to future program design.	October 2004
Our internal evaluations and audits can be found on the following website: <a href="http://www.vac-acc.gc.ca/general/sub.cfm?source=department/reports/deptaudrep">http://www.vac-acc.gc.ca/general/sub.cfm?source=department/reports/deptaudrep</a>	

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Response to the Office of the Auditor General (OAG)	Completion Date
<p><i>Management of Federal Drug Benefit Programs</i> - This audit examined the federally sponsored drug benefit programs of six federal organizations including VAC. Although the OAG's work included following up on audits completed between 1996 and 2000 in Health Canada and Veterans Affairs Canada, most of the work focussed on more recent activities. The OAG examined and analyzed:</p> <ul style="list-style-type: none"> <li>- The mandates of the organizations and the various programs' eligibility rules;</li> <li>- The management controls for claim payments in each program including a review of the contracts between the organizations and the claims processors;</li> <li>- The formularies as well as the mandate and proceedings of the Federal Pharmaceutical and Therapeutics Committee;</li> <li>- Drug use and transaction databases.</li> </ul> <p>Additional information and a full list of observations and findings can be found on the OAG website:</p> <p><a href="http://www.oag-bvg.gc.ca/domino/reports.nsf/html/20041104ce.html#ch4hd3a">http://www.oag-bvg.gc.ca/domino/reports.nsf/html/20041104ce.html#ch4hd3a</a></p> <p><b>Response:</b> The response to this report was completed as a common government response through the six departments. The overall government response was as follows:</p> <p>"The organizations agree with all of the recommendations. The recommendations support and build on the commitments of the First Ministers to develop and implement a National Pharmaceutical Strategy to address concerns faced by all jurisdictions. The Strategy provides the foundation for new approaches to promote cost-effective drug use and system efficiency, to the advantage of clients and taxpayers. The organizations are committed to ongoing collaboration in the development and implementation of the Strategy. Decisions on the specifics and timing of the responses are underway and will be communicated to the Office of the Auditor General within a few months."</p>	<p>November 2004 Chapter 4</p>

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Response to the Office of the Auditor General (OAG)	Completion Date
<p><i>A Status Report - Managing Government: Financial Information</i> - Since the December 2001, Report, Chapter 1, Financial Information Strategy: Infrastructure Readiness, the OAG has continued to evaluate certain financial controls governing selected computer information systems, along with the related management and monitoring controls. Their objective was to determine the extent to which the selected financial internal controls of various departments and agencies (including VAC) were sufficient to contribute to the safeguarding of assets and the accuracy, completeness, and proper authorization of financial information related to the audit of the summary financial statements of the Government of Canada. The scope of the OAG's work was neither designed nor sufficient to express an opinion as to the effectiveness or efficiency of all internal controls within the selected departments and agencies nor to compare one entity's progress against another.</p> <p>Additional information and a full list of observations and findings can be found on the OAG website:</p> <p><a href="http://www.oag-bvg.gc.ca/domino/reports.nsf/html/20050208aa_e.html">http://www.oag-bvg.gc.ca/domino/reports.nsf/html/20050208aa_e.html</a></p> <p><b>Response:</b> The response to this report was completed as a common government response through the departments. The Treasury Board Secretariat provided the official overall government response as follows:</p> <p>"The Treasury Board of Canada Secretariat agrees with the recommendations, and the responses in the chapter describe current or planned actions to address the recommendations. The Treasury Board Secretariat is also pleased that the Auditor General has recognized the positive steps that have been taken in response to previous recommendations. It is confident that recent measures taken to strengthen financial management and control will provide a solid foundation for the future. The reinstatement of the Office of the Comptroller General along with the appointment of a new Comptroller General and professionally accredited departmental comptrollers will bring renewed focus to those areas where progress is needed."</p>	<p>February 2005 Chapter 8</p>

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Response to the Office of the Auditor General (OAG)	Completion Date
<p>2004 Report of the Commissioner of the Environment and Sustainable Development Chapter 3 – Sustainable Development Strategies: Using the Tax System and Managing Office Solid Waste - The objective of this audit was to assess the progress made by seven federal departments and agencies on specific commitments made in their 2001 sustainable development strategies.</p> <p>Additional information and a full list of observations and findings can be found on the OAG Web site:</p> <p><a href="http://www.oag-bvg.gc.ca/domino/reports.nsf/html/c20041003ce.html#ch3hd3a">http://www.oag-bvg.gc.ca/domino/reports.nsf/html/c20041003ce.html#ch3hd3a</a></p> <p><b>Response:</b> The response to this report was completed as a common government response through the seven departments as follows:</p> <p>“Over the past decade, the government has taken steps to manage its office solid waste by implementing several innovative recycling programs and reduction and reuse initiatives. The government recognizes the need to continue and enhance implementation of 3Rs initiatives and to further develop common performance measurement and reporting. Working through the Sustainable Development in Government Operations (SDGO) initiative, the government initiated aggregate reporting with the first Greening the Federal House report.</p> <p>Expertise related to environmental management, waste reduction, waste diversion, and green procurement exists within a number of federal organizations. Also, implementation of specific waste management initiatives often requires a partnership with municipalities and private-industry. The Privy Council Office will work with these departments to facilitate co-ordination and effective horizontality.</p> <p>Work is underway with the Treasury Board Secretariat and key Sustainable Federal House in Order (SFHIO) departments to develop a performance management framework for sustainable operations. (The SFHIO is the governance structure integrating the SDGO and Federal House in Order initiatives.) That framework will identify the following themes: built environment, green procurement, land use management, transportation, water conservation and waste water management, and solid waste management. Once the theme of solid waste management is fully developed, the accountability, performance, and measurement requirements of this operational aspect will be defined in time to provide guidance for the next round of sustainable development strategies due in 2006.</p> <p>Environmental management systems (EMSs) provide departments and agencies with a tool to systematically address all aspects of their operations from an environmental perspective. An EMS also allows departments and agencies to use a risk management approach to managing their operations,</p>	<p>Fall 2004 (Annual Review)</p>

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Response to the Office of the Auditor General (OAG)	Completion Date
<p>dealing with those aspects which they determine have a more significant negative impact upon the environment. The government will continue to strengthen these mechanisms.</p> <p>Existing mechanisms are in place outlining the roles of deputy-heads. Using a risk management approach, the government will continue to work in a co-ordinated and strategic manner to ensure that its operations are managed effectively from an environmental perspective.</p> <p>The application of the SFHIO Performance Management Framework will ensure that progress is reviewed and reported. In the interim, work is under way to produce the next version of the government's aggregate report, Greening the Federal House, to be completed by Summer 2005."</p>	

TABLE 13: SUSTAINABLE DEVELOPMENT STRATEGY

At Veterans Affairs, sustainable development is more than achieving a sustainable balance at the crossroads of our environment and economy. It is about ensuring that we continue to be able to deliver the vital programs and services our clients rely on every day.

Our level of dedication to sustainable development throughout the Veterans Affairs Portfolio is a reflection of the deep respect and admiration for those that served us so well in times of conflict and peace. Canada's service men and women have given all Canadians much to sustain. As temporary stewards, our duty must be to preserve the wealth and heritage they have bestowed upon us, for the benefit of those today, and generations yet to come.

Within our 2004-2006 Sustainable Development Strategy (SDS), we have emphasized the importance of continuing in the direction we set, by validating and enhancing the four themes from our earlier Strategy and identifying concrete objectives, targets and milestones to support these themes. Each of these themes (Sustaining Our Government Operations; Sustaining Knowledge and Information; Sustaining the Health and Well-Being of Our Clients; and Sustaining the Health and Well-Being of Our Staff) supports the Portfolio's strategic outcomes through their focus on the needs of Veterans and other clients in the communities and environments in which they live.

Our SDS contains an Action Plan of objectives and targets for the Portfolio. In the past year we have made good progress in our journey. To view our progress against these targets, visit "*Our Sustainable Development Journey*" at <http://www.vac-acc.gc.ca/general/sub.cfm?source=department/reports/sds2004/sdsjourney03>



**Web Site Access**

- 2004-2006 Sustainable Development Strategy
- 2001-2004 Sustainable Development Strategy
- Our Sustainable Development Journey

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

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**TABLE 14: SERVICE IMPROVEMENT INITIATIVE**

The Government of Canada's Service Improvement Initiative was launched in 2000 with the goal of achieving, from a citizen-centred perspective, a minimum 10% increase in client satisfaction by 2005. In order to measure client satisfaction with VAC's programs and services, reliable baseline survey data (using the Common Measurement Tool) was compiled from VAC's 2001 National Client Satisfaction Survey results. This data provided a benchmark for measurement of client satisfaction ratings in future years. It also provided a foundation for the development of a comprehensive Service Improvement Plan. VAC's *Service Improvement Plan and Compendium of Action Plans 2002-2005* encompass all of VAC's programs and services relating to pensions for disability and death, economic support, health care benefits, and remembrance activities. Over 200 initiatives, which target both front-line and internal activities for service improvement, are identified in this Service Improvement Plan.

In 2003 and 2005, VAC conducted national client satisfaction surveys to measure our progress since 2001. Through all three surveys, VAC consistently maintained overall client satisfaction ratings in the mid-80's range. Given these already high client satisfaction ratings, VAC's objective has been to maintain the level of client satisfaction on service elements that received ratings of 90% or higher, and continue to improve upon service elements where ratings were less than the overall client satisfaction rating.

For comparison purposes, the survey questions have remained relatively unchanged over the years. However, the 005 format had a few notable differences. For the first time, the RCMP (still-serving and retired) participated in the national client satisfaction survey. As well, questions relating to VAC's Health Care Identification Card and the recently established National Client Contact Network were included.

The chart below summarizes VAC's overall client satisfaction rating since 2001 by client group. Client groups were equally distributed and the sample surveyed included clients both in receipt of benefits and services and those who were declined a benefit or service.

Client	2001	2003	2005
<b>Overall Level of Satisfaction</b>	<b>85%</b>	<b>87%</b>	<b>84%</b>
War Service Veterans	89%	90%	<b>88%</b>
CF Veterans/Clients	72%	80%	<b>77%</b>
Survivors	84%	86%	<b>84%</b>
RCMP	--	--	<b>83%</b>
<b>Number of Clients Surveyed</b>	<b>1,204</b>	<b>1,447</b>	<b>1,604</b>

In addition to the measurement of client satisfaction, the Service Improvement Initiative involves the setting of service standards and the measurement of performance against these standards. VAC's service standards were initially published in 1995, in its *At Your*



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*Service* brochure. This brochure was updated in 1998 and again in 2005. Measurement of performance against these standards will take place during 2005-2006 and be reported in VAC's next performance report.

Service gaps identified in VAC's national client satisfaction surveys and its strategic priorities, guide the Department in its commitment to continuous service improvement. This has been demonstrated through initiatives that the Department has undertaken to meet the needs of its Veterans and other clients. For example, the Integrated Service Delivery Framework has greatly contributed to the Department's efforts to provide consistent exemplary client service delivery across the country, allocate financial and human resources where they are most needed, and set clear service expectations for both clients and VAC staff. VAC's Service and Program Modernization Task Force has taken a number of steps to begin the process of modernizing VAC's programs and services to better serve our younger CF members and Veterans.


Although progress has been made in improving the delivery of our service, it is recognized that there are opportunities for improvement. The following chart summarizes VAC's overall client satisfaction ratings (by element of service) for all three of VAC's national client satisfaction surveys. Of the 23 elements of service shown below, in our most recent survey for 2005, seventeen elements are rated above 80% (five of which are above 90%). The elements requiring improvement are mainly clustered in the "Access to Services" category. "Service Offered by Staff" is mostly rated in the high 80's to mid-90's. "Communications on Programs and Services" indicate a wide range of client satisfaction from a low of 75% to a high of 97%.

Element of Service	Client Satisfaction Rating		
	2001	2003	2005
<b>Access to Services</b>			
Hours of service	93%	90%	86%
Methods of contact available	90%	89%	82%
Ease of access by telephone	89%	84%	76%
Waiting time for an appointment	85%	83%	82%
Waiting time on telephone	79%	81%	76%
Waiting time to receive a written decision	70%	70%	71%
Location	91%	89%	81%
Signs and directions to office locations	87%	86%	78%
Ease of access to buildings	92%	89%	88%
Parking	79%	70%	74%

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Element of Service	Client Satisfaction Rating		
	2001	2003	2005
<b>Service Offered by Staff</b>			
Courtesy of staff	96%	96%	95%
Respect and dignity given to clients	95%	95%	93%
Helpfulness and willingness to go the extra mile	90%	91%	86%
Fair and equitable treatment	89%	90%	89%
Staff knowledge of programs and services	87%	89%	89%
Sensitivity of staff to issues	86%	87%	89%
Protection of privacy/confidentiality of information	94%	95%	95%
<b>Communications on Programs and Services</b>			
Service offered in official language of choice	97%	97%	97%
Clarity of verbal communication	95%	96%	94%
Clarity of written communication	92%	89%	85%
Questions being answered	85%	86%	81%
Information on applying for/or accessing a benefit or service	82%	84%	81%
Ease in finding information on programs and services	78%	80%	75%

VAC is committed to continuous service improvement in all of its initiatives and day-to-day activities. Our service standards and national client satisfaction surveys are useful tools in gauging our progress in improving the service we deliver. Measurement of these service standards and analysis of the results of our regular national client satisfaction surveys indicate, from a client's perspective, where we are doing well and where there are opportunities for improvement. It is through the pursuit of these opportunities that VAC continues to adapt to the changing needs of our Veterans and other clients.



**Web Site Access**

**Veterans Affairs Canada's Service Improvement Initiative:**

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

**Veterans Affairs' Service Standards:**

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

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TABLE 15: TRAVEL POLICIES

The Veterans Affairs Portfolio follows and uses TBS Travel policies parameters.

TABLE 16: FUEL STORAGE TANK

*Status of Fuel Storage Tanks on (appropriate federal department)-owned Land*

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As required under the CEPA, Part IV, *Registration of Storage Tank Systems for Petroleum Products and Allied Petroleum Products on Federal Lands Regulations*, this report provides the information set out in Schedule II of the aforementioned regulation, updated to December 31, 2004.

**The following number of *aboveground* storage tank systems:**

Are registered with (appropriate federal department): **9**

Comply with the *Federal Aboveground Storage Tank Technical Guidelines*: **9**

Do not comply with the *Federal Aboveground Storage Tank Technical Guidelines*: **0**

**The following number of *underground* storage tank systems:**

Are registered with (appropriate federal department): **0**

Comply with the *Federal Underground Storage Tank Technical Guidelines*: **0**

**SECTION IV - OTHER INFORMATION**

CONTACT US

GENERAL INQUIRIES

If you wish to make a general inquiry about Veterans Affairs Canada, its programs or services, please call 1-866-522-2122. If you wish to make a general inquiry about the 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 Report on Plans and Priorities, 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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