

PUBLIC WORKS AND GOVERNMENT SERVICES CANADA

# DEPARTMENTAL PERFORMANCE REPORT



2005 – 2006 ESTIMATES

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**The Honourable Michael M Fortier**  
Minister of Public Works and Government Services  
Receiver General for Canada



Public Works and  
Government Services  
Canada

Travaux publics et  
Services gouvernementaux  
Canada

Canada





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## *MINISTER'S MESSAGE*

I am pleased to present the Departmental Performance Report for the period ending March 31, 2006, for Public Works and Government Services Canada.

This government made a commitment to Canadians during the 2006 election to strengthen accountability and restore public confidence in the fairness and integrity of the Government of Canada. That is why the early days of our mandate were focused on developing and introducing the *Federal Accountability Act* and Action Plan. My department played a key role in developing a number of initiatives in support of this important legislation and the accompanying Action Plan, which were introduced in April 2006.

During the past fiscal year my department also continued to make important progress on its major transformation – *The Way Forward* – designed to deliver services smarter, faster and at reduced cost.

In procurement, we began to simplify the way we buy goods and services to make it easier for Canadians and the private sector to do business with the government. We also launched the Office of Small and Medium Enterprises to help small and medium business suppliers compete for government business.

In real property, we began to rigorously apply fit-up standards for government offices and reduce the average amount of office space per employee.

In information technology, we made significant progress on the Shared Travel Services Initiative and the Secure Channel.

To improve the overall environmental performance of the federal government, we established the Office of Greening Government Operations.

PWGSC also introduced a number of management improvements to enhance accountability, transparency and integrity. We adopted more rigorous financial management controls and established clear accountabilities across all our business lines. We created an Office of the Chief Risk Officer to strengthen our internal risk management measures. We continued to make progress on both our ethics program and Ten-Point Integrity Plan.

While our department has accomplished much of which to be proud, we recognize that much work still lies ahead. Canadians can rest assured that we remain deeply committed to the task.



**The Honourable Michael M Fortier**



# ***MANAGEMENT REPRESENTATION STATEMENT***

I submit, for tabling in Parliament, the 2005-2006 Departmental Performance Report (DPR) for Public Works and Government Services Canada.

This report has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2005-2006 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*. The report:

- adheres to the specific reporting requirements outlined in the TBS guidance;
- is based on the department's approved Program Activity Architecture;
- presents consistent, comprehensive, balanced and reliable information;
- provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- reports finances based on approved numbers from the Estimates and the Public Accounts of Canada.



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**I. David Marshall**  
**Deputy Minister of Public Works and Government Services**



# DEPARTMENTAL OVERVIEW

## Our Raison d'être

Our *raison d'être* is to ensure optimum value to the government and to Canadians in the provision of common, central and shared services. Through the delivery of our core services, Public Works and Government Services Canada (PWGSC) enables other government departments and agencies to deliver on their mandates.

## PWGSC's Value Proposition

During 2005-2006, PWGSC focused on the strategic areas that government and client organizations have indicated they value. These are reflected in PWGSC's five-point Value Proposition.

- **Strengthening Management and Public Confidence** – PWGSC operates with appropriate checks and balances to strengthen public confidence in government operations by improving the accountability, efficiency and transparency of our operations.
- **Increasing Savings and Productivity** – As the common, central and shared services provider for government, PWGSC responds to the needs of government while devising strategies to yield significant savings and productivity improvements on behalf of client departments and Canadians.
- **Delivering Quality Services** – PWGSC aims to deliver quality goods and services to our clients, at the right quantity, price and time. In so doing, we educate our stakeholders and devise frameworks to strike a balance among their needs and those of government as a whole.
- **Supporting the Government's Strategic Agenda** – Most of government's strategic priorities require PWGSC participation. For example, PWGSC supports the *Federal Accountability Act* and Action Plan, by augmenting sound management of government polling and advertising, and ensuring that

### PWGSC at a Glance\*

- Accommodated 235,000 federal employees across Canada and manages 6.8 million square metres of space in about 1,840 locations.
- Administered annual payments in excess of \$460 million under the Payments in Lieu of Taxes Program to approximately 1,300 local taxing authorities.
- Purchased over \$10 billion worth of goods and services and managed 60,000 transactions.
- Enabled Canadians to access 130 federal government services on-line in a secure manner.
- Handled \$1.5 trillion in Receiver General cash flow, involving 240 million payments in 200 countries.
- Administered compensation for 300,000 government pay accounts and 328,000 pensioner accounts.
- Provided \$100 million in audit and consulting services.
- Provided \$200 million annually in translation into 100 languages, interpretation in 40 languages, terminology and technolinguistics.
- Provided \$150 million in telecommunications and informatics services.

\*as of March 31, 2006

government procurements are fair and transparent. PWGSC is committed to ensuring that small and medium enterprises receive due consideration for government contracts. PWGSC is also committed to leading government-wide efforts in the greening of the federal government's operations.

- **Delivering Major Projects of National Importance** – PWGSC focuses on results in providing professional capacity for managing complex and high-value projects of national importance such as military procurement.

## Our Business

PWGSC has an annual budget of about \$4.5 billion and employs approximately 12,500 people. It is the government's principal real property manager and steward, central purchasing agent, banker and accountant. It also provides services in the areas of





payroll and pensions, information technology, translation, audit, communications, consulting, industrial security and shared administrative systems. In addition, PWGSC has a leadership role in the Government On-Line (GOL) initiative and in the greening of government operations.

PWGSC provides its services in a professional, innovative, efficient and effective manner. It ensures that transparent and independent checks and balances are carried out to safeguard the management of public funds.

## ***Strategic Outcomes***

PWGSC plays a key role in providing the core infrastructure and services needed for the delivery of the government's agenda and for responding to the evolving needs and expectations of Canadians. To conduct our business and guide our department's transformation, we are focusing on two strategic outcomes: Quality Services and Sound Stewardship.

**Quality Services:** The delivery of *quality services* is central to PWGSC's vision as a "centre of excellence" in the provision of common, central and shared services to federal departments and agencies. However, the concept of *quality services* goes beyond providing effective support to clients: it also means generating savings and improving performance on a government-wide basis for the benefit of all Canadians.

PWGSC adds value by exploiting economies of scale and providing specialized expertise to support public servants across the country. The department also provides benefits to Canadians through the strategic role it plays in building the country's electronic, information, physical and translation infrastructures.

**Sound Stewardship:** PWGSC's second strategic outcome, *Sound Stewardship*, stems from its responsibility to retain the capacity to offer needed services well into the future in a manner that

inspires public trust. This means safeguarding the assets entrusted to the department, including the skills and knowledge of its employees as well as its physical infrastructure and systems.

*Sound Stewardship* safeguards the public trust by ensuring that our work is done in accordance with high standards of accountability, transparency, prudence, probity, consistency and fairness.

## ***Our Expenditure and Savings Summary***

The *PWGSC Expenditure Summary for 2005-2006* (Figure 1) presents the expenditures for PWGSC (i.e., Government Services Program) by our seven key government service areas: Real Property; Acquisitions; Information Technology; Receiver General and Public Service Compensation; Government Information Services; Business Integration; and Special Operating Agencies.

In addition to the standard delivery of its services, PWGSC is leading a government-wide effort to reduce the cost of procurement and real property. PWGSC is planning and leading initiatives expected to produce several billion dollars in government-wide savings for taxpayers.

A summary of *Expected Government-wide Net Savings* is provided in Figure 2. In 2005-2006, PWGSC substantially exceeded its target government-wide net savings of \$177 million. We contributed to government and Canadians an estimated \$229 million in net savings (\$69 million in acquisitions and \$160 million in real property).





**Figure 1 PWGSC Expenditure Summary for 2005-2006**

<b>Government Services Program</b>	<i>Raison d'être---to ensure optimum value to government and Canadians in the provision of common, central and shared government services</i>			
	<b>Quality Services</b>	<b>Sound Stewardship</b>		
<b>Government Services</b>	<b>Service</b>	<b>Planned Spending 2005-2006</b>	<b>Total Authorities</b>	<b>Actual Spending 2005-2006</b>
<b>Note: See Section III for financial details.</b>	Real Property	2,004	1,830	1,701
	Acquisitions	179	246	231
	Information Technology	154	317	297
	Receiver General and Public Service Compensation	167	180	172
	Government Information Services	49	63	60
	Business Integration	34	26	22
	Special Operating Agencies	53	53	44
	<b>Total Spending</b>	<b>2,641</b>	<b>2,714</b>	<b>2,528</b>
	<b>Total FTEs</b>	<b>12,945</b>	<b>12,819</b>	<b>12,483</b>
	<i>Totals may not add up due to rounding</i>			

**Figure 2 Expected Government-wide Net Savings**

<b>Priority (New Savings)</b>	(\$ millions)					<b>Total</b>
	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	
Real Property	150	150	170	255	300	1,025
Acquisitions	59	184	513	711	748	2,215
Shared Travel Services Initiative		20	85	130	140	375
Investments	(32)	(58)	(46)	(28)	(26)	(190)
<b>Total per Year</b>	<b>177</b>	<b>296</b>	<b>722</b>	<b>1,068</b>	<b>1,162</b>	<b>3,425</b>
<b>Note: The achievement of \$3.4 billion in government-wide savings will require the full commitment of our colleague departments and policy-making agencies.</b>						

## *PWGSC Performance Context*

As a common service organization, PWGSC must satisfy clients' requirements for timely and responsive services, while simultaneously ensuring full compliance with central agency policies. In addition, to meet the Expenditure Review goals for government-wide savings, PWGSC implemented year one of its five-year business transformation agenda, while responding to other challenges in its environment.

## *Business Transformation Agenda*

The department is currently leading a five-year transformation of its business, known as *The Way Forward*. It aims to find innovative ways of delivering services smarter, faster and at reduced cost, while preserving the confidence of Canadians in the integrity and fairness of the Government of Canada by acting in an open and transparent manner.



*The Way Forward* has established a specific target of generating government-wide savings of \$3.4 billion over five years:

- \$2.5 billion in the area of acquisitions by strategically managing and improving government procurement of goods and services; and
- \$925 million in the area of real property by managing properties more effectively and improving the application of standards for office space.

In addition, the business transformation agenda includes a wide range of initiatives aimed at improving the management and stewardship functions of PWGSC, including:

- enhancing capacity for managing risk and tracking performance;
- moving toward a shared services model in the area of Information Technology (IT); and
- greening of government operations.

In its first year of implementation, *The Way Forward* transformation agenda has met some challenges. These included the need to implement a new framework for acquisitions, to develop new tools and systems, to forge new relationships with client organizations, to provide extensive training and to undertake a degree of organizational restructuring.

PWGSC has also faced a number of operational challenges such as: replacing aging technology and buildings requiring long-term capital and service delivery plans; and HR succession planning concerns associated with the recruitment, training and retention of specialists in finance, audit, information technology and procurement.

## ***Performance Results***

To meet the challenges posed by implementing its transformation agenda, while continuing to deliver *quality services with sound management* and

stewardship, PWGSC focused on four priorities in 2005-2006:

- A. Strengthening Accountability and Transparency;
- B. Implementing the Business Transformation Agenda;
- C. Supporting the Government's Strategic Agenda; and
- D. Delivering Major Projects of National Importance.

### ***A) Strengthening Accountability and Transparency***

In 2005-2006, PWGSC undertook a number of initiatives to strengthen accountability and transparency, manage risk and ensure a culture of integrity.

Central to these efforts, the department created the position of Chief Financial Officer to strengthen its financial management and accountability. In addition, PWGSC established the Office of the Chief Risk Officer (OCRO) to:

- develop and implement an Integrated Risk Management Framework across the department;
- establish mechanisms to address potential wrongdoing under the *Public Servants Disclosure Protection Act*; and
- help ensure fairness in contracting.

PWGSC notably improved its compliance rate on access to information requests to 92.4 percent, a 10-percent improvement over the previous year.

Accountability within the Real Property Branch was strengthened by establishing a National Service Level Agreement and signing a Memorandum of Understanding with its parliamentary partners.

Furthermore, the department continued to strengthen advertising and public opinion research coordination, reinforcing accountability and transparency in its technical coordinating authority role for these activities. These changes were in line



with the recommendations of the November 2003 Auditor General's Report relating to advertising activities and management of public opinion research. Further changes were planned as a result of the November 2005 Auditor General Report on the quality and reporting of government surveys.

### ***PWGSC Receives GTEC Awards***

**Gold Medal** – for the Government On-Line Initiative, recognizing the continuous efforts of PWGSC and 34 departments and agencies to connect Canadians to their government.

**Gold Medal** – for PWGSC's collaboration with Statistics Canada on the Census Test/Session Encryption with Automated Login that used Secure Channel technology to provide an on-line option for more than 13.5 million households covered by the census.

**Silver Medal** – for the PWGSC Remittance Image Archiving and Retrieval System (PWGSC's Cheque Redemption Control Directorate), replacing the unreliable microfilm equipment used to archive an annual volume of 42 million financial documents related to Income Tax and GST reimbursements.

During the year, the department continued to provide timely and accurate information and documentation to the Gomery Inquiry, the Agent of the Attorney General for the recovery of funds, the RCMP and the *Sûreté du Québec* for their criminal investigations.

Finally, in support of enhanced government accountability, PWGSC made significant contributions to the development of the *Federal Accountability Act* and Action Plan, especially in the area of procurement reform.

### ***B) Implementing the Business Transformation Agenda***

The business transformation agenda focused on the twin goals of government-wide savings and management improvement. PWGSC exceeded its targeted savings for the year.

In the area of acquisitions, improvements in acquisitions processes contributed approximately \$69 million in net savings, while the introduction of mandatory standing offers promises further savings. The department has developed detailed plans to achieve the balance of the savings commitments over the next four years, including the identification of key risks and mitigation strategies.

In the area of real property, PWGSC achieved \$160 million in net savings, meeting its target for the year. These savings are the result of the application of space and fit-up standards, improved inventory management, reductions in overhead, and outsourcing opportunities. A major effort is now under way to identify strategies that will enable the department to meet its five-year target in real property savings.

In the area of information technology, although there are no specific savings targets, the economies associated with the IT Shared Services Initiative should yield continuing savings for government. The past year saw significant progress on IT shared services, including extensive consultations with clients and central agencies, leading to the development of agreements in principle with key stakeholders.

During the year, PWGSC undertook a number of steps to improve management within the context of the business transformation agenda. This included the establishment of the Strategic Transformation Branch, to plan, coordinate and monitor *The Way Forward* transformation agenda and oversight committees.



The department adjusted its organizational structure to better support the transformation and transparency objectives. This included:

- transfer of Public Access Programs to Service Canada;
- organizational separation of the consulting and audit services offered by Consulting and Audit Canada in order to increase transparency and accountability;
- reassignment of the functions of the Service Integration Branch and the integration of its client relations specialists into the acquisitions, real property and IT branches; and
- re-establishment of a stand-alone Human Resources Branch with an enhanced focus on recruitment and retention efforts.

During the year, PWGSC strengthened management in key areas within its branches. This included the establishment, within the Acquisitions Branch, of a Commodity Management Framework and commodity councils, with representation from some 40 departments, and the launching of a National Project Management System within the Real Property Branch.

Other branches, such as Government Information Services and the newly created Office of Greening Government Operations, took steps to build their capacity to respond to their new responsibilities and services.



**The Greenstone Building is the first North of 60 Leadership in Energy and Environmental Design (LEED)-Canada-Gold-Standard-certified office building. The building was completed and ready for occupancy in Fall 2005.**

### ***C) Supporting the Government's Strategic Agenda***

PWGSC supported the government's strategic agenda, both directly and indirectly, in a number of areas. As already highlighted, the most significant among these has been the achievement of the savings targets for *The Way Forward*. In addition, PWGSC took significant steps in the areas of Small and Medium Enterprises, as well as in greening government operations.

#### ***Small and Medium Enterprises***

PWGSC supported the government's economic agenda by launching the Office for Small and Medium Enterprises (OSME). OSME initiated consultations with SME suppliers on how to reduce the barriers they face in doing business with the government.

As well, the Translation Bureau undertook a number of initiatives to support the language industry in Canada, by awarding more large-value translation and interpretation contracts to foster the creation of bigger SMEs in the language industry.

The Translation Bureau also established internships for 100 students in the translation profession and participated in the creation of the Language Technologies Research Centre in Gatineau, Quebec.

#### ***Greening of Government Operations***

In 2005, the Office of Greening Government Operations (OGGO) was established as a key element of *The Way Forward* to assist federal government departments and agencies to accelerate the greening of government operations. To advance this agenda, OGGO worked collaboratively with other federal bodies, particularly Treasury Board Secretariat and Environment Canada, as well as with six interdepartmental steering groups, representing key operational sectors.





### ***D) Delivering Major Projects of National Importance***

In 2005-2006, PWGSC led a number of major capital projects and horizontal initiatives.

#### ***Defence Procurement***

PWGSC is working closely with the Department of National Defence (DND) to ensure that the Canadian Forces have the equipment needed to operate in today's environment. DND is accountable for the definition of operational requirements and development of performance and technical specifications, while PWGSC is accountable for the contracting.

In 2005-2006, PWGSC continued to apply its procurement and major project expertise to respond to Canada's requirement for effective management of complex and high-value defence procurement contracts. For example, PWGSC responded within two months to the Canadian Forces' need for vehicles with improved protection and firepower by purchasing armoured patrol vehicles to support Canadian troops in Afghanistan.

The government is currently reviewing military procurement and working with DND and the military supplier community to reduce the time it takes to execute major military procurements and to better support Canada's men and women in the armed forces.

#### ***Working with Our Troops***

During the redeployment of troops to Kandahar, we were on the ground with our troops for 25 days, managing the closure activities at Camp Julien. For the first time, the Department of National Defence awarded a General Service Medal to a PWGSC employee for their work in providing direct, on-the-ground logistical support to the Canadian Forces.

### ***Long-Term Vision and Plan (LTVP) for the Parliamentary Precinct***

In the spring of 2006, substantial rehabilitation and reconstruction was completed on the Library of Parliament building. The rejuvenated Library reopened its doors to Parliamentarians and visitors. The conservation, rehabilitation and upgrade of the Library of Parliament building was a major project undertaken by PWGSC to ensure this heritage building could support the activities of an efficient, modern parliamentary library.



**In the spring of 2006, the renovated *Library of Parliament* opened. PWGSC set a new standard for sustainability by requiring that improvements would last for decades to minimize the need for maintenance while ensuring the Library will be beautiful and functional.**

#### ***Remediation of Contaminated Sites***

PWGSC continued to lead the federal government's involvement in the remediation of certain contaminated sites, such as the Sydney Tar Ponds in Nova Scotia, Argentia in Newfoundland and Labrador, and the Giant Mine in the Northwest Territories.

#### ***Government of Canada Marketplace (GoCM)***

The department developed and successfully tested a functioning prototype of the Government of Canada Marketplace (GoCM), a virtual shopping market that will streamline the procurement process for suppliers, including SMEs across Canada, and for the government. The prototype



demonstrated to stakeholders the usefulness of the GoCM as a tool to manage commodities.

### **Procurement of Drugs and Vaccines**

As part of nation-wide emergency preparedness efforts to preserve the health of Canadians,

PWGSC facilitated the procurement of approximately \$127 million of drugs and vaccines on behalf of the federal government, the provinces and the territories.

## ***PWGSC – Adding Value for Canadians***

### ***Strengthening Management and Public Confidence***

- Created the positions of Chief Financial Officer and Chief Risk Officer.
- Made significant contributions to the development of the Federal Accountability Act, particularly in the area of procurement reform.
- Implemented needed changes to advertising and public opinion research coordination in order to support federal accountability and transparency.
- Continued to support the RCMP and the Sûreté du Québec for their criminal investigations and the Attorney General for the recovery of funds.
- Continued to implement the Secure Channel providing Canadians with secure access to all of government's on-line services.
- Continued to modernize the Public Accounts of Canada on behalf of 169 federal departments, agencies and Crown corporations.

### ***Increasing Savings and Productivity***

- The Way Forward established a specific target of generating government-wide savings: \$2.5 billion in the area of acquisitions by strategically managing and improving the way in which it procures goods and services, and \$925 million in the area of real property by managing properties more effectively and improving the application of standards for office space.
- Achieved net savings of \$160 million in Real Property Services and \$69 million in Acquisitions Services.
- The Receiver General reduced the annual cost of payment operations by \$39 million when the volume increased by 22 percent.

### ***Delivering Quality Services***

- Accommodated 235,000 federal employees across Canada and managed over 6.8 million square metres of space in about 1,840 locations.
- Purchased over \$10 billion worth of goods and services, managing about 60,000 transactions.
- Provided \$150 million in telecommunications and informatics services.
- Handled \$1.5 trillion in Receiver General cash flow, involving 240 million payments in 200 countries.
- Administered compensation for 300,000 government pay accounts and 328,000 pensioner accounts.

### ***Supporting the Government's Strategic Agenda***

- Supported the government's economic agenda by launching the Office of Small and Medium Enterprises, which initiated a range of consultations with SME suppliers on how to reduce the barriers they face in doing business with the government.
- Led the government's sustainable development agenda, through the Office of Greening of Government Operations, by undertaking initiatives such as environmentally sound procurement and improving the energy efficiency of buildings.
- Supported the language industry in Canada: participated in the creation of the Language Technologies Research Centre, in Gatineau, Quebec, and by establishing 100 internship positions for translators.
- Achieved a major milestone in the fall of 2005 with the award of a contract to develop and implement business process transformation and to implement a Commercial-Off-The-Shelf (COTS) software solution for the Pension Modernization Project, thereby ensuring that the solution obtained for the Government of Canada was a readily available, proven solution that had already been used successfully for pension administration by other, similar organizations.

### ***Delivering Major Projects of National Importance***

- Supported major military procurement. The department responded rapidly by awarding a contract within two months after the identification of an urgent need for armoured patrol vehicles to support Canadian troops in Kandahar.
- Contributed to the rehabilitation and preservation of heritage buildings (i.e., Vimy Ridge monument and Library of Parliament).
- Continued to lead the federal government's involvement in the remediation of certain contaminated sites, such as the Sydney Tar Ponds in Nova Scotia, Argentia in Newfoundland and Labrador, and the Giant Mine in the Northwest Territories.





# PROGRAM ACTIVITIES

## Introduction

This section of the report provides information about PWGSC's program activities. The Program Activity Architecture (PAA) is an activity-based management system, which is part of the government's Management, Resources and Results Structure (MRRS). The MRRS provides a horizontal management framework across the federal government, which allows for enhanced reporting to Parliament and central agencies on performance.

Corporate Management is an internal activity that supports our government services. Because of its importance to PWGSC, Corporate Management is discussed as part of the overall reporting structure in this report, with the financial budget allocated to PWGSC's service areas.

The following chart highlights the seven core services of PWGSC.

PWGSC – Program Activity Architecture			
OPI	PWGSC Government Services	Quality Services	Sound Stewardship
RP	Real Property	<ul style="list-style-type: none"> <li>Federal Accommodation and Holdings</li> <li>Real Property Services Revolving Fund</li> <li>Real Property Disposition Revolving Fund</li> </ul>	<ul style="list-style-type: none"> <li>Real Property Stewardship</li> </ul>
ACQ	Acquisitions	<ul style="list-style-type: none"> <li>Acquisitions Services</li> <li>Optional Services Revolving Fund</li> <li>Defence Production Revolving Fund</li> </ul>	<ul style="list-style-type: none"> <li>Supply Operations Stewardship</li> </ul>
ITS	Information Technology	<ul style="list-style-type: none"> <li>Information Management/Information Technology Services</li> <li>Telecommunications Services Revolving Fund</li> </ul>	<ul style="list-style-type: none"> <li>IM/IT Stewardship</li> </ul>
ABC	Receiver General and Public Service Compensation	<ul style="list-style-type: none"> <li>Receiver General Services</li> <li>Public Service Compensation Services</li> </ul>	<ul style="list-style-type: none"> <li>Receiver General Stewardship</li> <li>Public Service Pay Stewardship</li> <li>Public Service Pension Stewardship</li> </ul>
GIS	Government Information Services	<ul style="list-style-type: none"> <li>Government Information Services</li> </ul>	<ul style="list-style-type: none"> <li>Government Information Stewardship</li> </ul>
SI	Business Integration	<ul style="list-style-type: none"> <li>Business Integration Services</li> </ul>	<ul style="list-style-type: none"> <li>Business Integration Performance Management</li> </ul>
CAC/GIS Translation Bureau	Special Operating Agencies	<ul style="list-style-type: none"> <li>Consulting and Audit Canada Revolving Fund</li> <li>Translation and Interpretation to Parliament, Conference Interpretation, Terminology</li> <li>Translation Bureau Revolving Fund</li> </ul>	<ul style="list-style-type: none"> <li>Translation Stewardship</li> </ul>
All Branches	<i>Note: The two activities of Corporate Management and Business Integration Client Relations Management are not shown in the table above because, for Treasury Board Secretariat's financial reporting purposes, their costs have been reallocated to the other activities as departmental overheads.</i>		



## REAL PROPERTY

PWGSC is one of the largest providers of office space in Canada. It provides office and common-use accommodation to federal government departments and agencies. It provides ongoing stewardship of national treasures such as the Parliamentary Precinct and other heritage assets across Canada. It also administers the Payments in Lieu of Taxes Program, which strives for fair and equitable payments to real property taxing authorities. Finally, it provides strategic and expert advice to other federal departments and agencies for the acquisition, development, construction, management, operation, maintenance, repair and disposal of real property.

### Performance Overview

PWGSC developed a comprehensive plan to improve its management of real property and successfully delivered on the first year of a five-year plan for a savings dividend that can be reallocated to higher government priorities.

### Real Property Savings

PWGSC contributed to the federal government's pursuit of savings for reallocation to higher priorities through its *Way Forward* initiative. This is a wide-ranging initiative that finds innovative ways to deliver services smarter, faster and at reduced cost, and to improve how the Government of Canada does business. Savings will be achieved without reducing the visibility of the Government of Canada in regions and communities, while maintaining quality standards and services, and our commitment to environmental excellence. As confirmed in Budget 2005, Real Property Services (RPS) is aiming to save \$925 million over five years.

Specifically, RPS has already found efficiencies in the delivery of its real property mandate. Through

#### Key Facts\*

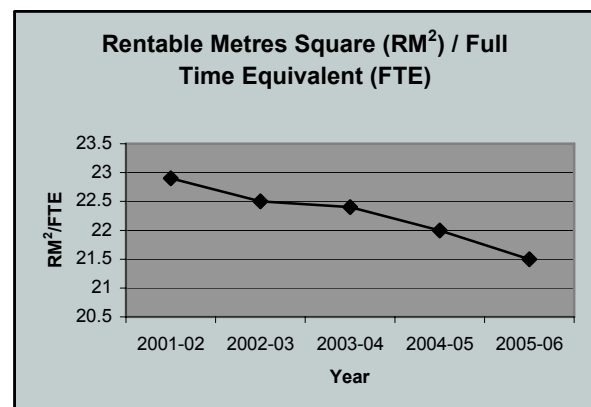
- Managed, as custodian, \$7 billion worth of federal real property.
- Managed 6.8 million m<sup>2</sup> of rentable space including:
  - 3.4 million m<sup>2</sup> of Crown-owned space;
  - 2.9 million m<sup>2</sup> of leased space; and
  - 0.5 million m<sup>2</sup> of lease-purchase space.
- Provided accommodation to 235,000 federal employees in 112 federal departments and agencies in about 1,840 locations across Canada.
- Administered annual payments in excess of \$460 million under the Payments in Lieu of Taxes Program to approximately 1,300 local taxing authorities.

\*as of March 31, 2006

cost avoidance, it has generated \$160 million in savings over the first year.

### Accommodation Standards

PWGSC applied more consistent fit-up and space standards to optimize its use of office space and to be more in line with private sector norms. The aim is to reduce the average space per Full Time Equivalent (FTE) to 18 square metres. As the graph below demonstrates, the current use of space averages 21.5 square metres per FTE. Accommodation usage decreased compared with last year and the five-year trend continues to show improvement.





PWGSC achieved 100 percent of the 2005-2006 accommodation savings target through application of fit-up and space standards for new and renewed occupancies and by optimizing usage of existing space.

It is anticipated that there will be challenges to achieve the five-year space savings targets. PWGSC will have to seek collaboration and commitment from our client departments and agencies to focus on achieving its long-term program commitments, in addition to its short-term project objectives.

Further strategies are being developed to achieve space savings targets, in part, by developing standards for quasi-judicial space.

### ***Inventory Management***

PWGSC continued to focus efforts on longer-term program planning and the optimization of its accommodation portfolio. This included:

- improved management of its leased portfolio and the lease rates negotiated; and
- increased efficiencies and savings in managing facilities operations.

In 2005-2006, new leasing targets were met. We will be working closely with our clients and Treasury Board Secretariat to achieve target savings. Several alternative lease strategies have been initiated for implementation, should the current strategy not meet targets.

### ***One-time Capital Deferral***

In 2005-2006, PWGSC deferred \$50 million in investments in capital projects to reallocate to higher priorities. The deferral was considered acceptable as PWGSC continues to actively investigate more effective methods of asset recapitalization.

### ***Investments at PWGSC***

In 2005-2006, PWGSC continued to enhance information systems to support performance measurement, as well as studying how to improve asset strategies.

PWGSC currently owns 60 percent of its portfolio, and it now wants to assess whether owning less and leasing more property will improve flexibility, reduce overhead and avoid immediate major pressures for capital investment resulting from many years of deferred repair and maintenance. A request for proposal (RFP) was conducted in 2005 for a study on the options for managing a property portfolio of 325 buildings with a total area of 75 million square feet. There were no successful bidders.

In June 2006, PWGSC issued an RFP to seek financial advisory services, inviting firms to provide recommendations on 35 of the 325 crown-owned real estate assets. A contract was awarded in September 2006.

### ***Quality Services***

While implementing its business transformation agenda, PWGSC has continued to devote the majority of its resources to support the efficient delivery of government programs. These ongoing activities include: providing productive and affordable work environments; managing a diverse portfolio of assets; implementing a revised Long-Term Vision and Plan for the Parliamentary Precinct; and delivering quality, affordable real property services on a fee-for-service basis.

One of the major highlights for RPS in 2005-2006 was the completion of the rehabilitation of the Library of Parliament.

### ***Library of Parliament Rehabilitation***

The conservation, rehabilitation and upgrade of the Library of Parliament building was undertaken to support the activities of an efficient, modern



parliamentary library. In May of 2006, construction was completed and the rejuvenated Library reopened its doors to Parliamentarians and visitors.

The Library of Parliament building is the only part of the original Parliament Buildings (the Centre Block) on Parliament Hill to survive the devastating fire of 1916. It is a "Classified" federal heritage building and part of the Parliament Hill National Historic Site.

Inside and out, every aspect of the Library building was in need of attention, from the weathervane atop the roof, to the cramped and crowded basements below ground. Virtually every task required specialized expertise. As a heritage building, more than 130 years old, the Library demanded a unique approach and rare skills.

In collaboration with the Library of Parliament, PWGSC led this important undertaking to preserve and enhance this jewel of Canadian heritage for future generations.

remediation of contaminated sites, minimizing the environmental footprint of both existing and future facilities (with special focus on greenhouse gas reductions), green leasing, green purchasing and conducting environmental impact assessments. An example of this is the Greenstone Building in Yellowknife, NWT.

## ***Sound Stewardship***

### ***Efficiencies in Program Management and Service Delivery***

As part of *The Way Forward*, PWGSC studied how services could be best delivered including, where appropriate, outsourcing to the private sector. As an example, the department entered into a property and facilities services contract with SNC Lavalin-ProFac, which received TB approval in December 2004. In April 2005, RPS implemented a new and expanded property management contract with the same company. This produced annual savings of \$30.5 million (i.e., \$18.5 million from fee reduction plus \$12 million from reduced oversight) in fiscal year 2005-2006.

### ***Sustainable Development***

RPS contributes to sustainable development by supporting environmental management practices,



## Section II – Program Activities

### Real Property Net Expenditures 2005-2006

(in millions of dollars)

	Planned Spending	Total Authorities	Actual
<b>Operating (including Special Purpose Allotment), Capital, Grants and Contributions and Statutory Votes</b>			
<b>Federal Accommodation and Holdings</b>			
Gross Expenditures	2,267.0	2,226.5	2,083.5
Less: Respondable Revenue	284.3	452.7	436.3
Net Expenditures	1,982.7	1,773.8	1,647.2
<b>Real Property Stewardship</b>			
Gross Expenditures	31.6	67.0	58.8
Less: Respondable Revenue	1.3	1.8	1.7
Net Expenditures	30.3	65.2	57.1
<b>Real Property Services Revolving Fund</b>			
Gross Expenditures	784.8	784.8	912.3
Less: Respondable Revenue	784.8	784.8	912.3
Net Resources (Provided) Used <sup>(Note 1)</sup>	-	-	-
<b>Real Property Disposition Revolving Fund</b>			
Gross Expenditures	4.0	4.0	3.7
Less: Respondable Revenue	13.0	13.0	6.7
Net Resources (Provided) Used <sup>(Note 1)</sup>	(9.0)	(9.0)	(3.0)
<b>TOTAL – REAL PROPERTY</b>	<b>2,004.0</b>	<b>1,830.0</b>	<b>1,701.3</b>
Gross Expenditures – Real Property	3,087.4	3,082.3	3,058.3
Less: Respondable Revenue – Real Property	1,083.4	1,252.3	1,357.0
<b>Net Expenditures – Real Property</b>	<b>2,004.0</b>	<b>1,830.0</b>	<b>1,701.3</b>
<i>Totals may not add up due to rounding.</i>			<b>(FTEs)</b>
Federal Accommodation and Holdings - Full Time Equivalents (FTEs)	2,626	2,402	2,402
Real Property Stewardship - FTEs	237	240	242
Real Property Services Revolving Fund - FTEs	1,288	1,261	1,261
Real Property Disposition Revolving Fund - FTEs	-	-	-
<b>Total – Full Time Equivalents</b>	<b>4,151</b>	<b>3,903</b>	<b>3,905</b>
<b>Federal Accommodation and Holdings:</b>			
The variance between authorities and actual spending is due to project slippage caused by uncertainties in contracting and project delivery, and by lower than forecasted lease and fit-up costs. It is also attributable to the reprofiling of the Skyline project and to the carry forward of capital projects, as well as to the annual Treasury Board directed lapse to cover employee benefit and health care costs related to the special purpose allotment.			
<b>Real Property Stewardship:</b>			
The variance between authorities and actual spending is mainly due to lower than anticipated translation costs, and to personnel costs related to collective agreements that did not materialize as initially anticipated.			
<b>Real Property Services Revolving Fund:</b>			
The drawdown authority used at year-end was nil. The business volume increase reflected between the authorities and actual spending is mostly due to the relocation of an NRC Innovation Centre, the renovation of the Museum of Nature, Environment Canada, and National Defence.			
<b>Real Property Disposition Revolving Fund:</b>			
The variance between the RPDRF authorities and actual is due to a delay in obtaining formal approval for a Homelessness project and to properties that moved from routine (falling under the mandate of the RPDRF) to strategic (carried out by Canada Lands Company) near the end of the fiscal year.			
Note 1: The amounts reported for the Real Property Services Revolving Fund and the Real Property Disposition Revolving Fund are on a modified cash basis.			





## Performance by Strategic Outcomes

In the following tables, we identify the commitments made in our *Report on Plans and Priorities 2005-2006*, as well as our performance against those commitments.

### Strategic Outcome: Quality Services

#### Federal Accommodation and Holdings

Activity	Planned Results	Actual Results
<p>Effective management of real property investment, under the custodianship of PWGSC, in support of the delivery of government programs.</p> <p>The National Portfolio Management Plan (NPMP) is being implemented to establish a portfolio management approach within the organization. The NPMP is designed to improve the efficiency by which RPS fulfills its mandate of providing cost-effective owned and leased property services, allowing it to address certain challenges such as an aging portfolio with significant recapitalization pressures and accommodation costs.</p>	<p>Government departments and agencies have safe, healthy, productive and affordable work environments and facilities that enable them to deliver programs and services. The real property portfolio is managed as an investment on behalf of the taxpayer.</p>	<ul style="list-style-type: none"> <li>• <b>Accommodation usage trends:</b> The rentable square metres (RM<sup>2</sup>) per full-time equivalent (FTE) <u>decreased</u> by over 2% compared with last year. The five-year trend continues to show improvement in the usage of office space. The rental cost per rentable square metre increased by about 3% and rental cost per FTE increased by about 1%.</li> <li>• <b>Operating cost trends analysis:</b> In 2005-2006, figures were within 1% of the Building Owners and Managers Association (BOMA) average.</li> <li>• <b>Vacancy rate:</b> The vacancy rate for Office Crown Owned buildings 2005-2006 is 3.3%. BOMA vacancy rate for the Canadian private sector 2005-2006 is 6.4%. From 2004-2005 to 2005-2006, the vacancy rates for both Crown-owned office buildings and BOMA decreased to less than 1%.</li> <li>• <b>Progress against Sustainable Development Strategy (SDS):</b> Fiscal year 2005-2006 marked the second year of SDS 2003. Progress was steady towards the targets. Details on performance may be found in the PWGSC Sustainable Development Performance Report, discussed in more detail in Table 19 in Section III.</li> </ul>

#### Real Property Services Revolving Fund

Activity	Planned Results	Actual Results
<p>The provision on a fee-for-service basis of optional real property services to other custodial departments, and to other departments and agencies requesting services over and above those provided under the Federal Accommodation and Holdings Service Line program.</p>	<p>Quality, affordable services are provided to government departments and agencies. Revenues will cover the full cost of service delivery.</p>	<ul style="list-style-type: none"> <li>• <b>Real Property Services Revolving Fund (RPSRF):</b> Provides separate financial reporting for optional real property services delivered to clients. These services are provided on a full-cost recovery basis. PWGSC recovered from clients 99.8% of the total cost of \$912.9M charged to the RPSRF in 2005-2006.</li> <li>• <b>Projects on time, on budget:</b> Analysis of 78 nationwide projects (49 Federal Accommodation and Holdings and 29 RPSRF) completed reveals that against the 2001-02 baseline, timeliness improved by 6% while projects completed on budget improved by 23%.</li> </ul>





**Real Property Disposition Revolving Fund**

Activity	Planned Results	Actual Results
<p>The provision, on a cost-recovery basis, of routine disposals of real property assets no longer required in order to generate revenue for the Crown.</p>	<p>Realization of value (net proceeds of sale) from surplus properties.</p>	<ul style="list-style-type: none"> <li>• <b>Professional and timely disposal services and maintenance of a sufficient level of credit to facilitate custodial disposals:</b> The RPDRF facilitated the completion, termination or cancellation of 467 disposals within the fiscal year. The actual revenue generated was \$3.9M compared to an original budget of \$9.0M. The fund maintained a sufficient level of credit to start the fiscal year 2006-2007.</li> </ul>

***Strategic Outcome: Sound Stewardship***

**Real Property Stewardship**

Activity	Planned Results	Actual Results
<p>Provision of strategic leadership and proactive management of the resources and real property assets to support the delivery of government programs.</p>	<p>Government program delivery is facilitated by a consistently applied, modern real property and program management framework that reflects a whole-of-government perspective in decision-making.</p>	<ul style="list-style-type: none"> <li>• <b>Actual recapitalization rate:</b> As a result of delays due to uncontrollable and unpredictable factors inherent to the nature of project delivery, the effective recapitalization rate was 2.9%, which is below the target of 4% and the funding level of 3.1%.</li> <li>• <b>Percentage or number of portfolio plans approved (against target):</b> All regions have completed draft strategic action plans. These must now be updated to reflect Accommodation Standards and Inventory Management (ASIM) savings commitments and any further directions as provided following creation of the National Round Table.</li> <li>• <b>Year-end financial results:</b> Are within acceptable percentage of budget and exceed previous fiscal year financial performance.</li> </ul>



# ACQUISITIONS

PWGSC is Canada's largest purchaser of goods and services. As the government's primary procurement service provider, PWGSC offers client departments and agencies a broad base of procurement solutions such as specialized contracts, standing offers, supply arrangements and electronic marketplaces.

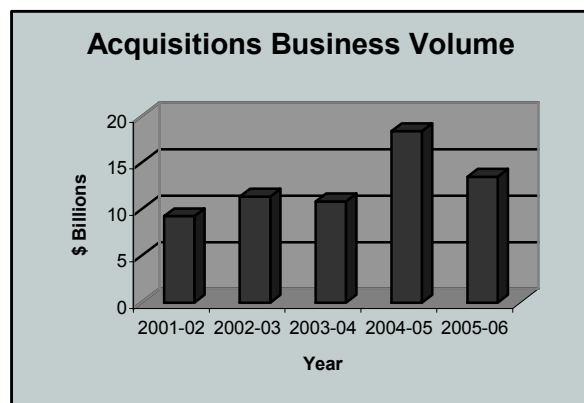
We manage all procurement-related aspects of major crown projects, and we offer specialized services such as: marine inspection and technical services; management of seized property; traffic management; standards for and certification of goods and services; surplus asset disposal; and registration of quality (ISO 9000) and environmental (ISO 14001) management services.

We also support the development of professional procurement initiatives, such as certification standards for procurement professionals, through active participation in national organizations.

## Performance Overview

PWGSC remains focused on delivering and improving *Quality Services*, supported by a solid management regime of *Sound Stewardship*.

We continued to provide cost-effective procurement and related services to the Government of Canada. In 2005-2006, our business volume was \$13.5 billion, compared with



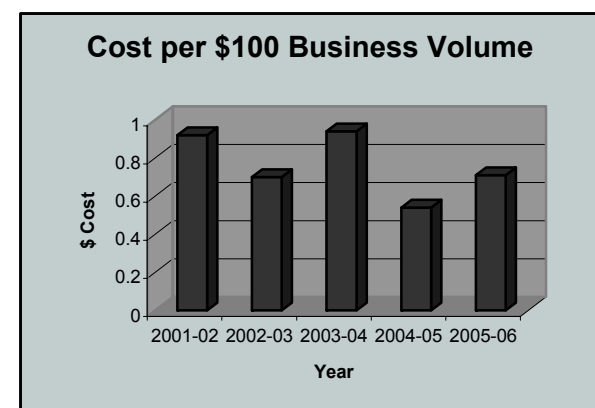
### Key Facts\*

- Accounted for more than 80 percent of the total value of government procurement.
- Bought over \$10 billion in goods and services and managed approximately 60,000 transactions, having an extensive influence on the efficiency of government-wide operations.
- Spent the vast majority of procurement dollars on a basket of 40 commodities such as information technology, military equipment and office equipment.

\*as of March 31, 2006

\$18.4 billion in 2004-2005.

The total cost per \$100 business volume in 2005-2006 increased from \$0.54 to \$0.71, when compared with 2004-2005. This increase may be attributed to the unusually high value of contracts awarded in 2004-2005 and a return to the near normal business volume in the current fiscal year, in comparison with the previous years. Please see Table 20, Procurement and Contracting, in Section III for more information on Acquisitions Services' daily operations.



In 2005-2006, PWGSC implemented its business transformation initiatives. Approximately \$69 million in government-wide net savings in the purchase of goods and services were achieved in 2005-2006; by consolidating what we buy on behalf of the



government and using common tools to make the procurement process simpler. As a result, PWGSC contributed to the government's reallocation of funds to other government priorities such as health care, childcare, crime prevention and tax reduction.

### ***Quality Services***

PWGSC has made significant progress in its transformation efforts, which include such key initiatives as: commodity management, client engagement, performance measurement, e-procurement, SMEs and policy changes.

### ***Commodity Management***

PWGSC made significant progress in establishing strategic government-wide commodity management approaches. Strategic sourcing teams and interdepartmental commodity teams were created. PWGSC began analysis of specific commodity categories, in consultation with government and private sector stakeholders, in order to develop effective purchasing strategies.

#### ***Saving Money***

Our negotiation skills and careful management of the contract for the Canadian Forces Contractor Augmentation Program helped save over \$6 million.

We established a Commodity Management Framework, in which nine commodity councils were created to develop commodity strategies and action plans for 10 commodity groups, representing the interests of some 40 departments. Savings targets have been established by commodity and work has already begun to consolidate major bid packages, covering billions of dollars in spending.

In April 2005, we upgraded the Standing Offer Index (SOI) to help procurement officers and client departments to more easily and efficiently find suppliers and obtain best value. The mandatory use of standing offers for specific commodities

became effective in April 2005, maximizing government-wide buying power and process efficiency.

#### ***Supporting Our Troops***

A contract was awarded within two months after the identification of an urgent need for armoured patrol vehicles to support Canadian troops in Kandahar.

In addition, we trained procurement officers to assist them in developing and using new procurement approaches such as collecting market data, managing demand, planning and forecasting. Training was also provided to client departments on the SOI and its improvements. Regional networks were established for effective inclusion of regional business in government requirements.

### ***Client Engagement***

Successful transformation is dependent on the buy-in of all stakeholders, particularly client departments. In 2005-2006, we collaborated with client departments to implement procurement transformation. We worked closely with some 25 client departments, representing more than 85 percent of the government's spending. PWGSC did this in a process designed to engage clients more fully to support government's savings objectives.

In conjunction with clients, we integrated detailed spending analysis and commodity strategies into individual departmental procurement plans that will form the basis of future Service Level Agreements. The groundwork was also laid to develop procurement strategies for the remaining departments and agencies.

### ***Performance Measurement***

Performance measurement and reporting supports better decisions, improves accountability and creates transparency. In the fall 2005, we implemented the first phase of our performance tracking activities. During the year, we also began



work toward measuring our objectives of 50-percent reduction in throughput time and 10-percent savings in administrative costs. Future measurement of throughput time, from identification of client need to receipt of goods or services, and more precise measurement of administrative costs of procurement, will be achieved through the Government of Canada Marketplace (GoCM) and Corporate Administrative Shared Services initiatives. The latter, which is managed by others, was introduced in January 2005.

### ***E-procurement***

As part of *The Way Forward* procurement renewal, PWGSC will be making use of its common purchasing tool, GoCM, an adaptive and flexible electronic goods and services catalogue and purchase order production service. This virtual shopping market will streamline the procurement process, both for suppliers and the government. While the launch of the GoCM was delayed, significant progress was made in the design phase. A functional prototype was designed, built, tested and presented to stakeholders, demonstrating its usefulness as a commodity management tool. The GoCM is expected to provide a valuable reporting tool for analyzing government-wide purchasing trends, providing detailed, accurate and timely data for commodity managers.

As part of our plans to provide easy access to government business, the service fee on the Government Electronic Tendering Service was eliminated in 2004, and it continues to be a free service.

### ***Small and Medium Enterprises***

The Office of Small and Medium Enterprises (OSME) was established in the fall 2005 to address the concerns of SMEs. We consulted with enterprises across the country, and based on their feedback, we began to examine how SMEs can work collectively to win government contracts, through joint ventures. Regional offices were

established in Halifax, Montréal, Ottawa, Toronto, Edmonton and Vancouver.

PWGSC trained approximately 12,000 individuals employed by SMEs, and responded to over 2,000 queries through the Info-line, established in the fall 2005. We also expanded and improved procurement through the Professional Services on-line web portal, an electronic procurement service that assists in matching federal departments' needs with registered companies.

In addition, the OSME supported the retendering of standing offers for office supplies, resulting in standing offers being issued to 32 SMEs, up from 23 SMEs in the previous tender process. Finally, in collaboration with commodity teams, we incorporated SME needs into certain commodity management strategies.

### ***Shared Travel Services Initiative***

The Shared Travel Services Initiative (STSI) was transferred to the Information Technology Services Branch during 2005-2006 and is discussed in that section of this report.

## ***Sound Stewardship***

In 2005-2006, we moved ahead in enforcing our *Sound Stewardship* practices, the cornerstone of sustainable delivery in *Quality Services*.

### ***Policy***

In April 2005, the use of standing offers became mandatory for certain commodities, thereby encouraging the consolidation of government purchases. Following the January 2006 election of the new government, we supported work on the new *Federal Accountability Act* and Action Plan, by providing acquisitions policy input into the proposed role of the Procurement Auditor and by developing a Code of Conduct for Procurement. The Act is expected to become law by the end of 2006 and the Action Plan implemented thereafter.



The development of the revised Vendor Performance Policy (VPP) also continued. The VPP is aimed at helping identify irregularities, providing more timely corrective measures and facilitating dispute resolution.

In addition, we provided policy advice in the development of proposed amendments to the Canadian International Trade Tribunal regulations.

In early 2006, the government proposed a *Federal Accountability Act*. It also announced that a procurement policy review would be undertaken to support a fair, open, transparent and more streamlined government procurement process.

### ***Human Resources***

PWGSC is building the necessary human resource capacity to meet its current and future needs. As a result of a recruitment campaign held in 2005-2006, PWGSC will be hiring some 40 intern officers to be trained in new ways of doing business.

Additionally, 14 junior staff were promoted into the Officer Development Program, and several job competitions at more senior procurement levels were concluded. We also began drafting, in collaboration with the Human Resources Branch, a strategic human resource plan to ensure our skill base is aligned fully with our transformation initiatives.

### ***Greening Government***

To support the Government of Canada in implementing its sustainable development agenda, we trained our procurement officers in green procurement practices, and incorporated environmental performance considerations into commodity management templates for implementation, where possible, in future procurements.

The development of the government's new green procurement policy (which became effective on April 1, 2006) was transferred to the Office of

Greening Government Operations (OGGO). We continued to support this initiative by providing OGGO with acquisitions expertise.



## Acquisitions Net Expenditures 2005-2006

(in millions of dollars)

	Planned Spending	Total Authorities	Actual
<b>Operating and Statutory Votes</b>			
<b>Acquisition Services</b>			
Gross Expenditures	165.5	248.3	235.4
Less: Respondable Revenue	33.8	60.0	55.2
Net Expenditures	131.7	188.3	180.2
<b>Supply Operations Stewardship</b>			
Gross Expenditures	55.1	63.7	59.8
Less: Respondable Revenue	7.6	5.7	7.4
Net Expenditures	47.5	58.0	52.4
<b>Optional Services Revolving Fund</b>			
Gross Expenditures	110.4	104.8	92.6
Less: Respondable Revenue	110.4	104.8	94.0
Net Resources (Provided) Used <sup>(Note1)</sup>	-	-	(1.4)
<b>Defence Production Revolving Fund</b>			
Gross Expenditures	-	-	-
Less: Respondable Revenue	-	-	-
Net Resources (Provided) Used <sup>(Note1)</sup>	-	-	-
<b>TOTAL – ACQUISITIONS</b>	<b>179.2</b>	<b>246.3</b>	<b>231.2</b>
Gross Expenditures – Acquisitions	331.0	416.8	387.8
Less: Respondable Revenue – Acquisitions	151.8	170.5	156.6
<b>Net Expenditures - Acquisitions</b>	<b>179.2</b>	<b>246.3</b>	<b>231.2</b>
<i>Totals may not add up due to rounding.</i>			(FTEs)
Acquisition Services - Full Time Equivalents (FTEs)	1,725	1,785	1,779
Supply Operations Stewardship - FTEs	327	332	343
Optional Services Revolving Fund - FTEs	76	76	43
Defence Production Revolving Fund - FTEs	-	-	-
<b>Total - Full Time Equivalents</b>	<b>2,128</b>	<b>2,193</b>	<b>2,165</b>
The variance between the authorities and actual spending for the Acquisition Services and Supply Operations Stewardship is mainly due to lower than anticipated expenditures related to the Way Forward.			
The Optional Services Revolving Fund variance between the authorities and actual spending is due to lower than anticipated sales and related expenditures in the Vaccine Program. A deficit of \$1.4M for the Communication Procurement activity has been funded from the Operating Budget. The reduction in FTEs is attributable to the transfer of Crown Asset Disposal activities to the Appropriation.			
Note 1: The amounts reported for the Optional Services Revolving Fund are on a modified cash basis.			





## Performance by Strategic Outcomes

In the following tables, we identify the commitments made in our *Report on Plans and Priorities 2005-2006*, as well as our performance against those commitments.

### Strategic Outcome: Quality Services

#### Acquisitions Services

Activity	Planned Results	Actual Results
Acquire goods and services on behalf of the federal government. Manage the supply process by assisting clients with the requirements definition, bid solicitation and evaluation, contract negotiation and administration. Manage all procurement-related aspects of major Crown projects (over \$100 million). Regional offices carry out PWGSC acquisitions activities across Canada. PWGSC also maintains offices in the U.S. and Europe principally to service the needs of the military.	Timely and cost-efficient acquisitions services are provided to other government departments and agencies with enhanced service levels.	<ul style="list-style-type: none"> <li>• <b>Percentage reduction in cost of goods and services:</b> Reduced the cost of goods and services by \$69 million.</li> <li>• <b>Percentage reduction in time for procurement transaction:</b> Please see previous section “Performance Measurement”.</li> <li>• <b>Percentage reduction in cost of government purchasing:</b> Please see previous section – “Performance Measurement”.</li> <li>• <b>Percentage of client departments satisfied with PWGSC services:</b> <ul style="list-style-type: none"> <li>• 76% of clients surveyed were neutral, satisfied or very satisfied with overall client satisfaction.</li> <li>• Clients expressed most satisfaction with staff courteousness (72%) and technical advice (58%), and least satisfaction with timeliness (69%) and quality of deliverables (55%).</li> <li>• Acquisitions has begun to review ways in which to continue improving its client satisfaction results.</li> </ul> </li> </ul>

#### Optional Services Revolving Fund

Activity	Planned Results	Actual Results
Manage financial fund, which provides client departments with specialized services such as: marine inspection and technical services; management of seized property; traffic management; communications procurement; consensus standards; and conformity assessment services. Provide disposal services for client departments. Procurement of vaccines and drugs on behalf of provinces and territories.	Quality, affordable services are provided to government departments, agencies, provinces and territories. Revenues offset the full cost of service delivery.	<ul style="list-style-type: none"> <li>• Cost recovery was 100%.</li> <li>• The fund reflects the Locally Shared Support Services service line.</li> </ul>



**Defence Production Revolving Fund**

Activity	Planned Results	Actual Results
Maintain legacy fund (currently unused) to provide for acquisition services of military supplies in emergencies.	Defence acquisitions emergencies funded on a cost-recovery basis.	<ul style="list-style-type: none"> <li>This fund was not used in 2005-2006.</li> </ul>

**Strategic Outcome: Sound Stewardship**

**Supply Operations Stewardship**

Activity	Planned Results	Actual Results
Provide the procurement community quality assurance, risk assessment and policy services.	Percentage of satisfied employees.	<ul style="list-style-type: none"> <li>90% of employees are proud of the work carried out by their work units. 81% of employees find that within their work units, co-workers work as a team. More information can be found at <a href="http://www.hrma-agrh.gc.ca/survey-sondage/2005/index_e.asp">http://www.hrma-agrh.gc.ca/survey-sondage/2005/index_e.asp</a></li> </ul>
Meet corporate goals related to professional development.	Percentage of achieved official language targets.	<ul style="list-style-type: none"> <li>To increase official languages capacity in the long-term, we achieved the following:                             <ul style="list-style-type: none"> <li>92 employees took part-time language training;</li> <li>17 employees went on full-time language training;</li> <li>PG-05 and PG-06 positions were converted to CBC language profile where the incumbents met that standard.</li> </ul> </li> </ul>
	Training days per FTE.	<ul style="list-style-type: none"> <li>Average number of days was 3.5 per employee.</li> <li>Percentage of employees who received training was 86.6%.</li> </ul>
Increase federal employees' knowledge of green procurement.	Number of outreach sessions provided to federal employees.	<ul style="list-style-type: none"> <li>Primary responsibility was transferred to the Office of Greening Government Operations (OGGO) in spring 2005.</li> <li>Conducted 23 outreach sessions out of the 30 that were committed over a three-year period.</li> <li>Acquisitions Branch will continue to create awareness through green procurement training and the commodity management workshops.</li> <li>In anticipation of the Policy on Green Procurement, which became effective on April 1, 2006, training had been suspended to accommodate revisions to the course.</li> <li>A revised green procurement course will be offered in 2006. Nevertheless, as of June 2006, 26% of procurement personnel received green procurement training.</li> <li>All Acquisitions Branch credit card holders received green procurement training.</li> </ul>



## INFORMATION TECHNOLOGY

PWGSC's Information Technology Services (ITS) provides a wide range of services to departments and agencies in the areas of informatics and telecommunications services, including electronic access to government information and services for Canadians. PWGSC works closely with client departments and agencies to understand and respond to their Information Technology (IT) requirements, and deliver reliable, cost-effective and secure IT services and solutions. PWGSC provides, brokers, develops and/or manages voice and data networks, computers, servers, communications services, applications, and e-government.

It was responsible for the overall management of the GOL initiative, which concluded in March 2006. In this capacity, we provided strategic leadership to departments and agencies in implementing GOL and supported the design and delivery of e-government programs and infrastructure.

### *Performance Overview*

During the past year, ITS managed major IM/IT projects for the GoC, including compensation web applications, pension modernization and the PWGSC Chart of Accounts transition. All PWGSC mission-critical services benefited from a 100-percent availability up-time and over 78-percent of all calls received at the help desk were resolved on the first call.

In the Secure Channel Network (SCNet) domain, the migration of all SCNet accesses to a newer technology has resulted in lower total cost of ownership, faster time to resolution, higher availability, reduced service installation intervals, increased service flexibility, enablement of a scalable service model, and any-to-any connectivity. The SCNet platform features a range of bandwidth and access options, including multi-

#### *Key Facts\**

- Enabled Canadians to access 130 federal government services on-line in a secure manner.
- Assisted in providing citizens and businesses, access to government services in a secure manner.
- Provided effective and efficient technology solutions for other government departments, enabling them to focus on their core programs and service delivery to Canadians.
- Issued 1.67 million epasses to provide individuals with on-line credentials for use in accessing government services in a manner that is secure and ensures that their privacy is respected.
- Printed 73 million cheques and 23 million non-cashable items annually.

*\*as of March 31, 2006*

tenant solutions. Further, by encouraging client departments to share existing infrastructure at locations that house multiple customers at a single civic address, substantial cost savings from economies of scale have been achieved.

In 2005-2006, ITS implemented a shared Government Enterprise Network Management Services (GENMS) solution for four client departments that were new tenants in a new GoC building in Yellowknife. These clients are now benefiting from a shared, proven network management infrastructure solution.

Network Infrastructure Services established a new Converged Network Service (CNS) for the GoC. CNS is a single network service procurement vehicle that makes available a series of networking service solutions procured by PWGSC on behalf of government departments. Services are provided through a supply arrangement with pre-qualified vendors. Health Canada is the first client to use the CNS procurement vehicle for its 100-node network, now installed and operating.



In our work with Compensation Web Applications (CWA), we now deliver a self-service option to employees, pension plan members and survivors, facilitating the efficient and effective on-line management of their personal pay and pension information. The application uses a Secure Channel solution to ensure employees' information is authenticated, secure and private. Once CWA is available to all departments and agencies by 2007, a return of investment, totalling over \$2 million annually, will be realized. In addition to cost savings, the CWA will contribute to the greening of government operations by reducing the consumption of paper by approximately 100 tonnes per year.

ITS will accomplish further cost savings in service delivery by seeking economies of scale in IT infrastructure design and shared services; working with Acquisitions Services on improving procurement of IM/IT goods and services; rationalizing delivery services; and managing new, competitively priced and innovative business solutions for telecommunications services.

We enhanced our service management and delivery processes through the ongoing implementation of the Service Management Improvement Program (SMIP). Many opportunities throughout ITS and our partner organizations have adopted SMIP principles and are integrating them into their ongoing business process.

The following subsections highlight operational activities that benefited client departments:

### ***IT Shared Services***

PWGSC's IT agenda is focused on the promotion of shared IT services as part of the government's overall initiative to consolidate IT services and systems. Shared services are defined as new enterprise products and services that are standardized, with few variations, and are shared by many users. Together with user communities and departments, we determined which IT products

and services are best suited to being shared across government and identified the ones that are currently not shared, with the long-term goal of having approximately one half of IT services shared across government.

To better realize shared service opportunities, PWGSC began transforming its IT business, placing particular emphasis on service excellence and cost savings in the provision of IM/IT services. To accommodate this transformation and the expected increase in volume of work, ITS's organizational structure was re-aligned in October 2005 to a functional model that was scalable and clarified accountabilities.

In order to facilitate ITS transformation into GoC IT Shared Services, four channels of growth have been established:

- **Migration** – Expand on existing IT services provided to departments and migrate them to IT-Shared Services.
- **Growth** – Accelerate the process to bring people, process and technology under single leadership within the future IT-Shared Services.
- **Adoption** – Develop IM/IT services that will be scalable to whole-of-government and adopted by all government organizations.
- **Strategic Partnerships** – Forge relationships with other government departments for the development of enterprise product and service offerings that represent the best value.

Through the Growth channel, ITS engaged 6 client departments (Wave 1) as the initial group of recipients of IT-Shared Services. To facilitate this process, a Service Qualification and Transfer process has been developed: IQTT – Identification, Qualification, Transition and Transformation.

Phase 1 of the IQTT process – Identification – was completed in November 2005. As a result, the first group of Wave 1 partner organizations was identified, comprising PWGSC, the Privy Council Office, the Canada School of Public Service,



Health Canada, Parks Canada, Transport Canada and Veterans Affairs Canada.

Phase 1 was followed by the Qualification Phase: an intensive due-diligence process to explore the opportunities and types of common IT services that could be shared across all partner organizations.

In addition, PWGSC's goal is to achieve a significant adoption of the Records, Document and Information Management System (RDIMS) solution by client departments. Currently over 44,000 licences have been deployed, with a projected distribution of an additional 55,000 by March 2008. By the end of May 2006, 54 departments or agencies were using RDIMS.

### ***Government On-Line Initiative***

In its final year of 2005-2006, the GOL initiative focused on strengthening its results and transitioning its assets to organizations that will continue the work on service improvement and transformation. At the same time, Canada maintained its number one ranking in e-government maturity for the fifth year in a row, according to the international research firm Accenture.

GOL's final annual report, *Government On-Line 2006*, provided an overview of its approach and achievements from 1999 to 2006. It was shared with all Parliamentarians in March 2006 as part of our commitment to transparency and to better inform Canadians. The report describes how the GoC set out to make services more accessible, better and more responsive, while building trust and confidence. The report and other relevant documents can be found at [http://www.gol-ged.gc.ca/index\\_e.asp](http://www.gol-ged.gc.ca/index_e.asp) and may also be accessed from the Canada Site.

### ***Secure Channel***

Secure Channel delivers secure, private, high-speed access to the government's many on-line services. Through Secure Channel, PWGSC

provides a network for more than 130 federal government services, 24 hours a day, 7 days a week.

Part of what makes the government channel secure is the epass, a trusted electronic credential. Epass allows users to engage in secure and private electronic transactions with government. This past year, we issued the million<sup>th</sup> epass.

At year-end, Secure Channel supported some 45 applications for 23 client departments, including 20 new services in 2005-2006. Our Service Level Agreements were met 100 percent of the time.

At GTEC 2005, the Secure Channel Team and Statistics Canada were jointly recognized for their innovative Session Encryption with Automated Login – or SEAL. SEAL gave Canadian households the choice to complete their census questionnaires on-line in an easy, secure and convenient way. By partnering with PWGSC and using the Secure Channel's SEAL service, Statistics Canada was able to ensure the confidentiality and security of Internet responses for the 2006 Census with one of the highest levels of encryption available for electronic transactions.

### ***Shared Travel Services Initiative***

In 2005-2006, the Shared Travel Services Initiative (STSI) was transferred to ITS. The implementation of a travel portal (the Travel Agency Call Centre and Travel Card), as well as the on-line booking tool, paid dividends as the GoC saved approximately \$20 million in airfares during fiscal year 2005-2006.

STSI, in cooperation with seven departments, completed production acceptance testing of the key component of the initiative's integrated end-to-end travel solution, the Expense Management Tool. STSI will roll out the fully integrated suite of tools in 2006-2007.





## ***Sound Stewardship***

### ***Human Resources Challenges***

The Office of Organizational Readiness (ORO) designs and develops HR tools and processes and provides change management advice to Communities of Practice. Through existing and new partnerships, we will work with departments/agencies and various key stakeholders such as the Public Service Human Resources Management Agency of Canada (PSHRMAC), the Canada School of Public Service and regional federal councils, to achieve resource optimization, efficiencies and transparency in support of government service transformation efforts.

In 2005-2006, in partnership with the Canada School of Public Service and with the IM Community and others, ORO completed the development of seven IM courses. These courses form the basis of an IM Professional Development and Certification Program. Further, ORO partnered with the Canadian General Standards Board to lead the development of standards that will provide benchmarks for certifying IM professionals.

Leadership development programs were also reviewed to better align with the government's shared services agenda and the new *Public Service Employment Act* that came into effect in January 2006.

### ***Stewardship Successes***

A request for a volume discount for the PWGSC Desktops Team helped to reduce costs by consolidating the procurement of desktop computers, resulting in savings to the department of \$1.6 million. It has helped in cost avoidance in the management of computer assets and technology, thereby supporting *The Way Forward* objectives of maximizing efficiencies and taking advantage of economies of scale. The Desktops

Team won the 2005 PWGSC Award of Excellence for Innovation and Creativity in Service Delivery.

Through three regional production centres (located in Dartmouth, Québec City and Winnipeg) and the Enterprise Print Operations and engineering teams (located in the National Capital Region), ITS provides print distribution services for PWGSC's Payment Services and Compensation Services business lines. It seeks to ensure that GoC cheques, forms and documents are printed and delivered in accordance with the needs of Canadians who rely on them. We had another record year, with close to 100 million printed products.

In October 2005, PWGSC was reorganized, and the Office of the Chief Technology Officer (OCTO) was established. OCTO promotes sound IM/IT stewardship by providing leadership in the areas of technology innovation, architecture, standards, privacy and security.





## Section II – Program Activities

### Information Technology Net Expenditures 2005-2006

(in millions of dollars)

	Planned Spending	Total Authorities	Actual
<b>Operating and Statutory Votes</b>			
<b>IM/IT Services</b>			
Gross Expenditures	259.4	514.8	501.1
Less: Respondable Revenue	128.2	218.3	219.0
Net Expenditures	131.2	296.5	282.1
<b>IM/IT Stewardship</b>			
Gross Expenditures	25.6	16.6	14.5
Less: Respondable Revenue	2.4	3.6	3.2
Net Expenditures	23.2	13.0	11.3
<b>Telecommunications and Informatics Common Services Revolving Fund</b>			
Gross Expenditures	137.9	144.9	135.5
Less: Respondable Revenue	137.9	137.9	131.5
Net Resources (Provided) Used <sup>(Note1)</sup>	-	7.0	4.0
<b>TOTAL – INFORMATION TECHNOLOGY</b>	<b>154.4</b>	<b>316.5</b>	<b>297.4</b>
Gross Expenditures – Information Technology			
	422.9	676.3	651.1
Less: Respondable Revenue – Information Technology			
	268.5	359.8	353.7
<b>Net Expenditures – Information Technology</b>	<b>154.4</b>	<b>316.5</b>	<b>297.4</b>
<i>Totals may not add up due to rounding.</i>			
<i>(FTEs)</i>			
IM/IT Services - Full Time Equivalents (FTEs)	1,414	1,605	1,647
IM/IT Stewardship - FTEs	148	120	106
Telecommunications Revolving Fund - FTEs	221	221	168
<b>Total – Full Time Equivalents</b>	<b>1,783</b>	<b>1,946</b>	<b>1,921</b>
<p>The operating vote variance between the total authorities and actual spending is due to delays in obtaining approval for the Secure Channel project and to procurement delays, as well as to an increase in business volume late in fiscal year.</p> <p>The Telecommunications and Informatics Common Services Revolving Fund received authority from Treasury Board (TB #831746) to access \$7M of its accumulated surplus to support the Transformation Initiative, as reflected in the authorities net resources. The actual net resources used are lower than anticipated since they are partially offset by a surplus. This is attributable to an increase in business volume (mostly due to the federal elections), lower cost of product and efficiencies in operating expenditures.</p> <p>Note 1: The amounts reported for the Telecommunications and Informatics Common Services Revolving Fund are on a modified cash basis.</p>			



## *Performance by Strategic Outcome*

In the following tables, we identify the commitments made in our *Report on Plans and Priorities 2005-2006*, as well as our performance against those commitments.

### *Strategic Outcome: Quality Services*

#### **IM/IT Services**

Activity	Planned Results	Actual Results
<p>IM/IT Services provides information management and information technology based solutions to the Government of Canada. It also provides infrastructure, design and leadership to major government-wide service projects.</p>	<p>Shared services and systems used by GoC clients.</p>	<ul style="list-style-type: none"> <li>• Developed and awarded a contract for the provision of local telephone services to approximately 167,000 lines at over 1,500 locations serving 120+ government departments and agencies in the National Capital Area.</li> <li>• Awarded a contract for the provision of national long distance services to government departments and agencies, and implementation of the service in approximately 75 major centres serving over 300,000 federal government employees.</li> <li>• Developed a Request for Information in preparation for a GoC Request for Proposals and eventual service contract for wireless services for use across the GoC. Services included in the contract will include PCS/cellular and secure personal digital assistant and significant savings are expected through implementation and use of this new procurement vehicle.</li> <li>• Implemented a new highly cost-effective omnibus contract for an enterprise light VSAT service with Canada Border Services Agency as the anchor client.</li> <li>• Implemented through our existing Enterprise Broadband VSAT contract, a highly cost-effective high-speed satellite network for remote RCMP detachments.</li> <li>• Implemented a shared GoC contract for Globalstar satellite services with many value-added features and transitioned some 900 government users to this new service.</li> </ul>



**Section II –  
Program Activities**

**Telecommunications and Informatics Common Services Revolving Fund**

Activity	Planned Results	Actual Results
Telecommunications and Informatics Common Services provides network and infrastructure services, voice telecommunications services, satellite services, and managed services. This activity is the only one currently managed through a fully compensatory client paid Revolving Fund.	Competitively priced and innovative business solutions provided to departments and agencies, leading to GoC cost savings.	<ul style="list-style-type: none"> <li>• Break-even or surplus in Revolving Fund. The TICS Revolving Fund ended the year with a \$2.8M surplus.</li> <li>• New services managed within the Revolving Fund portfolio: Converged Network Services (CNS), a service created to replace aging or expiring contacts for non-managed or managed bandwidth services.</li> </ul>

***Strategic Outcome: Sound Stewardship***

**IM/IT Stewardship**

Activity	Planned Results	Actual Results
IM/IT Stewardship provides IM/IT standards, architecture, engineering, security, client interface/relationship, branch program management, strategy and governance.	Sound leadership of IM/IT resources in the GoC.	<ul style="list-style-type: none"> <li>• In 2005-2006, ITS established a vision to provide the GoC Enterprise, a best-in-class Data Centre service; we began to work toward achieving this goal. We established strategic partnerships with Department of National Defence (DND) on business continuity service provisions and with Service Canada to consolidate three data centres within the NCA to an IT-Shared Services data centre. A partnership with the Canada Revenue Agency has also been established to work jointly on the planning for a common data centre strategy for the GoC. As well, we began work on the assessment of the Wave 1 Data Centre services and infrastructure, and completed an inventory and detailed review of the IT-Shared Services Data Centres and the eight largest NCA data centres.</li> <li>• ITS has developed product roadmaps for distributed computing environment, data centres and network services. These technical roadmaps guide departments in the areas of messaging, managed desktops, office productivity, data centre services, application hosting, web hosting, bulk print and distribution, business continuity, network services and applications, and satellite and wireless services.</li> <li>• Shared services are defined as new enterprise products and services that are standardized, with few variations, and are shared by many. Together with user communities and departments, we have determined which IT products and services are best suited to being shared across government and, of those, the ones that are currently not shared, with the long-term goal of having approximately one half of IT services shared across government.</li> </ul>



# RECEIVER GENERAL AND PUBLIC SERVICE COMPENSATION

PWGSC provides Receiver General (RG) and Public Service Compensation services. RG Services manages the operations of the federal treasury, including payment issue and revenue collection for major government programs, preparation of the Public Accounts and production of the government's monthly Statements of Financial Operations. PWGSC, through its Compensation function, also provides payroll, benefits and pension plan administration services for the Public Service of Canada.

## Performance Overview

### Quality Services

Program delivery was managed within the approved budget and cost-effective, accurate and timely services were provided to Canadians, departments, agencies and organizations. In 2005-2006, we focused on the following initiatives.

#### Cheque Imaging

A new cheque with increased security was designed with the key new feature of having the payment amount written in words. This feature will make cheques much more difficult to alter. The new cheques will be introduced in 2006-2007.

#### Methods to Modernize and Improve Reporting in the Public Accounts

Modifications were made to the Public Accounts and its associated central systems to support the Treasury Board Secretariat (TBS) Management, Resources and Results Structure, including the Program Activity Architecture.

### Key Facts\*

The Receiver General:

- Issued 240 million payments in almost 200 countries.
- Handled more than \$1.5 trillion in cash flows.
- Issued payments on behalf of 7 provinces and 3 territories as part of joint initiatives with federal departments.
- Produced the Public Accounts for 169 departments, agencies and Crown corporations.
- Since 1995-1996, has reduced the annual cost of payment operations by \$39 million while handling a volume that has increased by 22%.

Public Service Compensation:

- Administered centrally the pay accounts of 300,000 public servants and pension accounts of 328,000 pensioners.
- Issued approximately 13 million pay and pension payments a year.

\*as of March 31, 2006

#### Direct Deposit

In 2005-2006, direct deposit participation increased by 0.3 percent, representing an additional 7.5 million direct deposit payments. Direct deposit of Government of Canada payments also commenced in Australia and 14 countries in Western Europe, including the United Kingdom. The take-up rate of this new service varied from 16-percent to 36-percent of eligible recipients, depending on the country.

#### Taking Advantage of the Infrastructure Supporting the Receiver General

A number of pilot projects were successfully introduced to help other federal departments and agencies benefit from the RG electronic document management infrastructure. Electronic document management services include imaging, storage and retrieval. We are continuing to explore how to best leverage our infrastructure and provide departments with faster and easier access to information.



### ***Centralization of Pension Services***

Three of the business processes (Division of Pension Benefits, Public Service Pension Plan Retirement Planning Information Sessions and Pension Transfer Services) were developed, tested and centralized in the Superannuation, Pension Transition and Client Services Sector, located in Shediac, New Brunswick. The Project Charter was modified to include: nine new business services; activities for Phase II; continued planning and funding; and a work plan for Phases III to V. An organizational review was completed that outlined an optimal approach to efficiently support the centralization of pension services.

### ***Enhancement of Current Pay Systems***

#### ***Canada Revenue Agency***

A project was successfully completed to help the Canada Revenue Agency (CRA) realize its compensation renewal initiative and expand its payroll capacity to a full end-to-end service within its own technical environment. Compensation Sector, in collaboration with PWGSC Information Technology Services, built a separate paymaster. This allowed Compensation Sector to meet CRA's specific requirements and provide a number of enhancements, including pay system daily updates, new schedule for payments other than regular pay and direct deposit for all types of payments.

#### ***Compensation Web Applications***

The Compensation Web Applications (CWA) supports PWGSC's strategic direction to find innovative ways to deliver services smarter, faster and at reduced cost. The CWA provides employees with easy, on-line, secure access to pay, benefits and pension information, as well as the tools to calculate pay and pension-related projections. Employees can view their personal pay and pension information, populated from the PWGSC pay and pension systems, at their convenience without the assistance of a compensation advisor. These applications use a

Secure Channel solution to ensure that employees' information is authenticated, secure and private.

By the end of March 2006, the CWA was deployed to all employees in PWGSC, Transport Canada and Statistics Canada, including the following services:

- the Employee Pension and Benefits Statement which is an on-line system allowing employees to view their personal statement, estimate their monthly pension benefits in both gross and net terms, and explore options relating to their eligible years of service;
- the Statement of Earnings (pay stub), which allows employees to access their current and previous year's Statement of Earnings;
- the Gross to Net Regular Pay Estimate Calculator, which enables employees to obtain an estimate of their net regular pay if certain changes were to occur to their entitlements; and
- the request for changes to voluntary deductions, which allows employees to view and make changes to certain voluntary deductions without involving a compensation advisor.

Compensation Sector also successfully completed work to provide web access to certain pay reports for compensation advisors. This effort will pave the way for the future expansion of direct deposit for all payments (e.g., overtime and retroactive payments). The availability of on-line reports ensures that compensation advisors have the time needed to intercept payments, if required, prior to the deposit of the payment into the employee's bank account. In addition to providing improved services to departments and agencies, this will contribute to the government's sustainable objective by significantly reducing paper use.

### ***Sound Stewardship***

Receiver General and Public Service Compensation services adhered to sound management practice and effective risk management as key principles of our operational management framework. The organization





implemented the new accountability framework for audit follow-up and we continued to foster a culture of ethics and values in support of PWGSC's ethics program.

### ***Modernizing Compensation Systems and Processes***

The Compensation Modernization initiative is PWGSC's renewal of its pay and pension systems and business processes to ensure the ongoing capability to provide compensation services for federal public servants and pensioners, and to provide greater flexibility and functionality in service delivery. The initiative is supported by two separate projects: the Government of Canada Pension Modernization Project; and, the Pay Modernization Project. The new systems will modernize the compensation functions and processes leading to a greater focus on self-service and call centres. This will facilitate implementation of shared systems and services across government.

#### ***Pension Modernization Project***

In November 2005, PWGSC awarded a contract to a private sector firm to develop and implement both the business transformation processes and a commercial-off-the-shelf (COTS) software solution for the new system. A fit/gap analysis for the business processes began in late November 2005, which consists of two critical activities:

- a review of the Crown's requirements and comparison to the capabilities of the proposed COTS solution; and
- the identification and assessment of gaps between the requirements and the proposed solution.

#### ***Pay Modernization Project***

Important studies related to the use of commercial software products were completed for the Pay Modernization Project. The development of business requirements and a pay modernization strategy was launched in 2005-2006, which is

expected to lead to a Treasury Board submission for Preliminary Project Approval in fiscal year 2006-2007.

### ***Human Resource Challenges***

There are significant Human Resource (HR) challenges facing the Receiver General and Public Service Compensation services due to the organization's changing workforce and skills mix, along with impending retirements of experienced employees over the next five years.

We have committed an annual investment of \$200,000 to provide full-time language training to employees with non-statutory rights. In addition, we are aggressively recruiting through the Financial Officer Recruitment and Development program, and the Compensation Sector Apprenticeship program, and are developing a Pension Benefit Advisor Apprenticeship program.



## Section II – Program Activities

### Receiver General and Compensation Net Expenditures 2005-2006

(in millions of dollars)

	Planned Spending	Total Authorities	Actual
<b>Operating (including Special Purpose Allotment) and Statutory Votes</b>			
<b>Receiver General Services</b>			
Gross Expenditures	10.1	11.7	11.9
Less: Respendable Revenue	1.3	3.7	4.8
Net Expenditures	8.8	8.0	7.1
<b>Receiver General Stewardship</b>			
Gross Expenditures	125.4	133.6	130.5
Less: Respendable Revenue	12.3	16.4	14.2
Net Expenditures	113.1	117.2	116.3
<b>Public Service Compensation</b>			
Gross Expenditures	3.6	4.4	4.4
Less: Respendable Revenue	2.3	2.8	2.9
Net Expenditures	1.3	1.6	1.5
<b>Public Service Pay Stewardship</b>			
Gross Expenditures	28.8	38.2	35.2
Less: Respendable Revenue	3.8	7.3	6.9
Net Expenditures	25.0	30.9	28.3
<b>Public Service Pension Stewardship</b>			
Gross Expenditures	67.9	76.6	68.1
Less: Respendable Revenue	48.7	54.8	48.9
Net Expenditures	19.2	21.8	19.2
<b>TOTAL – RECEIVER GENERAL AND PUBLIC SERVICE COMPENSATION</b>	<b>167.4</b>	<b>179.5</b>	<b>172.4</b>
Gross Expenditures – Receiver General and Public Service Compensation	235.8	264.5	250.1
Less: Respendable Revenue – Receiver General and Public Service Compensation	68.4	85.0	77.7
<b>Net Expenditures – Receiver General and Public Service Compensation</b>	<b>167.4</b>	<b>179.5</b>	<b>172.4</b>
<i>Totals may not add up due to rounding.</i>			<b>(FTEs)</b>
Receiver General Services - Full Time Equivalents (FTEs)	50	50	49
Receiver General Stewardship - FTEs	516	470	431
Public Service Compensation - FTEs	49	52	51
Public Service Pay Stewardship - FTEs	376	384	364
Public Service Pension Stewardship - FTEs	763	808	746
<b>Total – Full Time Equivalents</b>	<b>1,754</b>	<b>1,764</b>	<b>1,641</b>
The variance between the authorities and actual spending is due to staffing delays, and to lower than anticipated systems costs related to delays / cancellations within the Receiver General Streamlining project and the Pay Modernization project.			



## *Performance by Strategic Outcomes*

In the following tables, we identify the commitments made in our *Report on Plans and Priorities 2005-2006*, as well as our performance against those commitments.

### *Strategic Outcomes: Quality Services*

#### **Receiver General Services**

<b>Activity</b>	<b>Planned Results</b>	<b>Actual Results</b>
Maintain operations for the Departmental Financial Management System. Provide optional document-imaging services for departments. Provide optional payment-related printing, such as tax information statements and pay statements.	Receiver General Services are timely, efficient and delivered within defined service standards.	<ul style="list-style-type: none"> <li>• Departmental Financial Management System: <ul style="list-style-type: none"> <li>• Two releases to production in September and February 2006, on time and on budget. Service levels established on MOUs with clients met or exceeded.</li> <li>• System availability was 99% and 100% of transactions took less than 5 seconds.</li> </ul> </li> <li>• In the domain of imaging, the standard for level of service was met and clients expressed a high level of satisfaction. The Cheque Redemption Control Directorate received two awards in autumn 2005 for its excellent services – one by PWGSC and one at GTEC 2005.</li> <li>• No operational incidents involving statements. 100% of statements were issued according to schedule.</li> </ul>

#### **Public Service Compensation Services**

<b>Activity</b>	<b>Planned Results</b>	<b>Actual Results</b>
Administer payroll, pension and health/disability insurance processes for public service employees and pensioners. Provide pension services to the Department of National Defence(DND).	Timely provision of communications to public service employees and pensioners via pay envelope inserts. Administration of pensions for Canadian Forces annuitants.	<ul style="list-style-type: none"> <li>• 16 pay inserts distributed in accordance with sponsors' requirements and on time (100%).</li> <li>• All pension actions for the DND pension system were successfully processed within service level standards 99.6% of the time.</li> </ul>



***Strategic Outcome: Sound Stewardship***

**Receiver General Stewardship**

Activity	Planned Results	Actual Results
Maintain high-quality support for the Consolidated Revenue Fund (CRF) and the Public Accounts of Canada (revenue collection, cash management operations, payment services, Public Accounts, Monthly Statement of Financial Operations, Central Accounts).	Preservation of the integrity of the CRF and the Public Accounts of Canada. Effective execution of functions essential to the financial safety and security of the Canadian public.	<ul style="list-style-type: none"> <li>• 99.2% of payments were issued according to standard.</li> <li>• Daily authorization of the Bank of Canada for all outflows from the CRF was as per schedule 95% of the time.</li> <li>• Produced the 2004-2005 Public Accounts as per schedule.</li> <li>• Daily deposit of remittance payments reached 100%.</li> <li>• The reconciliation of deposits to the credit of the Receiver General were completed within two business days 97% of the time.</li> </ul>

**Public Service Pay Stewardship**

Activity	Planned Results	Actual Results
Administer payroll and health/disability insurance processes for public service employees and pensioners.	Assurance of the integrity of pay and benefits administration.	<ul style="list-style-type: none"> <li>• Level of service for pay and pension transactions processed in the pay system were met 92% of the time, slightly below the standard of 95% with the exception of one type of transaction, which was met 70% of the time. Results of the biennial Client Satisfaction Survey indicated that client departments were satisfied with services 94% of the time.</li> <li>• Service Level Agreements with respect to systems reliability were met consistently. Minimal payroll processing disruptions were experienced while maintaining accuracy in the collection and remittance of deductions.</li> <li>• 180 collective agreements were implemented accurately and effectively within a maximum of 20 days from the date of receipt, which is an exceptional performance.</li> <li>• The project to provide Canada Revenue Agency with an end-to-end payroll service within its own technical environment was implemented in March 2006 with the transfer of its payroll accounts to a single paymaster.</li> </ul>



**Public Service Pension Stewardship**

Activity	Planned Results	Actual Results
Administer pension processes for public service pensioners.	Assurance of the integrity of pension administration.	<ul style="list-style-type: none"> <li>• Quality rate of initial payments monitored. Initial payments were made within established standards 96.8% of the time (standard is 95%).</li> <li>• For nine consecutive months, the number of election files completed was greater than the number of new incoming files, despite a large volume of incoming work. This has resulted in a 25% decrease in the total work in process for elections. During this time period, the service level for elections increased 40% to a level of 70%.</li> <li>• Pension system Service Level Agreements were met consistently during this reporting period. Minimal processing disruptions were experienced while maintaining accuracy of pension data.</li> <li>• Policy changes implemented in a timely manner, meeting defined requirements and within committed delivery timeframes.</li> </ul>





# GOVERNMENT INFORMATION SERVICES

PWGSC's Government Information Services (GIS) aims to enhance government communications and public sector management of key communications activities by maintaining high-quality services to Canadians and the Government of Canada (GoC) and by continually improving stewardship for government communications.

GIS builds capacity and expertise enabling the Government of Canada to listen to Canadians and communicate with them effectively by: serving as the technical coordinating authority for advertising and public opinion research across government; providing toll-free telephone and on-line information services; providing departments and agencies with access to electronic news sources; managing the Government Publishing and Depository Services programs; publishing the *Canada Gazette*; and managing the Government of Canada Exhibitions Program.

During 2005-2006, GIS underwent significant transformation due to the transferring in and out of several of its program components.

On September 12, 2005, GIS's Public Access Programs were transferred to the newly formed Service Canada initiative of Human Resources and Social Development Canada (HRSDC), a single-window point of contact for citizens to obtain services from the federal government. These programs included:

- Gateways and Clusters Directorate;
- Publiservice, the Government of Canada's Intranet;
- 1 800 O-Canada, the Government of Canada's toll-free telephone service; and
- the Canada Site, [www.canada.gc.ca](http://www.canada.gc.ca) the primary GoC Internet access point.

## Key Facts\*

### Government Publishing and Depository Services:

- Processed over 242,000 orders for publications.
- Distributed over 1,000,000 documents.
- 113,894 records on the Publications website, including 23,185 e-publications.
- 3,934,967 downloads from Depository Services website.

### 1 800 O-Canada:

- Received 1,325,177 calls in 2005-2006.
- Received 138,872 calls from December 2005 to January 2006 regarding the 39th General Election.

### Canada Site:

- 72,281,831 page views in 2005-2006.
- 19,625,605 visits in 2005-2006.

### Government of Canada Exhibitions Program:

- Coordinated 10 Canada Pavilion events and 20 federal presence events in every province across the country reaching over 600,000 visitors.

### Canada Gazette

- In 2005-2006, over 5 million total pages were viewed.
- 184 countries consulted the *Canada Gazette*.
- Top five countries that consulted the *Canada Gazette*: Canada, France, Belgium, United States and the Netherlands.

\*as of March 31, 2006

Since that time, there has been shared accountability for the Public Access Programs involving PWGSC for funding and Service Canada for the management and delivery of the programs. In 2006-2007, the intention is to complete the transfer of the funding and authorities for the programs through a Treasury Board submission. To assist Service Canada in becoming the government's principal service delivery vehicle to citizens, the former GIS Marketing Services participated in branding strategies and knowledge sharing.

In October 2005, the government announced the realignment of Consulting and Audit Canada's services to reinforce the internal audit function across government and to ensure that its two



service components were appropriately segregated. Consulting and International Services were transferred to GIS, while Audit Services remained a separate entity in PWGSC.

In February 2006, PWGSC dismantled its Service Integration Branch, which pooled the functions under Business Integration Services, and the Industrial Security Sector and the Shared Services Integration Sector became part of GIS.

As a result of these transfers, GIS has evolved into a branch that provides four distinct common services to citizens, departments and agencies: Communications Program Management; Government Consulting Services; Shared Services Integration; and Industrial Security.

The changes to accommodate these program transfers have been implemented at an operational level. However, to conform to the approved Program Activity Architecture reporting structure, this report outlines the performance of only the original GIS programs, which were under its authority in 2005-2006:

- Advertising Coordination and Public Opinion Research;
- 1 800 O-Canada, Canada Site, Gateways and Clusters Directorate, and Publiservice;
- Government Publishing and Depository Services;
- Electronic Media Monitoring;
- the *Canada Gazette*;
- Marketing and Advertising; and
- Government of Canada Exhibitions Program.

The 2005-2006 Consulting Services results are contained in the Consulting and Audit Canada Special Operating Agency section of this report. The results for the Industrial Security Sector and the Shared Services Integration Sector are included in the Business Integration section of this report.

## ***Performance Overview***

GIS's key objectives for 2005-2006 were the delivery of its two key commitments: providing quality service and enhancing stewardship of GoC communications services. GIS also developed a transition strategy to complete the consolidation and integration of its new programs, as well as the smooth transfer of programs to Service Canada.

### ***Advancing Quality Information Services to Canadians and to the Government of Canada***

#### ***Former Public Access Programs***

In 2005, the 1 800 O-Canada service was awarded "World Class Customer Satisfaction," with 83 percent of callers selecting the top choice when describing their level of satisfaction with the service they received. This third-party client satisfaction survey also recommended potential improvements and, in 2005-2006, the service realigned some of its internal procedures (e.g., call monitoring) as a result of the survey findings.

The Canada Site and Publiservice also worked with an independent third party to conduct an on-line study of user satisfaction. Overall satisfaction for both sites was high,<sup>1</sup> with users indicating that they intended to continue using the sites and would recommend them to others.

The Canada Site received international recognition in both Accenture's and the United Nation's e-Government reports. The UN report rated the Canada Site as the "highest quantitatively scoring national site in this year's Web measure."

The Gateways and Clusters team developed the *Roadmap to a Coherent Government of Canada Internet Presence*, which lays the groundwork for

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<sup>1</sup> 638 surveys were completed for Publiservice from August 17 to October 31 and 3,557 were completed for the Canada Site from August 12 to September 23.



content rationalization and coherence across all channels at an enterprise-wide level.

### ***Government of Canada Publications***

The *Canada Gazette* [canadagazette.gc.ca](http://canadagazette.gc.ca) launched a new search engine. In response to client feedback, users now have the ability to narrow down results by date and to limit searches to Part I or Part II of the *Canada Gazette*.

A feasibility study, completed on the *Canada Gazette* Student Zone project, outlined opportunities for integrating the content of the *Canada Gazette* into high school curricula.

A daily release report was developed for the GoC Publications website. In response to client feedback, this feature facilitates access to newly released publications. For more details, see: <http://publications.gc.ca/helpAndInfo/distributors-e.htm>.

### ***Government of Canada Exhibitions Program***

The objective of the Exhibitions Program is to enhance the awareness of Canadians, in all regions of the country, about the broad range of federal programs and services available, and how to access them. It consolidates the participation of government departments and agencies at fairs and exhibitions under one umbrella, using a common look and theme. In 2005, the principal theme was *Year of the Veteran*.

A program evaluation was requested by Cabinet in December 2004 for the final year of the Canada Exhibitions Program.

### ***Marketing and Advertising***

In light of changing priorities, the GoC did not undertake major marketing and advertising initiatives in 2005-2006. In addition, Service Canada assumed responsibility for producing and distributing the Service Guides, which are designed

### ***Services to Government\****

#### **Electronic Media Monitoring (EMM)**

- Estimated \$16M annual savings by making sources available through EMM.
- In 2005-2006, 82 departments/agencies accessed EMM sources. Surveyed departments reported an 86% satisfaction rate with provided sources.
- 80% of user organizations posted articles from EMM on their own departmental intranets.

#### **Publiservice (Government of Canada Intranet Site)**

- 55,378,076 page views for Publiservice and its applications (Job Site, Career Watch and Customization).
- 86% of visitors accessed the site at least once a week.

#### **Advertising Coordination and Public Opinion Research (POR)**

- Advertising Coordination provided advisory services to 34 departments, resulting in 486 media placement approvals.
- POR provided advisory services to 45 departments, resulting in 520 research initiatives.
- 19 information sessions were held for public servants on advertising practices.
- Four community of practice meetings were held with over 30 departmental public opinion research practitioners.
- POR held four training sessions and updated two guides for public servants.

*\*as of March 31, 2006*

to increase awareness of federal programs and services in certain target segments of the Canadian population (e.g., Guide for Seniors).

### ***Enabling Common and Central Service through Shared Knowledge and Expertise***

In 2005-2006, GIS completed a strengthening of its internal advertising coordination capacity and expertise, and implemented a Public Opinion research strategy. These initiatives were in line with the revised *Communications Policy of the Government of Canada* (November 2004) and the recommendations of the November 2003 Auditor General's Report contained in Chapter 3: Advertising Activities, and Chapter 4: Management of Public Opinion Research.



The following results were achieved:

- Completed implementation of the Auditor General's recommendations for Advertising Coordination and Public Opinion Research (POR) programs. The implementation of the recommendations began in 2004-05 and was concluded in 2005-06;
- Completed management review for Advertising Coordination and POR programs to assess the strength of its processes and controls against the GoC Management Accountability Framework. The management review activities began in 2004-05 and the assessment was completed in 2005-06;
- Rebuilt the advertising coordination team and reorganized the delivery of services to better serve departments and to increase the value and effectiveness of the Program's operations; and
- Organized and implemented new partnerships with Library and Archives Canada (LAC) and Library of Parliament (LOP) resulting in improved access to online final reports of POR research studies.

In November 2005, the Auditor General tabled a report on the *Quality and Reporting of Surveys*. POR commenced implementation of the Management Action Plan to respond to the recommendations. Refer to section III for more details.

To provide leadership to GoC communicators, through information and knowledge sharing, GIS programs produced:

- a best practices guide on effective advertising to official language minority communities, thereby completing the departmental response to the Commissioner of Official Languages report on minority media usage;
- four training sessions and updates to the POR guides;
- a best practices guide on values and ethics of partnering;
- 19 separate information/training sessions for public servants on advertising;

- a scoping study for an ethnic media industry profile;
- a project to create an ethnic media library and develop support tools and training to assist departments and agencies to reach ethno-cultural communities in Canada; and
- annual reports for Advertising Coordination and POR.

[http://www.communication.gc.ca/index\\_e.html](http://www.communication.gc.ca/index_e.html)



**Section II –  
Program Activities**

**Government Information Services Net Expenditures 2005-2006**

*(in millions of dollars)*

	Planned Spending	Total Authorities	Actual
<b>Operating, Grants and Contributions and Statutory Votes</b>			
<b>Government Information Services</b>			
Gross Expenditures	54.0	70.3	64.3
Less: Respendable Revenue	22.7	14.1	14.8
Net Expenditures	31.3	56.2	<b>49.5</b>
<b>Government Information Stewardship</b>			
Gross Expenditures	18.5	7.9	10.2
Less: Respendable Revenue	1.1	1.5	0.2
Net Expenditures	17.4	6.4	<b>10.0</b>
<b>TOTAL – GOVERNMENT INFORMATION</b>	<b>48.7</b>	<b>62.6</b>	<b>59.5</b>
<b>Gross Expenditures – Government Information</b>			
	72.5	78.2	74.5
<b>Less: Respendable Revenue – Government Information</b>			
	23.8	15.6	15.0
<b>Net Expenditures – Government Information</b>	<b>48.7</b>	<b>62.6</b>	<b>59.5</b>
<i>Totals may not add up due to rounding.</i>			<i>(FTEs)</i>
Government Information Services - Full Time Equivalents (FTEs)	242	298	266
Government Information Stewardship - FTEs	229	80	32
<b>Total - Full Time Equivalents</b>	<b>471</b>	<b>378</b>	<b>298</b>
The variance between the authorities and actual spending is due to the impact on the business caused by the reorganization and transition of the GIS activities.			
This table includes \$15.0M of net actual expenditures relating to the Public Access Programs Sector that was transferred to Human Resources and Social Development (HRSD) by Order in Council Sept. 12, 2005.			





## Performance by Strategic Outcomes

In the following tables, we identify the commitments made in our *Report on Plans and Priorities 2005-2006*, as well as our performance against those commitments.

### Strategic Outcome: Quality Services

#### Government Information Services

Activity	Planned Results	Actual Results
<p>Management of the Government of Canada's (GoCs) communication platform by providing multi-channel access to information on government programs and services by promoting them.</p>	<p>The effective, cost-efficient provision of information about GoC programs and services using a broad range of communications channels and services that are fairly and transparently obtained.</p>	<ul style="list-style-type: none"> <li>• 71% of surveyed visitors to GoC exhibits indicated that they had learned information that might have been more difficult to find otherwise.<sup>1</sup></li> <li>• Seven in ten participants in the Canada Site on-line satisfaction survey said they were seeking some specific information; three-quarters of these visitors reporting finding it.<sup>2</sup></li> <li>• Government Publishing achieved its cost-recoverable financial objectives. The program's E-Bookstore website received 5,191,503 page requests and processed orders for 507,778 publications.</li> <li>• The Depository Services website received 7,874,088 page requests and distributed 561,720 GoC documents to libraries/depository sites across Canada.</li> <li>• The <i>Canada Gazette</i> met all legislated publication dates in accordance with the <i>Statutory Instruments Act</i> and provided simultaneous access to both print and electronic official versions. An error rate of less than one-tenth of a percent was achieved.</li> <li>• Estimated \$16M annual savings by providing access to media sources through the Electronic Media Monitoring Service. 86% of client departments are satisfied with the sources provided by Electronic Media Monitoring Services.<sup>3</sup></li> <li>• An evaluation directed by Cabinet for the final year of the Exhibitions Program found that overall the program is delivered effectively. Close to 600,000 citizens visited the exhibits across the country to obtain information on federal programs and services; in addition, the Exhibitions team coordinated 20 federal presence events reaching approximately 75,000 citizens.</li> </ul>

<sup>1</sup> A total of 904 telephone interviews, with the general public (aged 18+), who visited the Canada Pavilion in 2005-2006 at Expo-Québec (Québec, QC), Western Fair (London, ON), Maritime Fall Fair (Halifax, NS), Canadian Western Agribition (Regina, SK) and Festival du Voyageur (St. Boniface, MB). Margin of statistical error is estimated at +/-3.3 percentage points, 19 times out of 20.

<sup>2</sup> A total of 3,557 questionnaires were completed. The survey was offered to one in ten visitors to the French and English version of the site. Certain language and ability groups may be underrepresented.

<sup>3</sup> 46 departmental contacts, among 82 client organizations, completed an on-line survey. Although sampling margin of error is not a major concern for very small populations, the maximum sampling error is estimated at +/-9.6 percentage points for a proportion of 50%, at a confidence level of 95%.



Activity	Planned Results	Actual Results
		<ul style="list-style-type: none"> <li>• <b>Public Access Programs (September 12, 2005, Order in Council, transferred the programs to HRSDC)</b> <ul style="list-style-type: none"> <li>• 1 800 O-Canada answered 1,325,177 calls in 2005-2006 (16% increase over 2004-05).</li> <li>• Canada Site reported 72,281,831 page views (39% increase over 2004-2005) and 19,625,605 visits (37% increase over 2004-2005).</li> <li>• Publiservice reported 55,378,076 page views including 39,708,923 page views for the Job Site, its most popular application.</li> </ul> </li> </ul>

***Strategic Outcome: Sound Stewardship***

**Government Information Stewardship**

Activity	Planned Results	Actual Results
<p>Government Information Stewardship activities provide government-wide strategic management, coordination and monitoring in the areas of advertising, public opinion research and electronic media monitoring. These activities are detailed in the <i>Communications Policy of the Government of Canada</i> and its associated procedures.</p>	<p>Sound internal financial management (within the GIS Branch), transparency and accountability with respect to government information services provided from a whole-of-government perspective.</p>	<ul style="list-style-type: none"> <li>• Annual reports for Public Opinion Research (POR) and Advertising Coordination were published. <a href="http://www.communication.gc.ca/index_e.html">http://www.communication.gc.ca/index_e.html</a>.</li> <li>• Advertising Coordination and POR deferred their survey of public servants to 2006-2007.</li> <li>• Organized and implemented a new partnership arrangement with the Library of Parliament to facilitate the transfer of electronic files to improve access of MPs and the media to on-line final reports of POR studies.</li> <li>• Organized and implemented a new partnership arrangement with Library and Archives Canada to improve access of the general public and government employees to on-line final reports of POR studies.</li> <li>• Developed best practices guide on effective advertising to official language minority communities.</li> <li>• POR provided advisory services to 45 departments resulting in 520 research initiatives.</li> <li>• Advertising Coordination provided advisory services to 34 departments resulting in 486 media placement approvals.</li> <li>• Conducted 19 information sessions for public servants on advertising practices.</li> <li>• Held four community of practice meetings with over 30 departmental POR practitioners.</li> <li>• POR held four training sessions and updated two guides for public servants.</li> <li>• 74% of surveyed client departments indicated that Exhibitions Program events helped them comply with the GoC Communications Policy.<sup>4</sup></li> </ul>

<sup>4</sup> 79 responses were received to a call letter sent to departments and agencies. The survey was part of the Consulting and Audit Canada evaluation of the Government of Canada Exhibitions Program.



## BUSINESS INTEGRATION

On February 20, 2006, functions in the Service Integration Branch were reassigned to various PWGSC business lines so that the branch account executives could more effectively support the department's business transformation efforts and better respond to the needs of client departments and agencies. To advance our business transformation goals and directly support client needs, PWGSC required expert service consulting teams in Real Property, Acquisitions and Information Technology.

This section presents the achievements and financial results of the Business Integration Services activity, focusing on Industrial Security, Shared Services Integration, and Client Relationship Management and Engagement, in accordance with the Program Activity Architecture in effect for the department during 2005-2006.

### Performance Overview

#### Industrial Security

The Industrial Security Program (ISP) was transferred to Government Information Services (GIS) under the Industrial Security Sector (ISS) in February 2006. The ISP (contract security and controlled goods program service lines) supports a key accountability of PWGSC under the Treasury Board's Government Security Policy, as enunciated by Part II of the *Defence Production Act* and the *Controlled Goods Regulations*. The Industrial Security Sector (ISS) delivers services that safeguard federal government classified information and protected information and assets entrusted to Canadians and international private sector organizations. It manages the examination, possession and transfer of controlled goods in Canada and is responsible for preventing unauthorized access to such goods.

#### Key Facts \*

##### Industrial Security

- Over 90,000 personnel security clearances were processed – representing a 40% increase in workload over 2004-2005.
- 95% of straightforward Reliability Clearances were processed within two business days.
- 90% of the required security clauses were supplied to PWGSC Acquisitions Branch within 20 calendar days.

##### Shared Services Integration

- Provided service to 64 departments and agencies using common financial and human resource systems.
- Provided human resource services to 24 small departments and agencies.
- Integrated Financial and Materiel System was awarded the Americas' SAP Users Group Impact Award for significant business achievement resulting from an SAP implementation.

\*as of March 31, 2006

To improve client and industry relations, ISS created two key advisory boards, one for major industry associations and one representing government stakeholders. These boards provide fora for exchange of ideas, insight into members' dealings with ISS and advice on streamlining initiatives.

To more effectively deliver its mandated services, ISS focused on three specific areas in 2005-2006:

- The Canadian and International Industrial Security and Controlled Goods directorates undertook a service-by-service review and analysis of needs, expectations and service delivery options. Cost savings and efficiencies, will start to be implemented in 2006-2007.
- ISS implemented an aggressive backlog elimination plan that successfully eradicated all high-priority backlogs: 1,050 in registration and 1,040 in inspection.



- ISS undertook a redesign and reorganization to help stabilize its employee base and ensure continued delivery and service improvements.

### ***Shared Services Integration Sector***

Shared Services Integration Sector (SSIS) is a full cost-recovery sector aimed at reducing the Government of Canada's investment in corporate administrative systems, thereby reducing overall costs for the government.

In February 2006, SSIS was transferred from the Service Integration Branch to Government Information Services. These shared services are provided to departments and agencies through integrated program support and management on a full cost-recovery basis. From a strategic and operational perspective, SSIS supports the Corporate Administrative Shared Services initiative within government and contributes to achieving efficiencies through economies of scale.

SSIS provided service to departments and agencies using the following corporate administrative shared systems:

- Human Resources Information System (HRIS);
- Automated Materiel Management Information System (AMMIS);
- Integrated Financial and Materiel System (IFMS); and
- Government of Canada Human Resources Management System (GoC HRMS).

In 2005-2006, through cost efficiencies and strong fiscal oversight, over \$850,000 was returned to the cluster member departments.

### ***HRIS Cluster Group Program Sector***

Version 3.2 of HRIS was released in December 2005 to address issues identified in the self-serve module of the application. The group updated the system documentation, which included a system data dictionary, training documentation and user manuals for version 3.1.

### ***AMMIS Cluster Group Program Sector***

AMMIS is being maintained in an operational status only until it is phased out and replaced by the chosen Corporate Administrative Shared Services system.

### ***IFMS Cluster Group Program Sector***

The IFMS Cluster Group Program Centre achieved the following:

- migration of 14 of 15 departments from SAP version 4.0 to version 4.7;
- greater standardization and elimination of numerous legacy systems by expanding the scope to include Plant Maintenance and Project System modules; and
- numerous system enhancements including a comprehensive suite of tools to support the reallocation of corporate services in line with the Program Activity Architecture.

### ***GoC HRMS Cluster Group Program Sector***

In partnership with the software vendor, Oracle, and the cluster membership, the GoC HRMS Cluster Group Program Centre led all project phases to upgrade to version 8.9 by June 2006.

### ***Shared Human Resource Services***

The sector provided human resource services, including compensation and benefits and staffing services to 24 small departments and agencies. In 2005-2006, the following services were provided:

- 65 classification actions;
- 31 staffing processes;
- compensation services for over 1,600 employee accounts; and
- production of annual reports, review of human resource policies and consultations with Labour Relations.



### ***Shared Travel Services Initiative***

Responsibility for the Shared Travel Services Initiative was transferred to Information Technology Services. Performance information on the initiative can be found in the Information Technology section of this report.

### ***Customer Relationship Management and Engagement***

The Customer Relationship Management and Engagement (CRME) function was disbanded in February 2006 and decentralized among PWGSC services. Since then, the services continue to develop CRME objectives and metrics specific to their business lines and to the needs of their clients.

For example, after Real Property Services (RPS) took on the CRME function, it leveraged the relationships built by the Service Integration Teams to identify the service and accommodation needs, as well as the plans and strategies of client departments.

RPS also developed tailored or updated strategies for engagement and partnership with 20 customer departments. These strategies articulate the business priorities of customer departments and enable Real Property to consider these while planning to carry out its mandate in the context of the business transformation agenda.





**Section II –  
Program Activities**

***Business Integration Net Expenditures 2005-2006***

*(in millions of dollars)*

	Planned Spending	Total Authorities	Actual
<b>Operating and Statutory Votes</b>			
<b>Business Integration Services</b>			
Gross Expenditures	31.5	35.4	31.3
Less: Respendable Revenue	3.3	15.9	15.4
Net Expenditures	28.2	19.5	15.9
<b>Business Integration Performance Management</b>			
Gross Expenditures	43.3	43.7	44.3
Less: Respendable Revenue	37.6	37.6	38.2
Net Expenditures	5.7	6.1	6.1
<b>TOTAL – BUSINESS INTEGRATION</b>	<b>33.9</b>	<b>25.6</b>	<b>22.0</b>
Gross Expenditures – Business Integration	74.8	79.1	75.6
Less: Respendable Revenue – Business Integration	40.9	53.5	53.6
<b>Net Expenditures – Business Integration</b>	<b>33.9</b>	<b>25.6</b>	<b>22.0</b>
<i>Totals may not add up due to rounding.</i>			<i>(FTEs)</i>
Business Integration Services - Full Time Equivalents (FTEs)	124	133	199
Business Integration Performance Management - FTEs	459	418	418
<b>Total – Full Time Equivalents</b>	<b>583</b>	<b>551</b>	<b>617</b>
<p>The variance between the authorities and actual spending for Business Integration Services can mostly be explained by delays in staffing and inspections within Industrial Security, resulting in lower than anticipated costs.</p>			



## Performance by Strategic Outcomes

In the following tables, we identify the commitments made in our *Report on Plans and Priorities 2005-2006*, as well as our performance against those commitments.

### Strategic Outcome: Quality Services

#### Business Integration Services

Activity	Planned Results	Actual Results
The identification and development of strategic business and process opportunities to integrate services provided by PWGSC, as well as to take advantage of economies of scale with colleague departments, the Government of Canada and all other interjurisdictional agencies and organizations, including regions.	An organization that fosters: <ul style="list-style-type: none"> <li>• a harmonized environment;</li> <li>• improved access to PWGSC services;</li> <li>• improved communication with colleagues and other government departments;</li> <li>• increased horizontal initiatives; and</li> <li>• added value for resources expended.</li> </ul>	<p><b>Results for the Shared Services Integration Sector</b></p> <ul style="list-style-type: none"> <li>• 64 departments and agencies participated in the system cluster groups.</li> <li>• 24 small departments and agencies utilized the shared human resource services.</li> </ul> <p><b>Results for the Industrial Security Sector (ISS)</b></p> <ul style="list-style-type: none"> <li>• Created two key advisory boards, one comprising major industry associations and one representing government stakeholders. These associations provide: a forum for exchange of ideas; insight into members' dealings with ISS; and advice on streamlining initiatives.</li> </ul>

### Strategic Outcome: Sound Stewardship

#### Business Integration – Performance Management

Activity	Planned Results	Actual Results
Establish client service expectations and monitor overall service performance of PWGSC. This will include ensuring that customer satisfaction is effectively measured, and contribute to the thought process for Branch/Special Operating Agency initiatives on strategic process improvements.	An organization that: <ul style="list-style-type: none"> <li>• has a sound results-oriented framework using PWGSC's Management Accountability Framework (MAF);</li> <li>• acts in the best interests of the department, its program branches, colleague departments and Canadians;</li> <li>• has an integrated quality assurance framework and processes; and.</li> <li>• ensures that all services are timely and cost-effective for Canadians.</li> </ul>	<p><b>% of MAF elements showing compliance:</b> In practice, measuring progress on MAF implementation in 2005-2006, in terms of percentage was unwieldy. Instead, PWGSC conducted a comprehensive internal assessment of MAF elements in December 2005, which led to a detailed action plan for 2006-2007. MAF implementation in PWGSC is on track.</p> <p><b>Industrial Security Sector</b></p> <ul style="list-style-type: none"> <li>• Over 90,000 personnel security clearances were processed in 2005-2006, representing an approximate 40% increase in workload over 2004-2005.</li> <li>• 95% of straightforward reliability clearances were processed within two business days.</li> <li>• 90% of the required security clauses were provided to the Acquisitions Branch within 20 calendar days.</li> </ul>



**Business Integration – Client Relations Management**

Activity	Planned Results	Actual Results
<p>The strategic management of client relationships at an enterprise level with the goal of generating high levels of sustainable client satisfaction through the most efficient, effective means possible, including regular performance measurements. Customer Relationship Management (CRM) will focus on a strategy that is enabled by technology in improving efficiency for the taxpayers and for the Government of Canada.</p>	<p>An organization that:</p> <ul style="list-style-type: none"> <li>• is client focused;</li> <li>• has an integrated CRM framework; and</li> <li>• exhibits and reinforces a culture that fosters ethical values and behaviors.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>80% of ethics training completed.</b> The Office of the Chief Risk Officer provided mandatory training on ethics to 80% of the department employees identified as occupying positions at risk; a new training program has been developed for next year to cover remaining positions.</li> </ul> <p><b>Industrial Security Sector</b></p> <ul style="list-style-type: none"> <li>• Redesigned and reorganized 148 positions to help stabilize the employee base and ensure continued delivery and service improvements.</li> <li>• Eliminated backlog of 1,050 registrations.</li> <li>• Eliminated backlog of 1,040 inspections.</li> </ul> <p><b>Shared Services Integration Sector</b></p> <ul style="list-style-type: none"> <li>• In 2005-06, through cost efficiencies and strong fiscal oversight, over \$850,000 was returned to the cluster member departments.</li> </ul>



# CONSULTING AND AUDIT CANADA

In October 2005, the Government of Canada announced a realignment of Consulting and Audit Canada's (CAC) functions as part of a broader initiative to strengthen internal audit capacity across government and to ensure the two services are appropriately segregated. As a result, CAC continued to provide Audit Services, while Government Consulting and International Services were transferred to Government Information Services (GIS) of PWGSC.

The structural changes to accommodate these program transfers have been implemented at an operational level. However, to conform to the approved Program Activity Architecture reporting structure, this report outlines the performance of both Consulting Services and Audit Services.

## Performance Overview

### Consulting Services

Serving as the Government of Canada's in-house consultancy group, Consulting Services provides specialized advice and solutions to improve public sector management in Canada and abroad. Under one roof, it offers services in the fields of Information Management/Information Technology, governance, sustainable development, organizational design, financial and performance management as well as knowledge management. Consulting Services applies a wide range of public sector skills and insight to solve public sector challenges.

Consulting Services operates on a fee-for-service basis. It responds mainly to demands from central agencies for strategic and sensitive advisory services, which aim to improve governance, management and operations in the Public Service of Canada. Examples include a review of Treasury Board financial policies, an assessment of parliamentary reports and returns, an assessment

### Key Facts\*

#### Consulting Services

- 97% client satisfaction.
- 66% of clients indicated Consulting Services resulted in improved management and operations for their teams.
- 396 contracts awarded to SMEs.
- Over 300 projects undertaken for 55 federal organizations.

#### Audit Services

- Supported the Gomery Commission inquiry.
- Provided professional development of audit resources.
- Maintained effective audit capacity in government in National Capital Area and regions during a period of uncertainty.
- Assisted Office of the Comptroller General in implementation of the new policy on Internal Audit.

\*as of March 31, 2006

of learning needs for the regulatory community as part of the Privy Council Office Smart Regulation Action Plan, and determination of requirements for the Treasury Board Secretariat's Corporate Administrative Shared Services initiative.

Federal departments also come to Consulting Services for advisory services that require an impartial third-party and whole-of-government perspective including: program evaluations, assessments, studies, plans, Treasury Board submissions and business cases. Examples include an evaluation of the Youth Employment Strategy that cuts across 14 departments and evaluations of several horizontal programs to combat organized crime.

Consulting Services is also active as the executive agency for the Canadian International Development Agency by managing capacity-building projects in fields such as auditing services in 23 sub-Saharan countries.

Overall, in 2005-2006, Consulting Services conducted more than 300 projects, in Canada and abroad, with a total value of \$79.8 million.



Consulting Services also works with private sector consultants. It worked with Acquisitions Services to provide 396 opportunities for small and medium enterprises (SMEs), thus serving as an enabler for SMEs and building the private sector's capacity to provide high-quality professional services to the government.

### ***Audit Services***

Audit Services made good progress toward achieving planned results, outlined in the Report on Plans and Priorities 2005-2006. As a client-focused organization, it made a significant contribution to public sector management accountability and operations by engaging in approximately 400 projects across Canada with a total value of \$26 million. Audit Services exceeded its performance expectations in providing quality service by achieving a satisfaction rate of "satisfactory" or "better" with 93 percent of its clients. Client needs are monitored by using a new Client Satisfaction Survey System with new indicators to track projects and ensure alignment with government priorities

## ***Providing the Highest Quality of Professional Services***

### ***Consulting Services***

The client satisfaction rate remained high even though Consulting Services went through a significant transition in 2005-2006 with the separation of consulting and audit functions and the transfer of Consulting Services to GIS. While the number of revenue-generating employees fell 23 percent from 130 to 100, there was a strong emphasis on staffing and orderly transition to reverse workforce attrition.

### ***Audit Services***

Audit Services continued to support key government and PWGSC initiatives. Through its relationship with the Office of the Comptroller General, it is a key strategic partner in the implementation of the *Policy on Internal Audit*.

The Cost Audit Program continued to provide professional services to PWGSC's Contract Audit Group, performing audits and other assurance services related to contractors that have been awarded contracts with the federal government. Some of the service requests made of CAC under the Cost Audit Memorandum of Agreement supported PWGSC management in making key procurement decisions.

Other key projects included providing support to:

- the Gomery Commission;
- Elections Canada;
- the PWGSC Minister's conduct of the CAC Mandate Review; and
- financial analysis with the Standing Committee on Agriculture and Agri-Food.

Audit Services also conducted several audits of transfer payments including those under the Federal-Provincial Disaster Financial Assistance Program.

While Audit Services has many strengths that add value for its clients and the Crown, its main internal strengths include its dedicated and knowledgeable workforce, of which 80 percent have a professional designation. During this past year, retaining skilled resources has been challenging because of the uncertainty surrounding the realignment of the agency and intense competition for auditors. As a result, the number of revenue-generating employees has decreased by 13 percent, from 180 to 157 employees.

The current demographic situation in the public service also presents a significant challenge, as growing numbers of established audit professionals move or retire. With succession planning being a priority in maintaining effective audit capacity in the National Capital Area and the regions, Audit Services launched an Audit Professional Development Program to provide junior audit staff with mentoring and a clear career progression path.





## ***Promoting Modern Comptrollership and Due Regard for Financial Objectives***

### ***Consulting Services***

In spite of significant transitional challenges, Consulting Services essentially broke even in 2005-2006. By improving efficiency and reducing support costs, the organization had a deficit of \$277,000 out of gross revenues of \$79.8 million. Efforts are continuing to further reduce support costs and to increase revenues to achieve a break-even point in 2006-2007.

### ***Audit Services***

Audit Services experienced a loss of revenue due to the uncertainties associated with the realignment of CAC and, as a result, had a net loss of \$2.9 million out of gross revenues of \$23.6 million, which were predominantly staff fees. It maintained its reputation as a leader in audit services and practices in the federal government by significantly contributing to government initiatives to strengthen internal audit for large and small departments. Major attention was dedicated in the last quarter to rebuilding the audit organization.

An information management strategy and policy were developed to strengthen Audit Services information management while ensuring the security and reliability of its systems. With the realignment of the agency, certain activities were suspended or postponed until operational capacity is determined. Such activities included the implementation of the *Modern Comptrollership Plan*, the *Management Accountability Framework*

*Action Plan* and the *Financial Management Framework*. These will be revisited to reflect the final organization structure of each business line. Audit Services is well positioned to play a key role in the context of the proposed *Federal Accountability Act* and *Action Plan*.



## Consulting and Audit Canada Net Expenditures 2005-2006

(in millions of dollars)

	Planned Spending	Total Authorities	Actual
<b>Statutory Vote</b>			
<b>Consulting and Audit Canada Revolving Fund</b>			
Gross Expenditures	122.4	122.3	103.2
Less: Respendable Revenue	122.8	122.7	103.6
Net Resources (Provided) Used <sup>(Note1)</sup>	(0.4)	(0.4)	(0.4)
<b>TOTAL – CONSULTING AND AUDIT CANADA</b>	<b>(0.4)</b>	<b>(0.4)</b>	<b>(0.4)</b>
<i>Totals may not add up due to rounding.</i>			<i>(FTEs)</i>
<b>Total – Full Time Equivalents</b>	<b>391</b>	<b>400</b>	<b>355</b>
<p>The reduction in business volume is mostly attributable to a decrease of staff fee revenues and contracting revenues, accompanied by a decrease in cost of sales expenses due to the mandate review of the Consulting and Audit Revolving Fund. In accordance with the Policy on Special Revenue Spending Authorities, the Consulting and Audit Canada Revolving Fund received \$4.8 million from the Operating Vote to cover the net drawdown authority.</p> <p>Note 1: The amounts reported for the Consulting and Audit Canada Revolving Fund are on a modified cash basis.</p>			

## Performance by Strategic Outcomes

In the following tables, we identify the commitments made in our *Report on Plans and Priorities 2005-2006*, as well as our performance against those commitments.

### Strategic Outcome: Quality Services

#### Consulting and Audit Canada Revolving Fund

Activity	Planned Results	Consulting Services - Actual Results
Provide, on an optional and fee-for-service basis, consulting and audit services to federal departments and agencies and, on request, to provincial, territorial, municipal and Aboriginal governments in Canada and to foreign governments and international organizations.	Improved public sector management and operations. High-quality and professional services. Cost-effective delivery of services. Knowledgeable and sustainable workforce.	<ul style="list-style-type: none"> <li>• Overall client satisfaction rate: 97%</li> <li>• Net cash: \$315,000</li> <li>• Average years of experience in Public Service 10.7<sup>1</sup></li> <li>• Training days per Full Time Equivalent (FTE): 6.7 days</li> </ul>
		<b>Audit Services - Actual Results</b>
		<ul style="list-style-type: none"> <li>• Overall satisfaction rate: 93%</li> <li>• Net cash: \$43,000</li> <li>• Average years of experience in the public service 13.5<sup>1</sup></li> <li>• Training days per FTE: 7.8 days</li> </ul>

<sup>1</sup> Extracted from Human Resources Management System (HRMS) June 19, 2006



## TRANSLATION BUREAU

The Translation Bureau is a key player in service delivery across the Government of Canada, helping to serve Canadians and communicate with them in the official language of their choice, by providing timely translation, revision, interpretation, terminology and technolinguistic services to Parliament, the judiciary, and federal departments and agencies, as well as standardizing terminology throughout the federal government.

It ensures that a sufficient number of qualified language professionals (both staff and freelance) are available to help the government to meet its official language obligations, and it provides services in over 100 languages, thus supporting the government in its international relations and allowing it to communicate with those of its citizens unable to express themselves in either official language.

### *Performance Overview*

The Bureau strives to deliver quality service at a fair price. It has continued working on repositioning itself to strengthen Canada's presence in the language industry and ensure a continuing source of supply of quality translation and interpretation services.

#### *High-quality Service at a Fair Price*

The Bureau attaches great importance to the delivery of customized service, so that messages from the government to its citizens and its international partners will be of the highest possible quality. Accordingly, the Bureau continued to pair experienced translators with certain clients, either by assigning translators to specific clients or by posting them on-site in clients' offices.

Following up on the positive results of last year's pilot project for a round-the-clock translation service seven days a week, the Bureau extended this service to all clients in 2005-2006. The Bureau also acquired technolinguistic tools (translation memory), resulting

#### *Key Facts\**

- Acted as authority on linguistic and terminological standards within the public service.
- The TERMIUM® terminology and linguistics data bank contained over 3.5 million terms; it received more than 568 million hits in 2005-2006.
- Over 3,010 SMEs were listed as prequalified suppliers for the Bureau.
- Undertook 5,222 conference interpretation events, including 2,399 in sign language and 370 in foreign languages.
- Received 219,000 requests for linguistic services from departments and other government agencies.
- Received 24,760 requests processed by the Bureau's terminology and linguistic information service.
- Performed 4,849 hours of interpretation in both Houses of Parliament and their committees (compared with 3,500 in 2004-2005).
- 65 translators were posted on-site with client organizations and another 262 were specifically assigned to other clients.

\*as of March 31, 2006

in more efficient processing of its work. It also strengthened its commitment to assessment of new machine translation tools to identify their true potential and adequacy for the needs of government.

The Bureau also worked with Parliament on developing a system for on-line subtitling of House of Commons debates.

The Bureau successfully met the challenge of large-scale one-time job requests such as: translation of the proceedings of the Commission of Inquiry into the Sponsorship Program and Advertising Activities, revision of all calls for tenders on the MERX system and the International Conference on Climate Change. The Bureau's vast pool of experienced language professionals enabled the Government of Canada to honour its obligations in each of these cases.

In 2005-2006, the Bureau once again met its financial objectives, while maintaining the same rates.



### ***Efficient Delivery of Terminology Standardization Services***

The Bureau strove to provide federal public servants with the tools necessary to work better and communicate more effectively with citizens in both official languages. It continued development of the next generation of TERMIUM®, which would allow federal departments and agencies to archive and consult TERMIUM® on their own specific terminology. It also provided weekly updates to the Government of Canada's *Coin linguistique/Language Nook*, proposing solutions to day-to-day language problems encountered by users.

The Translation Bureau began the process for obtaining the approval and funding needed to offer its tools, including TERMIUM®, to the Canadian public. The Bureau has held preliminary discussions with potential partners.

The Bureau launched the operational phase of the *Technolinguistic Cooperation – Africa: Development of African Partner and Creole Languages* project. This project of the *Organisation internationale de la Francophonie* aims to enable African partners to manage their terminology in their own African and Creole languages.

The Bureau continued with its project, launched jointly with the Treasury Board Secretariat, to make TERMIUM® the tool for updating the ISO/IEC 2382 Information Technology Vocabulary Standard with the JTC1 ad hoc group of the International Standards Organization (ISO) and the International Electrotechnical Commission (IEC). In the initial phase of this project, the Bureau entered over 3,200 records on information technology into TERMIUM®. This project represents an opportunity for the Bureau to cooperate more closely with the ISO and the IEC.

The Bureau also continued work on enhancing the writers' and editors' tool kit. Additions were made to six tools (*Clefs du français pratique*, *ConjugArt*, *Writing Tips*, *Word Tailoring*, *Chroniques de langue* and *Favourite Articles*), while a new Spanish tool,

*Caleidoscopio del español*, added further value to the kit. The Bureau also launched a Spanish version of its terminology training software. Preparation of a Portuguese version is under way.

### ***National and International Positioning to Meet Canada's New and Growing Needs***

The Bureau held a number of awareness meetings with professional associations, the Language Industry Association, universities and other players in the language professions.

It also contributed to the development of the Language Technologies Research Centre, which opened in June 2006. The Bureau is one of the Centre's founding members; it is specifically responsible for maintaining the Language Centre's website and has chaired its scientific committee.

The Bureau took steps to realign its buying practices to encourage the consolidation of the Canadian translation industry, which is made up mainly of self-employed contractors. The Bureau issued larger dollar value contracts with the objective of fostering the sustainability, viability and global competitiveness of translation and interpretation SMEs. Tenders over \$200,000 account for 41.1 percent of the total value of language services contracts let by the Bureau.

Continuity of supply in language services is essential to the operations of Parliament and the government. The Bureau hired 100 students through its Co-op and Partnership programs with universities, bringing to 1,163 the total number of young people who have been trained on the job by the Bureau since 1999.

The Bureau has initiatives designed to ensure succession in the field of interpretation, where the anticipated shortage is likely to be greatest. The Bureau continued its collaboration with the School of Translation and Interpretation at the University of Ottawa. It also launched two new initiatives: the educational leave program for the masters in interpretation (highly successful in its very first year), and, the introductory interpretation course for Bureau



employees. The Bureau also developed an accelerated interpretation course for freelancers, to

be implemented starting in 2006-2007.

### ***Translation Bureau Net Expenditures 2005-2006***

(in millions of dollars)

	Planned Spending	Total Authorities	Actual
<b>Operating and Statutory Votes</b>			
<b>Translation and Interpretation to Parliament, Conference Interpretation, Terminology</b>			
Gross Expenditures	51.3	51.3	51.4
Less: Respondable Revenue	-	-	-
Net Expenditures	51.3	51.3	51.4
<b>Translation Stewardship</b>			
Gross Expenditures	2.5	2.5	2.5
Less: Respondable Revenue	-	-	-
Net Expenditures	2.5	2.5	2.5
<b>Translation Bureau Revolving Fund <sup>(Note2)</sup></b>			
Gross Expenditures	211.5	211.5	195.7
Less: Respondable Revenue	211.5	211.5	204.9
Net Resources (Provided) Used <sup>(Note1)</sup>	-	-	(9.2)
<b>TOTAL – TRANSLATION BUREAU</b>	<b>53.8</b>	<b>53.8</b>	<b>44.7</b>
<b>Gross Expenditures – Translation Bureau</b>			
	265.3	265.3	249.6
<b>Less: Respondable Revenue – Translation Bureau</b>			
	211.5	211.5	204.9
<b>Net Expenditures – Translation Bureau</b>	<b>53.8</b>	<b>53.8</b>	<b>44.7</b>
<i>Totals may not add up due to rounding.</i>			
<i>(FTEs)</i>			
Translation and Interpretation to Parliament, Conference Interpretation, Terminology - Full Time Equivalents (FTEs)	-	-	-
Translation Stewardship - FTEs	-	-	-
Translation Bureau Revolving Fund - FTEs	1,684	1,684	1,581
<b>Total – Full Time Equivalents</b>	<b>1,684</b>	<b>1,684</b>	<b>1,581</b>
The reduction in business volume for the Translation Bureau Revolving Fund is mainly attributable to reduced spending by other government departments due to the federal election. Outsourced translation contracts were lower than planned, and salary expenditures were lower than anticipated due to the reduction of Employee Benefit Plans and Health Care costs by Treasury Board Secretariat.			
Note 1: The amounts reported for the Translation Bureau Revolving Fund are on a modified cash basis.			
Note 2: The Bureau's revolving fund provides services to Parliament and collects the related revenues from its own operating vote. Accordingly, the revolving fund's gross expenditures and respondable revenue include the net expenditures reported in Translation and Interpretation to Parliament, Conference Interpretation, Terminology and Translation Stewardship Program Activities.			





## *Performance by Strategic Outcome*

In the following tables, we identify the commitments made in our *Report on Plans and Priorities 2005-2006*, as well as our performance against those commitments.

### *Strategic Outcome: Quality Services*

#### **Translation and Interpretation for Parliament (Parliament and Conference)**

Activity	Planned Results	Actual Results
<p>Delivery to Parliament, the judiciary and other government organizations of service with the best cost/quality ratio.</p> <p>Client satisfaction with services.</p>	<p>% of sessions of both Houses of Parliament and their committees served:</p> <ul style="list-style-type: none"> <li>• Objective: 100% (standing objective).</li> <li>• Number of conferences, missions and delegations (standing objective).</li> </ul> <p>Client satisfaction rate:</p> <ul style="list-style-type: none"> <li>• Objective: 85% (standing objective).</li> </ul>	<ul style="list-style-type: none"> <li>• 100% of sessions of both Houses of Parliament and their committees, or 4,636 hours of interpretation.</li> <li>• All conferences, missions and delegations, or 5,222 interpretation events.</li> </ul> <p>Client satisfaction rate:</p> <ul style="list-style-type: none"> <li>• Interpretation services: In a 2004 survey, clients indicate that their satisfaction rate (97%), as measured through the biannual client satisfaction survey performed during the previous fiscal year, remains stable.<sup>1</sup></li> </ul>

<sup>1</sup>The data were collected from November 18 to 23, 2004. The data are from a survey entitled *Federal Public Sector Client Satisfaction with Interpretation Service Providers* carried out by Les études de marché Créatec on behalf of the Translation Bureau. The firm selected a non-proportional stratified random sample of the target population of federal-sector employees who, over the preceding 12 months, had organized or simply coordinated events for which interpretation service requests were submitted. The response rate for the telephone survey was 45% with a final sample of 102 interviews. The purely statistical margin of error is estimated at  $\pm 5.5$  percentage points, 19 times out of 20. *Ex post facto* weighting was used to correct the results to make them representative of the entire target population.



### Terminology Standardization

Activity	Planned Results	Actual Results
Provide quality terminology services.	<p>Number of terminology consultations.</p> <p>Number of hits on the Bureau's terminology sites.</p>	<ul style="list-style-type: none"> <li>• 24,760 queries received by the Bureau's terminology and linguistic information service.</li> <li>• Number of TERMIUM® hits: 568.3 million.</li> </ul>

### Translation Bureau Revolving Fund

Activity	Planned Results	Actual Results
Maintain financial viability.	Financial results (objective at start of 2005-2006: \$142 million).	<ul style="list-style-type: none"> <li>• Total revenues of \$144.5 million (101.7% of objective).</li> </ul>
Ensure client satisfaction with services.	Satisfaction rate of at least 85% for translation services.	<ul style="list-style-type: none"> <li>• Satisfaction rate: Continual feedback from clients indicates that their satisfaction rate at 87%, as measured through the biannual client satisfaction survey performed during the previous fiscal year remains stable.<sup>1</sup></li> </ul>
Customize client relationship.	<p>100 translators posted on-site with client organizations.</p> <p>Assignment to clients of 25% of translators available for this mode of service.</p>	<ul style="list-style-type: none"> <li>• 65 translators posted on-site.</li> <li>• 35% of available translators assigned to clients.</li> </ul>

<sup>1</sup> The data were collected from November 16 to December 10, 2004. The data are from a survey entitled *Federal Public Sector Client Satisfaction with Interpretation Service Providers* carried out by Les études de marché Créatec on behalf of the Translation Bureau. The firm selected a non-proportional stratified random sample of the target population of federal-sector employees who, over the preceding 12 months, had produced or sent documents for translation. The response rate for the telephone survey was 62% with a final sample of 802 interviews. The purely statistical margin of error is estimated at  $\pm 3.5$  percentage points, 19 times out of 20. *Ex post facto* weighting was used to correct the results to make them representative of the entire target population.



***Strategic Outcome: Sound Stewardship***

**Translation Stewardship**

Activity	Planned Results	Actual Results
Preserve the Bureau's financial viability.	Financial objectives attained in terms of revenues and expenses (standing objective).	<ul style="list-style-type: none"> <li>Objectives attained (see financial table).</li> </ul>
Maintain Parliament's ability to function in both official languages.	<p>Implementation of La Relève Plan for parliamentary services.</p> <p>Interpretation succession: Objective: implementation of initiatives.</p>	<ul style="list-style-type: none"> <li>Implementation of La Relève Plan for parliamentary services has continued: eight translators and six interpreters have been recruited.</li> <li>First year of the education leave program: four graduates in the masters degree in interpretation.</li> <li>Introductory interpretation course: completed by 39 students.</li> <li>Accelerated interpretation program developed; scheduled for implementation in summer 2006.</li> </ul>
Contribute to maintenance of uniform quality of communications within the public service and in messages emanating from the government.	<p>Regular updating of language tools (standing objective).</p> <p>Quality control.</p>	<ul style="list-style-type: none"> <li>Total updates to Le Coin linguistique and Language Nook: 475.</li> <li>Total updates to TERMIUM®: 72,553.</li> <li>Quality control associated with the additional volume received in 2005-2006 and handled by freelancers plus management of contracts for this extra workload generated costs of \$1.6M.</li> </ul>
Strengthen our leadership role and raise Canada's profile internationally in the field of terminology.	Participation in federal and national terminology standardization committees and in international forums (standing objectives).	<ul style="list-style-type: none"> <li>19 committees and forums (12 Canadian and 7 international bodies).</li> </ul>
Strengthen the Canadian language industry.	<p>Share of language contracts worth \$200,000 or more. Objective: 35% by March 2006; 50% by March 2007.</p> <p>Contribution to succession training for the entire Canadian language industry.</p>	<p>Contracts worth \$200,000 and more represented:</p> <ul style="list-style-type: none"> <li>41.4% of total translation contracts by value.</li> <li>40.3% of total interpretation contracts by value.</li> <li>100 students taken on as interns.</li> </ul>



## ***CORPORATE MANAGEMENT***

The Corporate Management function provides support to all PWGSC branches and special operating agencies.

As part of the reorganization of the department during 2005-2006, various elements of the corporate management function are now provided by: Corporate Services, Policy and Communications (CSPC); Human Resources (HR); Strategic Transformation; Information Technology Services; Office of the Chief Risk Officer; Audit and Evaluation; Finance and Legal Services.

### ***Performance Overview***

#### ***Business Transformation Agenda***

In 2005-2006, the highest priority for PWGSC continued to be the Business Transformation Agenda. The core services supporting business transformation had the following goals:

1. *Acquisitions* – to save \$2.5 billion by strategically managing and improving how goods and services are procured.
2. *Real Property* – to save \$925 million by managing properties more effectively and improving the application of standards for office space.
3. *Information Technology Services* – to adopt a government-wide, coordinated approach to managing Information Technology services to yield better, faster, more cost-effective results for clients and taxpayers.

The Strategic Transformation Branch (STB) is responsible for planning, coordinating and monitoring the Business Transformation Agenda. In this capacity, STB provided strategic advice to senior management and gave analytical support and guidance to core services.

In 2005-2006 the STB supported the development and implementation of a government-wide harvesting methodology and framework to identify savings. Client departments and agencies were consulted on implementation of this methodology.

The STB implemented the Business Transformation Agenda Master Project Plan (MPP). The MPP is a project management system that includes an integrated corporate transformation plan and a common reporting framework, containing targets, objectives, associated reporting activities and analysis capabilities. A strategic web-based reporting tool developed by STB will be fully implemented during 2006-2007.

#### ***Measuring Performance***

Over the past year, PWGSC developed a prototype computer application (The Executive Dashboard) to monitor performance results and to track progress against business plan priorities. It will also be used to support incremental internal reviews of progress throughout the year.

This Executive Dashboard will be fully implemented during 2006-2007.

#### ***Financial Services***

In response to directions set by the Office of the Comptroller General of Canada, the position of Chief Financial Officer was created. The branch was organizationally restructured and realigned to ensure the sound management of departmental finances, within the financial management frameworks of the Government of Canada and the department. The Finance Branch is responsible for providing professional financial management analysis, advice and guidance, as well as operational accounting and reporting services to



the Minister, DM and senior officials of the department.

The Finance Branch finalized the implementation of standardized financial management processes to ensure consistency and compliance in financial management across the department; developed and commenced negotiations of Service Level Agreements with all branches within the department for the provision of enhanced advisory support; and completed the Integrated Financial Management Systems business case approved for implementation by April 1, 2008. With the review of PWGSC's Financial Policy Framework, the branch completed and implemented an enhancement of its Financial Policy suite, delivering on its commitment to fully implement a renewed Chart of Accounts for fiscal year 2006-2007.

These accomplishments, coupled with previous departmental management improvements, are providing direction for meaningful accountability and financial management information, consistent with the department's various reporting tools, such as the Program Activity Architecture, to report on the stewardship of public resources.

### ***Greening of Government Operations***

In 2005-2006, the Office of Greening Government Operations (OGGO) worked to consolidate environmental expertise from within the organization, created policy and strategic planning capacity, and established processes and mechanisms required for the ongoing operations of a new branch. This was carried out while providing quality services and leading horizontal initiatives in greening government operations.

***New Policy on Green Procurement*** – The development and approval of a federal green procurement policy has been a significant achievement of the past year. The new *Policy on Green Procurement* that came into effect on April 1, 2006, is set in the context of achieving value for money and requires that federal

departments and agencies embed environmental performance considerations in their procurement decision-making processes. In addition, it requires that individual departments and agencies establish and report on green procurement targets tailored to their mandates, spending patterns and environmental risks.

#### ***OGGO's Environmental Services***

Over the past year \$12.4 million of business volume was successfully generated by providing services in areas such as:

- Management and remediation of contaminated sites.
- Environmental assessment.
- Species at risk compliance.
- Indoor air quality.
- Designated substance reviews.
- Hazardous materials management.

***Governance Structure*** – In its first year of operation OGGO, working with its partners in other government departments and agencies, developed a revised government-wide governance structure to assist in effective, collaborative and efficient decision-making in greening government operations. This governance structure consists of 6 interdepartmental committees involving 33 departments and agencies.

#### ***Guidance on Greening Government Operations for Sustainable Development Strategies*** –

Working with the 33 departments and agencies that table sustainable development strategies, OGGO identified environmental priorities and prepared the related guidance document for departments to use in developing their strategies, which will be tabled in Parliament in December 2006. The guidance document focuses on building energy, vehicle fleet and green procurement. Under OGGO leadership, the expected result is to generate measurable, government-wide progress in these three key areas.





**Service Delivery** – In the past year, OGGO provided ongoing services, on a fee-for-service basis, to federal government departments and agencies in meeting environmental regulatory requirements and commitments outlined in sustainable development strategies. These services included training, advice and operational support related to such areas as contaminated sites, storage tanks, hazardous materials, ozone-depleting substances, air emissions, and waste water.

**Sustainable Buildings** – Working in collaboration with Natural Resources Canada and PWGSC's Real Property Services, OGGO focused attention on sustainable building-related initiatives. In particular, a commitment was made and preparations undertaken to implement a system for operating and managing its Crown-owned office buildings in an environmentally sustainable manner (i.e., Building Owners and Managers Association Go Green Plus). Efforts have also been directed toward fulfilling the government's commitment to ensure that as of 2005, the construction of new government office buildings will be funded to meet the Leadership in Energy and Environmental Design Gold Standard.

**Federal/Provincial/Territorial Collaboration** – Over the past year, OGGO has worked to strengthen collaborative relationships with provinces and territories. Examples include a number of working committees sharing best practices and tools in the areas of green leasing, sustainable building policies and green procurement.

### ***Information Technology***

The Information Technology Services Branch (ITS) continued the implementation of a sustainable Chief Information Officer function to promote more effective management of PWGSC's Information Management and Information Technology (IM/IT) resources. As ITS moves to transform itself toward IT-Shared Services, ITS is committed to ensuring

that PWGSC's IM/IT resources are deployed and managed effectively.

In 2005-2006 PWGSC approved a plan to strengthen the IM/IT function for the department, distinct from IT-Shared Services. The plan includes:

- total cost of ownership;
- IM/IT governance;
- IT security;
- client relationship management/business relationship management; and
- building a best practice IM/IT function.

A formal business case to support a sustainable Chief Information Officer function will be presented during 2006-2007.

### ***Communications***

Communications Sector developed and enhanced its outreach programs to build awareness among Canadians and Parliamentarians of PWGSC's strategic priorities and full range of services. The media outreach program reached a cumulative audience of 7.4 million Canadians through 41 articles or reports in 34 media outlets (print, radio or television), surpassing by 25 percent the total audience reach in 2004-2005.

Communications produced more than 1,700 communications materials, maintained and updated various websites, posting more than 350 items on our sites, and produced targeted publications, including *The Way Forward News*, which provides departments and agencies with important information about the business transformation of the department, including how to generate savings on procurement.

### ***Human Resources***

In 2005-2006, significant efforts were undertaken to prepare the department for the public service Human Resource (HR) management modernization legislative changes, affecting



staffing, labour relations and learning. The following notable activities were undertaken:

- the PWGSC Integrated HR Management Plan for 2006-2009 was developed for the first time;
- 750 managers and executives received update training while another 200 newly appointed managers and executives were also trained on their new staffing sub-delegation;
- new policies were developed for area of selection, corrective measures and non-advertised processes;
- over 400 managers and supervisors were trained on the modernization of labour relations and informal conflict management and 827 employees received conflict management training;
- the HR Management System was updated to support HR modernization;
- the departmental HR professional development program was re-established and launched; and
- HR and business planning activities were integrated and tools were developed to support managers with HR planning.

In addition, PWGSC continued to make progress in the implementation of its Official Languages Strategic Action Plan. Last year, the number of bilingual positions increased from 56.9 percent to 59.2 percent. There was also an increase in the number of bilingual positions requiring a C in oral interaction. During the same period, non-imperative staffing decreased from 19.5 percent to 7.3 percent.

As part of the *Public Service Modernization Act* (PSMA) implementation plan, a learning strategy for managers and executives was implemented. Targets were surpassed, with 78 percent of sub-delegated managers attending the mandatory courses (target 50 percent) and 54 percent attending other PSMA-related learning events (target 50 percent).

Representation rates of visible minority persons also increased; however, the rates remain below

the national workforce availability, and thus Embracing Change benchmark targets were not met.

To address the challenges in representation of visible minorities, especially in meeting the Embracing Change benchmarks, we are developing a recruitment strategy to address under-representation with a focus on staffing the Executive category, as well as recruiting for developmental programs.

### ***Responding to Inquiries***

PWGSC, through the Inquiry Liaison Office, provided timely and complete disclosure of PWGSC records and information in response to requests made by the Commission of Inquiry into the Sponsorship Program and Advertising Activities; the Agent of the Attorney General for the Recovery of Funds responsible for a complex civil claim against the communication agencies in the Quebec Superior Court; the Royal Canadian Mounted Police; and the *Sûreté du Québec*.

The costs associated with the search for documentation, extensive interdepartmental coordination, consultation and communication, legal fees, specialized policy expertise and support to various witnesses amounted to \$3.4 million.

### ***Ethics and Risk Management***

In September 2005, PWGSC established the Office of the Chief Risk Officer (OCRO) with the mandate to strengthen a number of strategic management frameworks such as risk management, ethics, internal disclosure, contract dispute resolution and, a new departmental program, fairness monitoring.

OCRO facilitated the implementation of the Integrated Risk Management Framework within PWGSC. In doing so, it provided risk management leadership, guidance and advice, including timely responses to all risk management queries. It also developed terms of reference for a new PWGSC senior level Risk Management Committee and



launched development of a risk management handbook in collaboration with a newly created risk management network.

OCRO oversaw the implementation of the mechanisms allowing employees to disclose potential wrongdoing under the *Public Servants Disclosure Protection Act*. When any wrongdoing is confirmed, OCRO develops and recommends appropriate responses to the DM and senior executives.

To help prevent and reduce risk in the department, OCRO established, in collaboration with PWGSC branches and Legal Services, the Fairness Monitoring program and the Fairness Monitoring Policy Framework.

### ***Audit and Evaluation***

The department will incorporate Treasury Board Secretariat's new direction for internal audit and will continue to strengthen its audit capacity.

In September 2005, PWGSC created the Audit and Evaluation Branch to concentrate our focus strictly on audit and evaluation, and to strengthen our system of independent internal checks and balances.

The branch established a quality assurance function to ensure that internal audit reports comply with government and professional standards. In keeping with the government's commitment of making audit committees much more independent from the management of the organizations they review, PWGSC's Audit, Assurance and Ethics Committee includes two members from other federal institutions, as well as a member from the private sector. Each quarter, the committee reviews and discusses the status of management action plans developed to respond to Internal Audit and Auditor General recommendations.



## *Performance by Strategic Outcomes*

In the following tables, we identify the commitments made in our *Report on Plans and Priorities 2005-2006*, as well as our performance against those commitments.

### *Strategic Outcome: Sound Stewardship*

#### **Corporate Stewardship**

Activity	Planned Results	Actual Results
<p>Support the transformation of PWGSC to deliver the government's agenda.</p> <p>Set strategic priorities and develop tools for sound, integrated management practices.</p> <p>Enhance human resources management and maintain strong labour relations.</p> <p>Build PWGSC credibility through enhanced communications with Canadians, central agencies and Parliamentarians.</p> <p>Deliver a suite of corporate services.</p>	<p>PWGSC programs are provided with corporate functions that are ethical, cost-efficient, and delivered within agreed service levels and standards with respect to public service values.</p>	<ul style="list-style-type: none"> <li>• <b>Number of corporate management employees as a percentage of total population:</b> 14.6%.</li> <li>• <b>Cost of corporate management as a percentage of total departmental costs:</b> 12.92%.</li> <li>• <b>Percentage of elements of the PWGSC Ten-Point Integrity Plan successfully completed:</b> The majority of activities of the Ten-Point Integrity Plan are completed.</li> <li>• <b>Percentage of approved internal audit projects completed within committed timeframes and internal standards:</b> 62% of 2005-2006 approved internal audit projects were completed within committed timeframes and internal standards. Five unplanned internal audit projects were requested and also undertaken during the 2005-2006 fiscal year.</li> <li>• <b>Information management capacity check maturity level:</b> PWGSC did not undergo an Information Management (IM) capacity check in 2005-2006 as it focused on developing and beginning the implementation of an action plan for improvement as a result of the last IM capacity check results. The focus in 2005-2006 was on records management and file plan alignment.</li> <li>• <b>Number of internal Service Level Agreements (SLAs) in place between branches providing corporate services and other branches:</b> Corporate services continued to be provided on the basis of SLAs to branches/clients within the department. As an example, the Health Safety Security Emergency Administration sector has 17 SLAs in place with other branches and departmental organizations to provide ongoing maintenance and support service of the Enterprise Document and Records Management Information Management Suite and the Communications Sector has SLAs for communication advisory services with other branches.</li> <li>• <b>Percentage of Office of Primary Interest (OPI) satisfaction with evaluation work being aligned and timely to significant PWGSC priorities.</b> 80% OPI satisfaction with evaluation work being aligned and timely to significant PWGSC priorities.</li> </ul>







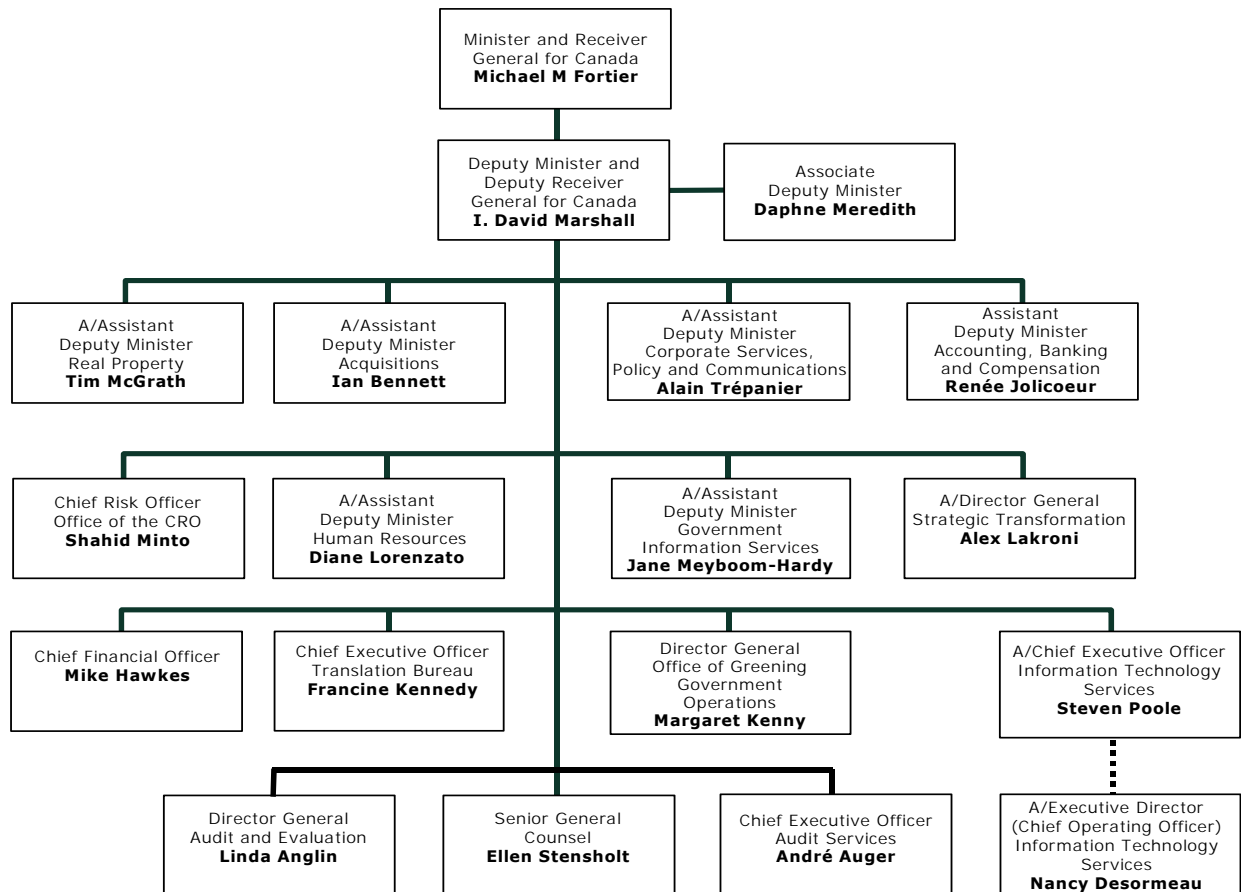
# SUPPLEMENTARY INFORMATION

## Introduction

This section provides more detailed information on the financial and operation performance of the department. The tables and charts have been prepared in accordance with the Treasury Board guidelines. The financial information appearing in the tables below is in accordance with the Main Estimates, Supplementary Estimates and the Public Accounts:

## Organization Chart

### Public Works and Government Services Canada





## Our Spending

Table 1.1: Comparison of Planned to Actual Spending

(in millions of dollars)

	Planned Spending	Total Authorities	Actual
<b>GOVERNMENT SERVICES</b>			
<b>Operating (including Special Purpose Allotments), Capital, Grants and Contributions and Statutory Votes</b>			
Gross Expenditures	3,241.1	3,612.5	3,407.2
Less: Respondable Revenue	590.7	896.2	869.1
Net Expenditures	2,650.4	2,716.3	2,538.1
<b>Revolving Funds Authorities</b>			
Gross Expenditures	1,371.0	1,372.3	1,443.0
Less: Respondable Revenue	1,380.4	1,374.7	1,453.0
Net Resources (Provided) Used	(9.4)	(2.4)	(10.0)
<b>DEPARTMENTAL TOTAL</b> <sup>(Note 1)</sup>	2,641.0	2,713.9	2,528.1
<i>Totals may not add up due to rounding.</i>			
<b>FULL-TIME EQUIVALENTS</b>	<b>12,945</b>	<b>12,819</b>	<b>12,483</b>

In 2005-2006 the PWGSC managed, within its approved spending authorities, to deliver quality services and pursue efficiencies in all its operations. The Department maintained ongoing operations while implementing the transformation agenda and giving constant attention to client engagement on the Way Forward.

The variance between total authorities and actual spending in the Votes is attributable to delays in staffing, project slippage, lower than anticipated project costs as well as funding received too late in the year. The reprofiling and carry forward of capital funds, along with a forced lapse to cover the conversion factor for Employee Benefit Plans and Health Care insurance costs in the Federal Accommodation and Holdings Special Purpose Allotment, are other factors of the year-end variance.

Five of the six revolving funds broke even or made profits in 2005-2006, with the exception of the Telecommunications and Informatics Common Services Revolving Fund which closed the year with a deficit, as pre-authorized by Treasury Board (TB #831746). Although the Consulting and Audit Canada and the Optional Services Revolving Funds made a profit, a transfer from the operating budget was required in order to achieve their targets.

Note 1: The financial tables appearing in this document have not been audited.



**Table 1.2: Financial Performance Overview**

(in millions of dollars)

<b>PLANNED SPENDING</b>	<b>\$2,641.0</b>
Government On-Line	130.9
Operating Budget Carry Forward	38.0
Statutory Adjustments (including EBP)	36.4
Collective Bargaining	33.1
Multiple Projects Under \$5M	23.6
Reinstatement of Advertising Reserve	11.9
Access to TICS Revolving Funds accumulated surplus in support of the Transformation Initiative	7.0
Playlist Shortfall - Centralized Costs	6.9
Portrait Gallery	6.0
Commission of Inquiry into the Sponsorship Program and Advertising Activities	5.7
Government of Canada Marketplace Project (GoCM)	5.0
Divestiture of Harbourfront Park in Trois-Rivières	3.6
Budget items not called (including Investment Funding)	(26.3)
Additional funding reprofiled	(49.0)
Earmarked items not called or reprofiled	(159.9)
<b>TOTAL AUTHORITIES</b>	<b>\$2,713.9</b>
Conversion Factor	18.2
Capital Lapse	43.0
Operating Budget Lapse	61.2
Special Purpose Allotments Budget Lapse	81.2
Other Adjustments	9.4
Revenues Credited to the Vote - Reduced business volume	(27.2)
<b>ACTUAL SPENDING</b>	<b>\$2,528.1</b>

In 2005-2006 the PWGSC managed, within its approved spending authorities, to deliver quality services and pursue efficiencies in all its operations. The Department maintained ongoing operations while implementing the transformation agenda and giving constant attention to client engagement on the Way Forward.

The variance between total authorities and actual spending in the Votes is attributable to delays in staffing, project slippage, lower than anticipated project costs as well as funding received too late in the year. The reprofiling and carry forward of capital funds, along with a forced lapse to cover the conversion factor for Employee Benefit Plans and Health Care insurance costs in the Federal Accommodation and Holdings Special Purpose Allotment, are other factors of the year-end variance.

Five of the six revolving funds broke even or made profits in 2005-2006, with the exception of the Telecommunications and Informatics Common Services Revolving Fund which closed the year with a deficit, as pre-authorized by Treasury Board (TB #831746). Although the Consulting and Audit Canada and the Optional Services Revolving Funds made a profit, a transfer from the operating budget was required in order to achieve their targets.



**Table 1.3: Historical Comparison of Planned Spending to Actual Spending**

(in millions of dollars)

	Actual 2003-2004	Actual 2004-2005	2005-2006			Actual
			Main Estimates	Planned Spending	Total Authorities	
<b>GOVERNMENT SERVICES PROGRAM</b>						
<b>Operating (including Special Purpose Allotments), Capital, Grants and Contributions and Statutory Votes</b>						
<b>Quality Services</b>						
Gross Expenditures	2,086.9	2,044.5	2,127.4	2,267.0	2,226.5	2,083.5
Less: Respendable Revenues	487.8	456.5	284.2	284.3	452.7	436.3
Federal Accommodation and Holdings	1,599.1	1,588.0	1,843.2	1,982.7	1,773.8	1,647.2
Gross Expenditures	743.8	786.5	784.8	784.8	784.8	912.3
Less: Respendable Revenues	743.8	786.5	784.8	784.8	784.8	912.3
Real Property Services Revolving Fund	-	-	-	-	-	-
Gross Expenditures	3.5	1.9	4.0	4.0	4.0	3.7
Less: Respendable Revenues	18.4	9.3	13.0	13.0	13.0	6.7
Real Property Disposition Revolving Fund	(14.9)	(7.4)	(9.0)	(9.0)	(9.0)	(3.0)
Gross Expenditures	166.3	174.4	160.9	165.5	248.3	235.4
Less: Respendable Revenues	32.0	40.8	33.8	33.8	60.0	55.2
Acquisition Services	134.3	133.6	127.1	131.7	188.3	180.2
Gross Expenditures	92.5	78.0	110.4	110.4	104.8	92.6
Less: Respendable Revenues	97.6	82.7	110.4	110.4	104.8	94.0
Optional Services Revolving Fund	(5.1)	(4.7)	-	-	-	(1.4)
Gross Expenditures	-	-	-	-	-	-
Less: Respendable Revenues	-	-	-	-	-	-
Defence Production Revolving Fund	-	-	-	-	-	-
Gross Expenditures	445.6	444.5	262.1	259.4	514.8	501.1
Less: Respendable Revenues	131.2	177.3	128.2	128.2	218.3	219.0
IM/IT Services	314.4	267.2	133.9	131.2	296.5	282.1
Gross Expenditures	120.6	125.8	137.9	137.9	144.9	135.5
Less: Respendable Revenues	125.7	129.7	137.9	137.9	137.9	131.5
Telecommunications and Informatics Common Services Revolving Fund	(5.1)	(3.9)	-	-	7.0	4.0
Gross Expenditures	13.0	13.1	10.3	10.1	11.7	11.9
Less: Respendable Revenues	2.9	4.9	1.3	1.3	3.7	4.8
Receiver General Services	10.1	8.2	9.0	8.8	8.0	7.1
Gross Expenditures	3.8	3.7	3.6	3.6	4.4	4.4
Less: Respendable Revenues	2.7	2.6	2.3	2.3	2.8	2.9
Public Service Compensation	1.1	1.1	1.3	1.3	1.6	1.5
Gross Expenditures	-	58.3	54.1	54.0	70.3	64.3
Less: Respendable Revenues	-	11.0	22.7	22.7	14.1	14.8
Government Information Services	-	47.3	31.4	31.3	56.2	49.5



**Table 1.3: Historical Comparison of Planned Spending to Actual Spending (cont'd)**

(In millions of dollars)

	Actual 2003-2004	Actual 2004-2005	2005-2006			Actual
			Main Estimates	Planned Spending	Total Authorities	
<b>Quality Services (cont'd)</b>						
Gross Expenditures	13.7	35.7	32.1	31.5	35.4	31.3
Less: Respendable Revenues	1.1	10.2	3.3	3.3	15.9	15.4
Business Integration Services	12.6	25.5	28.8	28.2	19.5	15.9
Gross Expenditures	125.5	121.2	122.4	122.4	122.3	103.2
Less: Respendable Revenues	129.2	124.6	122.7	122.8	122.7	103.6
CAC Revolving Fund	(3.7)	(3.4)	(0.3)	(0.4)	(0.4)	(0.4)
Gross Expenditures	48.3	48.5	51.4	51.3	51.3	51.4
Less: Respendable Revenues	-	-	-	-	-	-
Translation and Interpretation to Parliament, Conference Interpretation, Terminology	48.3	48.5	51.4	51.3	51.3	51.4
Gross Expenditures	229.0	193.1	211.5	211.5	211.5	195.7
Less: Respendable Revenues	198.5	199.7	211.5	211.5	211.5	204.9
Translation Bureau Revolving Fund	30.5	(6.6)	-	-	-	(9.2)
<b>Total Quality Services</b>	<b>2,121.6</b>	<b>2,093.4</b>	<b>2,216.8</b>	<b>2,357.1</b>	<b>2,392.8</b>	<b>2,224.9</b>
<b>Sound Stewardship</b>						
Gross Expenditures	30.6	60.4	33.0	31.6	67.0	58.8
Less: Respendable Revenues	2.1	1.7	1.3	1.3	1.8	1.7
Real Property Stewardship	28.5	58.7	31.7	30.3	65.2	57.1
Gross Expenditures	46.0	49.7	35.3	55.1	63.7	59.8
Less: Respendable Revenues	9.2	10.0	7.6	7.6	5.7	7.4
Supply Operations Stewardship	36.8	39.7	27.7	47.5	58.0	52.4
Gross Expenditures	26.6	37.9	25.8	25.6	16.6	14.5
Less: Respendable Revenues	12.2	5.0	2.4	2.4	3.6	3.2
IM/IT Stewardship	14.4	32.9	23.4	23.2	13.0	11.3
Gross Expenditures	111.4	124.3	126.1	125.4	133.6	130.5
Less: Respendable Revenues	20.7	14.2	12.3	12.3	16.4	14.2
Receiver General Stewardship	90.7	110.1	113.8	113.1	117.2	116.3
Gross Expenditures	32.5	33.3	29.1	28.8	38.2	35.2
Less: Respendable Revenues	3.8	6.9	3.8	3.8	7.3	6.9
Public Service Pay Stewardship	28.7	26.4	25.3	25.0	30.9	28.3
Gross Expenditures	53.6	61.4	67.4	67.9	76.6	68.1
Less: Respendable Revenues	39.4	44.3	48.1	48.7	54.8	48.9
Public Service Pension Stewardship	14.2	17.1	19.3	19.2	21.8	19.2
Gross Expenditures	-	6.8	18.7	18.5	7.9	10.2
Less: Respendable Revenues	-	0.2	1.1	1.1	1.5	0.2
Government Information Stewardship	-	6.6	17.6	17.4	6.4	10.0





**Table 1.3: Historical Comparison of Planned Spending to Actual Spending (cont'd)**

(in millions of dollars)

	Actual 2003-2004	Actual 2004-2005	2005-2006			Actual
			Main Estimates	Planned Spending	Total Authorities	
Gross Expenditures	48.5	48.9	43.3	43.3	43.7	44.3
Less: Respendable Revenues	39.4	40.2	37.6	37.6	37.6	38.2
Business Integration Performance Management	9.1	8.7	5.7	5.7	6.1	6.1
Gross Expenditures	2.5	2.5	2.4	2.5	2.5	2.5
Less: Respendable Revenues	-	-	-	-	-	-
Translation Stewardship	2.5	2.5	2.4	2.5	2.5	2.5
<b>Total Sound Stewardship</b>	224.9	302.7	266.9	283.9	321.1	303.2
Gross Expenditures	4,444.2	4,554.4	4,454.0	4,612.1	4,984.8	4,850.2
Less: Respendable Revenues	2,097.7	2,158.3	1,970.3	1,971.1	2,270.9	2,322.1
<b>TOTAL</b>	2,346.5	2,396.1	2,483.7	2,641.0	2,713.9	2,528.1
Less: Non-Respendable revenue	51.1	62.8	23.9	23.9	22.4	67.4
Plus: Costs of services received without charge	51.0	55.6	38.5	38.5	37.9	53.5
<b>NET COST OF DEPARTMENT</b>	2,346.4	2,388.9	2,498.3	2,655.6	2,729.4	2,514.2
<b>FULL-TIME EQUIVALENTS</b>	13,963	12,510	12,945	12,945	12,819	12,483

Totals may not add up due to rounding.

Note 1: The 2003-04 actual does not include the activities of Government Information Services. These activities were reported under the former Communication Canada and were transferred to PWGSC effective April 1, 2004 only.



## Section III – Supplementary Information

**Table 2: Resources by Government Service**

(in millions of dollars)

	Planned Spending	Total Authorities	Actual
<b>GOVERNMENT SERVICES</b>			
<b>Operating (including Special Purpose Allotments), Capital, Grants and Contributions and Statutory Votes</b>			
Real Property	2,004.0	1,830.0	1,701.3
Acquisitions	179.2	246.3	231.2
Information Technology	154.4	316.5	297.4
Receiver General and Public Service Compensation	167.4	179.5	172.4
Government Information	48.7	62.6	59.5
Business Integration	33.9	25.6	22.0
Consulting and Audit Canada	(0.4)	(0.4)	(0.4)
Translation Bureau	53.8	53.8	44.7
<b>DEPARTMENTAL TOTAL</b>	<b>2,641.0</b>	<b>2,713.9</b>	<b>2,528.1</b>

Totals may not add up due to rounding.

**Table 3: Voted and Statutory Items**

(in millions of dollars)

Vote or Statutory Item	Vote of Statutory Wording	2005-2006			
		Total Main Estimates	Total Planned Spending <sup>(Note 1)</sup>	Total Authorities <sup>(Note 2)</sup>	Actual
1	Operating expenditures	2,078.4	2,077.2	2,262.7	2,129.2
5	Capital expenditures	327.9	486.4	327.9	284.9
10	Grants and contributions	7.6	7.6	10.1	9.1
(S)	Minister of Public Works and Government Services - Salary and motor car allowance	0.1	0.1	0.1	0.1
(S)	Contributions to employee benefit plans	79.1	79.1	113.8	113.8
(S)	Real Property Services Revolving Fund	-	-	-	-
(S)	Real Property Disposition Revolving Fund	(9.0)	(9.0)	(9.0)	(3.0)
(S)	Optional Services Revolving Fund	-	-	-	(1.4)
(S)	Telecommunications and Informatics Common Services Revolving Fund	-	-	7.0	4.0
(S)	Consulting and Audit Canada Revolving Fund	(0.4)	(0.4)	(0.4)	(0.4)
(S)	Translation Bureau Revolving Fund	-	-	-	(9.2)
(S)	Defence Production Revolving Fund	-	-	-	-
(S)	Payment in lieu of taxes to municipalities and other taxing authorities	-	-	(1.2)	(1.2)
(S)	Refunds of amounts credited to revenue in previous years	-	-	2.0	2.0
(S)	Spending of proceeds from the disposal of surplus Crown assets	-	-	0.9	0.2
<b>DEPARTMENT TOTAL</b>		<b>2,483.7</b>	<b>2,641.0</b>	<b>2,713.9</b>	<b>2,528.1</b>

Totals may not add up due to rounding.

(S) = Statutory

Note 1: Planned Spending is the amount included in the department's *Report on Plans and Priorities 2005-2006* and indicates amounts planned at the beginning of the year.

Note 2: Total Authorities include the 2005-2006 Main Estimates plus Supplementary Estimates, transfers in from Vote 15 - Collective Agreements, and other authorities.



**Table 4: Services Received Without Charge**

(in millions of dollars)

<b>Government Services</b>	
Contributions covering the employer's share of employees' insurance premiums and expenditures paid by the Treasury Board of Canada Secretariat (excluding revolving funds) <sup>(Note 1)</sup>	47.4
Workers' compensation coverage provided by Human Resources and Social Development Canada	2.9
Salary and associated expenditures of legal services provided by the Department of Justice Canada	3.2
<b>Total 2005-2006 Services received without charge</b>	<b>53.5</b>

Totals may not add up due to rounding.

Note 1: Includes employees' insurance premiums and expenditures paid by TBS for the salary portion spent in the Real Property special purpose allotment within Vote 1.

**Table 5: Loans, Investments, and Advances by Program Activity**

(in millions of dollars)

PROGRAM	As of March 31		
	2004	2005	2006
<b>GOVERNMENT SERVICES</b>			
Seized Property Working Capital Account	(4.0)	(2.8)	(0.2)
<b>OTHER</b>			
Miscellaneous accountable imprest and standing advances <sup>(Note 1)</sup>	20.2	16.1	20.8
<b>Total Loans, Investments and Advances</b> <sup>(Note 2)</sup>	<b>16.2</b>	<b>13.3</b>	<b>20.6</b>

Totals may not add up due to rounding.

Note 1: The miscellaneous accountable imprest and standing advances represent amounts recoverable from all federal departments and agencies by the Receiver General. The total amount authorized to be outstanding at any time is \$22 million.

Note 2: Further details on the above loans, investments and advances can be found in Volume 1 of the Public Accounts.



**Table 6: Sources of Respendable and Non-Respendable Revenue**

(in millions of dollars)

Government Services Program Activity	Actual 2003-2004	Actual 2004-2005	2005-2006		Actual
			Planned Revenues	Total Authorities	
<b>Respendable Revenues</b>					
<b>Real Property</b>					
Federal Accommodation and Holdings					
Rentals and Concessions	487.8	456.5	284.3	452.7	436.3
Real Property Stewardship	2.1	1.7	1.3	1.8	1.7
Real Property Services Revolving Fund					
Recoveries of disbursements on behalf of clients	589.7	619.5	623.3	623.3	742.3
Fee revenues from real property related common services	154.1	167.0	161.5	161.5	170.0
	743.8	786.5	784.8	784.8	912.3
Real Property Disposition Revolving Fund					
Sales of real properties	18.4	9.3	13.0	13.0	6.7
<b>Total – Real Property</b>	<b>1,252.1</b>	<b>1,254.0</b>	<b>1,083.4</b>	<b>1,252.3</b>	<b>1,357.0</b>
<b>Acquisition</b>					
Acquisition Services					
Major Crown Projects	8.8	8.3	3.0	12.5	12.1
Acquisitions	15.9	21.8	13.6	23.2	19.2
Canadian General Standards Board	2.1	2.3	2.5	2.4	2.1
Crown Assets Distribution <sup>(Note 1)</sup>	-	2.4	-	-	2.6
Seized Property Management	5.1	6.0	6.5	10.7	6.5
Others	0.1	-	8.2	11.2	12.7
	32.0	40.8	33.8	60.0	55.2
Supply Operations Stewardship	9.2	10.0	7.6	5.7	7.4
Optional Services Revolving Fund					
Traffic and Vaccine	75.2	72.6	94.7	94.7	83.3
Crown Assets Distribution <sup>(Note 1)</sup>	4.8	-	5.6	-	-
Communication Procurement	2.2	3.6	2.9	2.9	4.5
Locally Shared Support Services	6.9	6.5	7.2	7.2	6.2
Software Brokerage / Benchmarking	8.5	-	-	-	-
	97.6	82.7	110.4	104.8	94.0
<b>Total – Acquisition</b>	<b>138.8</b>	<b>133.5</b>	<b>151.8</b>	<b>170.5</b>	<b>156.6</b>
<b>Information Technology</b>					
IM/IT Services	131.2	177.3	128.2	218.3	219.0
IM/IT Stewardship	12.2	5.0	2.4	3.6	3.2
Telecommunications and Informatics Common Services Revolving Fund	125.7	129.7	137.9	137.9	131.5
<b>Total – Information Technology</b>	<b>269.1</b>	<b>312.0</b>	<b>268.5</b>	<b>359.8</b>	<b>353.7</b>



**Table 6: Sources of Respendable and Non-Respendable Revenue (cont'd)**

(in millions of dollars)

Government Services Program Activity	Actual 2003-2004	Actual 2004-2005	2005-2006		Actual
			Planned Revenues	Total Authorities	
<b>Respendable Revenues (cont'd)</b>					
<b>Receiver General and Public Service Compensation</b>					
Receiver General Services	2.9	4.9	1.3	3.7	4.8
Receiver General Stewardship	20.7	14.2	12.3	16.4	14.2
Public Service Compensation	2.7	2.6	2.3	2.8	2.9
Public Service Pay Stewardship	3.8	6.9	3.8	7.3	6.9
Public Service Pension Stewardship	39.4	44.3	48.7	54.8	48.9
<b>Total – Receiver General and Public Service Compensation</b>	<b>69.5</b>	<b>72.9</b>	<b>68.4</b>	<b>85.0</b>	<b>77.7</b>
<b>Government Information <sup>(Note 2)</sup></b>					
Government Information Services	-	11.0	22.7	14.1	14.8
Government Information Stewardship	-	0.2	1.1	1.5	0.2
<b>Total – Government Information</b>	<b>-</b>	<b>11.2</b>	<b>23.8</b>	<b>15.6</b>	<b>15.0</b>
<b>Business Integration</b>					
Business Integration Services	1.1	10.2	3.3	15.9	15.4
Business Integration - Performance Management	39.4	40.2	37.6	37.6	38.2
<b>Total – Business Integration</b>	<b>40.5</b>	<b>50.4</b>	<b>40.9</b>	<b>53.5</b>	<b>53.6</b>
<b>Consulting and Audit Canada</b>					
Consulting and Audit Canada Revolving Fund	129.2	124.6	122.8	122.7	103.6
<b>Translation Bureau</b>					
Translation Bureau Revolving Fund					
Translation Services	194.5	195.9	207.3	207.3	200.7
Interpretation Services	3.1	2.7	3.6	3.6	2.9
Terminology Services	0.9	1.1	0.6	0.6	1.3
<b>Total – Translation Bureau</b>	<b>198.5</b>	<b>199.7</b>	<b>211.5</b>	<b>211.5</b>	<b>204.9</b>
<b>Total Respendable Revenues</b>	<b>2,097.7</b>	<b>2,158.3</b>	<b>1,971.1</b>	<b>2,270.9</b>	<b>2,322.1</b>
<b>Non-Respendable Revenues</b>					
Dry Docks	3.9	3.8	5.0	5.0	5.1
Miscellaneous Non-tax Revenues					
Seized Properties	17.5	16.5	-	-	17.2
Other non-tax revenue	29.7	42.5	18.9	17.4	45.1
<b>Total Non-Respendable Revenues</b>	<b>51.1</b>	<b>62.8</b>	<b>23.9</b>	<b>22.4</b>	<b>67.4</b>
<b>DEPARTMENT TOTAL</b>	<b>2,148.8</b>	<b>2,221.1</b>	<b>1,995.0</b>	<b>2,293.3</b>	<b>2,389.5</b>

Totals may not add up due to rounding.

Note 1: Crown assets distribution has been transferred to the appropriation as of April 1, 2004 as per Treasury Board decision number 831793.

Note 2: The 2003-2004 actual does not include the activities of Government Information Services. These activities were reported under the former Communication Canada and were transferred to PWGSC effective April 1, 2004.





**Table 7.1: Real Property Services Revolving Fund**

**Statement of Operations**

(in millions of dollars)

	Actual 2003-2004	Actual 2004-2005	2005-2006		Actual
			Planned Spending	Total Authorities	
<b>Revenues</b>	749.9	797.7	784.8	784.8	<b>911.5</b>
<b>Expenses</b>	760.1	799.7	784.8	784.8	<b>912.9</b>
<b>Surplus (Deficit)</b> <sup>(Note 1)</sup>	(10.2)	(2.0)	-	-	<b>(1.4)</b>

This table refers to the Fund's operating profit and loss, not the cash requirements for this fiscal year. The operating profit or loss that the Fund will realize is calculated through accrual accounting. Therefore, some cash expenditures in the Estimates do not affect the operating balance, and other items that must be considered when calculating the profit or loss do not require a direct cash outlay. The two can be reconciled as follows:

**Statements of Authority Provided and Reconciliation of Unused Authority**

(in millions of dollars)

	Actual 2003-2004	Actual 2004-2005	2005-2006		Actual
			Planned Spending	Total Authorities	
<b>Operating Activities</b>					
(Surplus) Deficit	10.2	2.0	-	-	<b>1.4</b>
Less items not requiring use of funds:					
Net of provision and payments for employee termination benefits	3.7	1.4	-	-	<b>(1.3)</b>
Sub-total	6.5	0.6	-	-	<b>2.7</b>
Other items not requiring use of funds	6.0	15.4	-	-	<b>(2.7)</b>
Net draw down (provided by) used in operating activities	12.5	16.0	-	-	-
Recovery of net draw down authority used <sup>(Note 2)</sup>	(12.5)	(16.0)	-	-	-
<b>Authority (provided) used during the year</b>	-	-	-	-	-
<b>Net authority (provided by) used at the start of year</b>	-	-	-	-	-
<b>Net authority (provided by) used at the end of year</b>	-	-	-	-	-
Authority limit	150.0	150.0	150.0	150.0	<b>150.0</b>
<b>Unused authority carried forward</b>	150.0	150.0	150.0	150.0	<b>150.0</b>

Totals may not add up due to rounding.

Note 1: The information displayed for 2003-04 has been restated to present gross revenues and expenditures.

Note 2: The Revolving Fund receives funding by way of a separate vote, to cover the net draw down authority used in support of activities serving broader government objectives. The amount received is \$12.5 million in 2003-04, \$16.0 million in 2004-05 and \$0.05 million in 2005-06.

Note 3: More detailed information on the Real Property Services Revolving Fund may be found in the Public Accounts of Canada Vol. III, Section 1, which is located on PWGSC's website at: <http://www.pwgsc.gc.ca/recgen/text/pub-acc-e.html>.



**Table 7.2: Real Property Disposition Revolving Fund**

**Statement of Operations**

(in millions of dollars)

	Actual 2003-2004	Actual 2004-2005	2005-2006		Actual
			Planned Spending	Total Authorities	
<b>Revenues</b>	15.9	9.3	13.0	13.0	<b>6.8</b>
<b>Expenses</b>	2.6	2.3	4.0	4.0	<b>2.9</b>
<b>Surplus (Deficit)</b>	13.3	7.0	9.0	9.0	<b>3.9</b>

This table refers to the Fund's operating profit and loss, not the cash requirements for this fiscal year. The operating profit or loss that the Fund will realize is calculated through accrual accounting. Therefore, some cash expenditures in the Estimates do not affect the operating balance, and other items that must be considered when calculating the profit or loss do not require a direct cash outlay. The two can be reconciled as follows:

**Statements of Authority Provided and Reconciliation of Unused Authority**

(in millions of dollars)

	Actual 2003-2004	Actual 2004-2005	2005-2006		Actual
			Planned Spending	Total Authorities	
<b>Operating Activities</b>					
(Surplus) Deficit	(13.3)	(7.0)	(9.0)	(9.0)	<b>(3.9)</b>
Other items not requiring use of funds	(1.6)	(0.4)	-	-	<b>0.9</b>
<b>Authority (provided) used during the year</b>	<b>(14.9)</b>	<b>(7.4)</b>	<b>(9.0)</b>	<b>(9.0)</b>	<b>(3.0)</b>
Payment to the Consolidated Revenue Fund	13.3	7.0	9.0	9.0	<b>3.9</b>
<b>Net authority (provided by) used at the start of year</b>	<b>(0.9)</b>	<b>(2.5)</b>	<b>(2.5)</b>	<b>(2.9)</b>	<b>(2.9)</b>
<b>Net authority (provided by) used at the end of year</b>	<b>(2.5)</b>	<b>(2.9)</b>	<b>(2.5)</b>	<b>(2.9)</b>	<b>(2.0)</b>
Authority limit	5.0	5.0	5.0	5.0	<b>5.0</b>
<b>Unused authority carried forward</b>	<b>7.5</b>	<b>7.9</b>	<b>7.5</b>	<b>7.9</b>	<b>7.0</b>

Totals may not add up due to rounding.

Note: More detailed information on the Real Property Disposition Revolving Fund may be found in the Public Accounts of Canada Vol. III, Section 1, which is located on PWGSC's website at: <http://www.pwgsc.gc.ca/recgen/text/pub-acc-e.html>.

**Table 7.3: Defence Production Revolving Fund**

Parliament authorized a total drawdown of \$100 million for the Defence Production Revolving Fund. There are currently no activities in this revolving fund.

Note: More detailed information on the Defence Production Revolving Fund may be found in the Public Accounts of Canada Vol. III, Section 1, which is located on PWGSC's website at: <http://www.pwgsc.gc.ca/recgen/text/pub-acc-e.html>.



**Table 7.4: Optional Services Revolving Fund**

**Statement of Operations**

(in millions of dollars)

	Actual 2003-2004	Actual 2004-2005	2005-2006		Actual
			Planned Spending	Total Authorities	
<b>Revenues</b>	98.9	81.0	110.4	104.8	<b>95.5</b>
<b>Expenses</b>	95.5	77.8	110.5	104.8	<b>92.4</b>
<b>Surplus (Deficit)</b>	3.4	3.2	(0.1)	-	<b>3.1</b>

This table refers to the Fund's operating profit and loss, not the cash requirements for this fiscal year. The operating profit or loss that the Fund will realize is calculated through accrual accounting. Therefore, some cash expenditures in the Estimates do not affect the operating balance, and other items that must be considered when calculating the profit or loss do not require a direct cash outlay. The two can be reconciled as follows:

**Statements of Authority Provided and Reconciliation of Unused Authority**

(in millions of dollars)

	Actual 2003-2004	Actual 2004-2005	2005-2006		Actual
			Planned Spending	Total Authorities	
<b>Operating Activities</b>					
(Surplus) Deficit	(3.4)	(3.2)	0.1	-	<b>(3.1)</b>
Less items not requiring use of funds:					
Amortization	0.4	-	-	-	-
Net of provision and payments for employee termination benefits	0.2	-	0.1	-	-
Sub-total	(4.0)	(3.2)	-	-	<b>(3.1)</b>
Other items not requiring use of funds	(1.1)	(1.7)	-	-	<b>1.7</b>
Net financial resources (provided by) used in operating activities	(5.0)	(4.9)	-	-	<b>(1.4)</b>
<b>Investing Activities</b>					
Capital Assets:					
Net acquisitions	-	0.2	-	-	-
Net financial resources (provided by) used in investing activities	-	0.2	-	-	-
<b>Authority (provided) used during the year</b>	<b>(5.0)</b>	<b>(4.7)</b>	<b>-</b>	<b>-</b>	<b>(1.4)</b>
<b>Net authority (provided by) used at the start of year</b>	<b>4.7</b>	<b>(0.3)</b>	<b>(0.3)</b>	<b>(5.0)</b>	<b>(5.0)</b>
<b>Net authority (provided by) used at the end of year</b>	<b>(0.3)</b>	<b>(5.0)</b>	<b>(0.3)</b>	<b>(5.0)</b>	<b>(6.4)</b>
Authority limit	35.0	35.0	35.0	35.0	<b>35.0</b>
<b>Unused authority carried forward</b>	<b>35.3</b>	<b>40.0</b>	<b>35.3</b>	<b>40.0</b>	<b>41.4</b>

Totals may not add up due to rounding.

Note: More detailed information on the Optional Services Revolving Fund may be found in the Public Accounts of Canada Vol. III, Section 1, which is located on PWGSC's website at: <http://www.pwpsc.gc.ca/recgen/text/pub-acc-e.html>.



**Table 7.5: Telecommunications and Informatics Common Services Revolving Fund**

**Statement of Operations**

(in millions of dollars)

	Actual 2003-2004	Actual 2004-2005	2005-2006		Actual
			Planned Spending	Total Authorities	
<b>Revenues</b>	127.0	132.2	137.9	137.9	<b>138.2</b>
<b>Expenses</b>	122.3	125.9	137.9	137.9	<b>135.4</b>
<b>Surplus (Deficit)</b>	4.7	6.3	-	-	<b>2.8</b>

This table refers to the Fund's operating profit and loss, not the cash requirements for this fiscal year. The operating profit or loss that the Fund will realize is calculated through accrual accounting. Therefore, some cash expenditures in the Estimates do not affect the operating balance, and other items that must be considered when calculating the profit or loss do not require a direct cash outlay. The two can be reconciled as follows:

**Statements of Authority Provided and Reconciliation of Unused Authority**

(in millions of dollars)

	Actual 2003-2004	Actual 2004-2005	2005-2006		Actual
			Planned Spending	Total Authorities	
<b>Operating Activities</b>					
(Surplus) Deficit	(4.7)	(6.3)	-	-	<b>(2.8)</b>
Less items not requiring use of funds:					
Amortization	0.2	0.2	0.2	0.2	<b>0.2</b>
Net of provision and payments for employee termination benefits	0.4	0.3	-	-	<b>(0.1)</b>
Sub-total	(5.3)	(6.8)	(0.2)	(0.2)	<b>(2.9)</b>
Other items not requiring use of funds	0.1	0.1	-	-	-
Net financial resources (provided by) used in operating activities	(5.2)	(6.7)	(0.2)	(0.2)	<b>(2.9)</b>
<b>Investing Activities</b>					
Capital Assets:					
Net acquisitions	0.2	0.3	0.2	0.2	-
Transfer of accumulated surplus to the Vote for ITS Transformation (Note 1)	-	2.5	-	7.0	<b>6.9</b>
Net financial resources (provided by) used in investing activities	0.2	2.8	0.2	7.2	<b>6.9</b>
<b>Authority (provided) used during the year</b>	(5.0)	(3.9)	-	7.0	<b>4.0</b>
<b>Net authority (provided by) used at the start of year</b>	(16.8)	(21.8)	(16.4)	(25.7)	<b>(25.7)</b>
<b>Net authority (provided by) used at the end of year</b>	(21.8)	(25.7)	(16.4)	(18.7)	<b>(21.7)</b>
Authority limit	20.0	20.0	20.0	20.0	<b>20.0</b>
<b>Unused authority carried forward</b>	41.8	45.7	36.4	38.7	<b>41.7</b>

Totals may not add up due to rounding.

Note 1: In 2004-2005 and 2005-2006, the Fund received an authorization (TB 831746) to use a portion of their accumulated surplus to contribute to the transformation activities within the Information Technology Services Branch under the regular operating vote.

Note 2: More detailed information on the Telecommunications and Informatics Common Services Revolving Fund may be found in the Public Accounts of Canada Vol. III, Section 1, which is located on PWGSC's website at: <http://www.pwgsc.gc.ca/recgen/text/pub-acc-e.html>.



**Table 7.6: Consulting and Audit Canada Revolving Fund**

**Statement of Operations**

(in millions of dollars)

	Actual 2003-2004	Actual 2004-2005	2005-2006		Actual
			Planned Spending	Total Authorities	
<b>Revenues</b>	130.0	124.8	122.7	122.7	<b>103.3</b>
<b>Expenses</b>	126.0	121.9	122.6	122.5	<b>106.5</b>
<b>Surplus (Deficit)</b>	4.0	2.9	0.1	0.2	<b>(3.2)</b>

This table refers to the Fund's operating profit and loss, not the cash requirements for this fiscal year. The operating profit or loss that the Fund will realize is calculated through accrual accounting. Therefore, some cash expenditures in the Estimates do not affect the operating balance, and other items that must be considered when calculating the profit or loss do not require a direct cash outlay. The two can be reconciled as follows:

**Statements of Authority Provided and Reconciliation of Unused Authority**

(in millions of dollars)

	Actual 2003-2004	Actual 2004-2005	2005-2006		Actual
			Planned Spending	Total Authorities	
<b>Operating Activities</b>					
(Surplus) Deficit	(4.0)	(2.9)	(0.1)	(0.2)	3.2
Less items not requiring use of funds:					
Amortization	0.2	0.3	0.5	0.5	0.3
Net of provision and payments for employee termination benefits	0.3	0.3	0.9	0.8	(0.4)
Sub-total	(4.5)	(3.5)	(1.5)	(1.5)	3.3
Other items not requiring use of funds	0.4	-	-	-	1.1
Net financial resources (provided by) used in operating activities	(4.1)	(3.5)	(1.5)	(1.5)	4.4
<b>Investing Activities</b>					
Capital Assets:					
Net acquisitions	0.3	0.1	1.1	1.1	-
Net financial resources (provided by) used in investing activities	0.3	0.1	1.1	1.1	-
<b>Financing Activities</b>					
Recovery of net drawdown authority used	-	-	-	-	(4.8)
Net financial resources (provided by) used in financing activities	-	-	-	-	(4.8)
<b>Authority (provided) used during the year</b>	<b>(3.8)</b>	<b>(3.4)</b>	<b>(0.4)</b>	<b>(0.4)</b>	<b>(0.4)</b>
Reimbursement of employee termination benefits	(0.2)	(0.2)	-	-	-
<b>Net authority (provided by) used at the start of year</b>	<b>(1.5)</b>	<b>(5.5)</b>	<b>(4.0)</b>	<b>(9.2)</b>	<b>(9.2)</b>
<b>Net authority (provided by) used at the end of year</b>	<b>(5.5)</b>	<b>(9.2)</b>	<b>(4.4)</b>	<b>(9.6)</b>	<b>(9.6)</b>
Authority limit	20.0	20.0	20.0	20.0	20.0
<b>Unused authority carried forward</b>	<b>25.5</b>	<b>29.2</b>	<b>24.4</b>	<b>29.6</b>	<b>29.6</b>

Totals may not add up due to rounding.

Note: More detailed information on the Consulting and Audit Canada Revolving Fund may be found in the Public Accounts of Canada Vol. III, Section 1, which is located on PWGSC's website at: <http://www.pwgscc.gc.ca/recgen/text/pub-acc-e.html>.





**Table 7.7: Translation Bureau Revolving Fund**

**Statement of Operations**

(in millions of dollars)

	Actual 2003-2004	Actual 2004-2005	2005-2006		Actual
			Planned Spending	Total Authorities	
<b>Revenues</b>	226.9	199.7	211.5	211.5	<b>205.1</b>
<b>Expenses</b>	226.5	193.8	213.4	213.4	<b>196.3</b>
<b>Surplus (Deficit)</b>	0.4	5.9	(1.9)	(1.9)	<b>8.8</b>

This table refers to the Fund's operating profit and loss, not the cash requirements for this fiscal year. The operating profit or loss that the Fund will realize is calculated through accrual accounting. Therefore, some cash expenditures in the Estimates do not affect the operating balance, and other items that must be considered when calculating the profit or loss do not require a direct cash outlay. The two can be reconciled as follows:

**Statements of Authority Provided and Reconciliation of Unused Authority**

(in millions of dollars)

	Actual 2003-2004	Actual 2004-2005	2005-2006		Actual
			Planned Spending	Total Authorities	
<b>Operating Activities</b>					
(Surplus) Deficit	(0.4)	(5.9)	1.9	1.9	<b>(8.8)</b>
Less items not requiring use of funds:					
Amortization	1.2	2.3	2.2	2.2	<b>2.9</b>
Net of provision and payments for employee termination benefits	2.2	0.9	2.2	2.2	<b>(0.9)</b>
Collective Bargaining - TR Group Pay Equity	(28.3)	-	-	-	<b>-</b>
Sub-total	24.5	(9.1)	(2.5)	(2.5)	<b>(10.8)</b>
Other items not requiring use of funds	0.4	(0.4)	0.5	0.5	<b>(1.7)</b>
Net financial resources (provided by) used in operating activities	24.9	(9.5)	(2.0)	(2.0)	<b>(12.5)</b>
<b>Investing Activities</b>					
Capital assets:					
Net acquisitions	5.7	2.9	2.0	2.0	<b>3.3</b>
Net financial resources (provided by) used in investing activities	5.7	2.9	2.0	2.0	<b>3.3</b>
<b>Authority (provided) used during the year</b>	<b>30.6</b>	<b>(6.6)</b>	<b>-</b>	<b>-</b>	<b>(9.2)</b>
Reimbursement of employee termination benefits	(1.2)	(1.2)	-	-	<b>-</b>
Contingencies recovery of collective bargaining agreement	(28.3)	-	-	-	<b>-</b>
<b>Net authority (provided by) used at the start of year</b>	<b>(19.2)</b>	<b>(18.2)</b>	<b>(18.2)</b>	<b>(26.0)</b>	<b>(26.0)</b>
<b>Net authority (provided by) used at the end of year</b>	<b>(18.2)</b>	<b>(26.0)</b>	<b>(18.2)</b>	<b>(26.0)</b>	<b>(35.2)</b>
Authority limit	10.0	10.0	10.0	10.0	<b>10.0</b>
<b>Unused authority carried forward</b>	<b>28.2</b>	<b>36.0</b>	<b>28.2</b>	<b>36.0</b>	<b>45.2</b>

Totals may not add up due to rounding.

Note: More detailed information on the Translation Bureau Revolving Fund may be found in the Public Accounts of Canada Vol. III, Section 1, which is located on PWGSC's website at: <http://www.pwgsc.gc.ca/recgen/text/pub-acc-e.html>.

**Table 8: Resource Requirements by Branch or Sector**

Details of actual against planned spending by Branch/Sector and Program Activity are provided in Tables 1 and 2.



Table 9.1: User Fees

Access to Information and Privacy											
User Fee	Fee Type	Fee-setting Authority	Date Last Modified	2005-06						Planning Years	
				Forecast Revenue (\$000)	Actual Revenue (\$000)	Full Cost (\$000)	Performance Standard	Performance Results	Fiscal Year	Forecast Revenue (\$000)	Estimated Full Cost (\$000)
Fees changed for the processing of access requests filled under the Access to Information Act (ATIA)	Other Products and Services (O)	ATIA	1992	21.46	26.5	2.44M	Response provided within 30 days following receipt of request; the response time may be extended pursuant to section 9 of the ATIA. Notice of extension to be sent within 30 days after receipt of request.	90.89%	2006-07	11.6K	2.56M
				Total	Total	Total			Total	Total	
				21.46K	26.5K	2.44M			36.57K	8.06M	
B) Date Last Modified:											
N/A											
C) Other Information: It is the Department's practice to waive fees where (a) the total reproduction costs that could be assessed amounts to less than \$25; and (b) the legislative time limits have been exceeded by more than 6 months and the request contains a voluminous number of records. In 2005-2006, fees were waived in fifty-two per cent of ATI requests received, amounting to \$6,562 waived.											
In an effort to reduce the amount of paper copied, applicants can request that certain information be provided to them by electronic means, such as by diskette, CD or email. In 2005-2006, one percent of responses to ATI were made by electronic means.											



Table 9.1: User Fees (cont'd)

Canada Gazette		2005-06					Planning Years				
		Fee Type	Fee-setting Authority	Date Last Modified	Forecast Revenue (\$000)	Actual Revenue (\$000)	Full Cost (\$000)	Performance Standard	Performance Results	Fiscal Year	Forecast Revenue (\$000)
Subscription rates charged for the printed version of the Canada Gazette	Regulatory (R) Fees are necessary to meet the Canada Gazette mandate	Subscription fees are set in the Statutory Instruments Act assented to in 1971	Subscription fees last revised in 1985	Subscription Revenues for 2005-06 - External Only Last year's numbers included both external and internal clients	Actual Subscription Revenues for 2005-06: \$150,922	Not available at this time. Costing framework being developed and will be applied for the fiscal year 07-08	100% satisfaction rate is measured by meeting the legislated publication deadlines for the Canada Gazette and meeting the legislated publication deadlines for each of our clients. Clients must meet our publication deadlines. However the Canada Gazette will accommodate as much as possible by working overtime if necessary in order for the client to meet their legislated deadlines and to ensure that regulations are not left open to be challenged. The Canada Gazette has maintained less than 1% error standard for the past ten years.	100%. All notices were published within the legislated deadlines. The Canada Gazette met all its publication dates for all formats of the Canada Gazette. The error count for 2005-06 was 0.074% that is only 3 errors in 4,054 pages published.	2006-07 Subscriptions 2007-08 Subscriptions 2008-09 Subscriptions	\$150,922 \$150,922 \$150,922	
Insertion fees charged to government and private sector clients meeting their legal obligation to publish in the Canada Gazette		Insertion fees are charged in accordance with TB directive and Common Service Policy of 1986	Insertion fees last modified in 1992	Insertion Revenues for 2005-06 - External Only Last year's numbers included both external and internal clients	Actual Insertion Revenues for 2005-06: \$191,532				2006-07 Insertion fees 2007-08 Insertion fees 2008-09 Insertion fees	\$191,532 \$191,532 \$191,532	
				Total N/A	Total \$342,454					Total \$1,027,362	Total N/A

B) Date Last Modified: No substantial modification has been made since March 31, 2004.

C) Other Information: The ongoing funding has enabled the Canada Gazette to provide the service within its budget therefore eliminating the need for the TB submission at this time. There may be a future need to increase fees in order to assist the Canada Gazette in promoting its services.

Items marked "Not Available at this Time" reflect that it is impossible to give a clear correlation between the full costs and the user fees. A costing framework report was prepared by Consulting Services. We are examining the options presented and will apply the appropriate costing framework starting April 1, 2007 and will report in 2007-2008 DPR.





*Table 9.1: User Fees (cont'd)*

2005-06											
User Fee	Fee Type	Fee-setting Authority	Date Last Modified	Forecast Revenue (\$000)	Actual Revenue (\$000)	Full Cost (\$000)	Performance Standard	Performance Results	Planning Years		
									Fiscal Year	Forecast Revenue (\$000)	Estimated Full Cost (\$000)
Fees charged @ \$140/hr for: Auditing, Testing, Administration; annual fees vary with program for application and licensing use of certification marks, other legal agreements	0	Department of Public Works and Government Services Act, section 16	April 2006	505	519.5	691	1. 95% client satisfaction rate as measured through survey of every client. 2. 95% on-time service delivery	1. Over 95% of clients indicated 'good' or 'very good' satisfaction with service provided. 2. 95% on-time service delivery	2006-07	555	783.7
Fees charged @ \$135/hr for: Quality auditing, administration; annual fees vary with program for application and licensing use of certification marks, other legal agreements	0	Department of Public Works and Government Services Act, section 16	April 2006	650	665.1	748	1. 95% client satisfaction rate as measured through survey of every client. 2. 95% on-time service delivery	1. Over 95% of clients indicated 'good' or 'very good' satisfaction with service provided. 2. 95% on-time service delivery	2006-07	675	682.1



Table 9.1: User Fees (cont'd)

User Fee	Fee Type	Fee-setting Authority	Date Last Modified	2005-06						Planning Years		
				Forecast Revenue (\$000)	Actual Revenue (\$000)	Full Cost (\$000)	Performance Standard	Performance Results	Fiscal Year	Forecast Revenue (\$000)	Estimated Full Cost (\$000)	
Fees charged @ \$145/hr for: Environmental auditing, administration; annual fees vary with program for application and licensing use of certification marks, other legal agreements	0	Department of Public Works and Government Services Act, section 16	N/A	246	237.4	308.5	1. 95% client satisfaction rate as measured through survey of every client. 2. 95% on-time service delivery	1. Over 95% of clients indicated 'good' or 'very good' satisfaction with service provided. 2. 95% on-time service delivery	2006-07	325	339.3	
Fees charged @ \$1000/day for Standards Development Activities include, but not limited to: research and development, managing the consensus process, the committees, and the balloting process	0	Department of Public Works and Government Services Act, section 16	April 2004	310 (*)	290 (*)	290 (*)	1. 95% client satisfaction rate as measured through client survey 2. Number of standards projects within agreed budget and time exceeds 80%, based on constant resources	1. Over 95% of clients indicated satisfaction with services rendered 2. Over 80% of standards project within agreed budget and time	2006-07	490 (*)	490 (*)	490 (*)
				Total 1,711	Total 1,712	Total 2,037.5				Total 2,045	Total 2,295.1	

**B) Date Last Modified: 06-07-28**  
Market analysis and cost-recovery model used to establish market-based fees.  
Standards development fees developed in consultation with PWGSC Finance using established models applicable to cost-recovery services.

**C) Other Information:**  
(\*) does not include net vote standards development work done for PWGSC





Table 9.1: User Fees (cont'd)

Public Ports and Harbours – Esquimalt Graving Dock (EGD)											
User Fee	Fee Type	Fee-setting Authority	Date Last Modified	2005-06			Planning Years				
				Forecast Revenue (\$000)	Actual Revenue (\$000)	Full Cost (\$000)	Performance Standard	Performance Results	Fiscal Year	Forecast Revenue (\$000)	Estimated Full Cost (\$000)
Booking	Regulatory (R) as per Esquimalt Graving Dock Regulations, 1989 (SOR/89-332 and SOR/95-462)	Order-in-Council	1995	See Note 1	168.0	See Note 1	The user fees were introduced prior to March 31, 2004. As such, performance standards have not yet been established.	Performance results could not be obtained as performance standards have not been established since the user fees were introduced prior to March 31, 2004.	2006-07	See Note 1	See Note 1
Draining					113.7						
Dockage for a vessel per unit of gross tonnage (minimum 2500 tons), per day					1,560.6						
Dockage for cargo on board per tonne of cargo, per day					--						
Berthage at North Landing Wharf, per metre, per day (a) working vessels					95.8						
Berthage at North Landing Wharf, per metre, per day (b) non-working vessels					1.9						
Berthage at South Jetty, per metre, per day					7.4						
Storage of cargo, building materials, equipment or machinery, per tonne, per day					--						
Top wharfage, per tonne (minimum 50 tonnes) (one-time charge)					--						



Table 9.1: User Fees (cont'd)

User Fee	Fee Type	Fee-setting Authority	Date Last Modified	2005-06		Planning Years					
				Forecast Revenue (\$000)	Actual Revenue (\$000)	Full Cost (\$000)	Performance Standard	Performance Results	Fiscal Year	Forecast Revenue (\$000)	Estimated Full Cost (\$000)
Crane per hour (a) with light hook				685.8							
Crane per hour (b) with main hook, up to 50 tonne lift				86.5							
Crane per hour (c) with main hook, over 50 tonne lift				22.1							
Mobile Crane, per hour (a) 9-tonne crane				97.5							
Mobile Crane, per hour (b) 20-tonne crane				155.8							
Forklift per hour				0.7							
Air Compressor, per manifold hour				341.5							
Motor work boat, per hour				3.8							
Fresh water, per cubic metre				27.0							
Electric power, per kilowatt hour				613.6							
Parking, per section, per shift				92.5							
Tie-up and letting go				-							
Flood-lights (a) per standard (high mast), per hour				-							



Table 9.1: User Fees (cont'd)

User Fee	Fee Type	Fee-setting Authority	Date Last Modified	2005-06			Planning Years				
				Forecast Revenue (\$000)	Actual Revenue (\$000)	Full Cost (\$000)	Performance Standard	Performance Results	Fiscal Year	Forecast Revenue (\$000)	Estimated Full Cost (\$000)
Flood-lights (b) per caisson (4 lights), per hour				--	--						
Overtime labour of dry-dock employees, per employee, per hour				290.2							
Commissionaire service, per employee, per hour				--							
Other User Fees (see Additional Tariff Items below)	Other Products and Services (O)	Order-in-Council	1995	See Note 1	724.7	See Note 1	The user fees were introduced prior to March 31, 2004. As such, performance standards have not yet been established.	Performance results could not be obtained as performance standards have not been established since the user fees were introduced prior to March 31, 2004.	2006-07 2007-08 2008-09	See Note 1	See Note 1
				Sub-total (R) 4,364.4	Sub-total (R) 4,364.4	Sub-total (R)			Sub-total	2006-07 4,300.0	2006-07 7,991.0
				Sub-total (O) 724.7	Sub-total (O) 724.7	Sub-total (O)			Sub-total	2007-08 4,300.0	2007-08 11,619.0
				Total 6,000.0	Total 5,089.1	Total 8,197.1			Sub-total	2008-09 4,300.0	2008-09 14,741.2
										Total 12,900	Total 34,351.2
<p><b>B) Date Last Modified:</b> No substantial modification has been made since March 31, 2004.</p>											
<p><b>C) Other Information:</b> Note 1: Since revenues are not forecasted based on the individual fee items, nor are costs calculated based on individual fee items, only the total figures are provided for all user fees at the EGD.</p>											





**Table 9.1: User Fees (cont'd)**

**Public Ports and Harbours – Esquimalt Graving Dock Additional Tariff Items**

TARIFF ITEMS	UNIT RATE
1" Rope	\$240.00 / ea
14 Grit Abrasive	\$0.60 / lb
16 Grit Abrasive	\$0.60 / lb
18 Grit Abrasive	\$0.60 / lb
24/25 Grit Abrasive	\$0.60 / lb
Administration	\$100.00 / hr
Air compressor(secondary)	\$25.00 / hr
Air compressor(portable)	\$8.00 / hr
Aluminum Oxide	\$0.80 / lb
Aluminum Oxide,"A" Grade	\$0.80 / lb
AVAC	\$40.00 / hr
Berthage at Jenkins Footprint	\$0.00 / m-d
Berthage at S. Jetty (working vessel)	\$2.75 / m-d
Berthage at Tug Wharf	\$2.50 / m-d
Boat Rental	\$55.00 / hr
Bond	\$10000.00 / ea
Brown Aluminum Oxide (All Grades)	\$0.80 / lb
Clean up	\$1000.00 / ea
Commissionaire service (new rate)	\$317.21 / d
Damages	\$1000.00 / ea
EBE 250V - SP10	\$1.20 / ft <sup>2</sup>
EBE 250V - SP5	\$1.30 / ft <sup>2</sup>
EBE 250V - SP6	\$1.10 / ft <sup>2</sup>
EBE 250V - SP7	\$1.00 / ft <sup>2</sup>
EBE 350 DECK	\$0.70 / ft <sup>2</sup>
EBE 350 (Deck) - SP10	\$0.91 / ft <sup>2</sup>
EBE 350H - SP10	\$0.91 / ft <sup>2</sup>
EBE 350H -SP5	\$1.58 / ft <sup>2</sup>
EBE 350H - SP6	\$0.70 / ft <sup>2</sup>
EBE 350H - SP7	\$0.53 / ft <sup>2</sup>
EBE 350V - SP10	\$1.75 / ft <sup>2</sup>
EBE 350V - SP5	\$2.10 / ft <sup>2</sup>
EBE 350V - SP6	\$1.30 / ft <sup>2</sup>

TARIFF ITEMS	UNIT RATE
EBE 350V – SP7	\$0.60 / ft <sup>2</sup>
EBE 500 DECK	\$1.00 / ft <sup>2</sup>
EBE 500H - SP10	\$1.30 / ft <sup>2</sup>
EBE 500H -SP5	\$2.25 / ft <sup>2</sup>
EBE 500H - SP6	\$1.00 / ft <sup>2</sup>
EBE 500H - SP7	\$0.75 / ft <sup>2</sup>
ENVIROBLAST 500VH	\$150.00 / hr
EBE 500V - SP10	\$2.00 / ft <sup>2</sup>
EBE 500V - SP5	\$2.25 / ft <sup>2</sup>
EBE 500V - SP6	\$1.50 / ft <sup>2</sup>
EBE 500V - SP7	\$0.75 / ft <sup>2</sup>
EBE A-Vac	\$40.00 / ft <sup>2</sup>
EBE Operator	\$0.15 / ft <sup>2</sup>
Fine	\$100.00 / ea
Freight	\$155.48 / ea
Lease	\$398.00 / m <sup>2</sup>
Miscellaneous	\$7500.00 / ea
Miscellaneous Parts	\$7500.00 / ea
Road Sweeper	\$55.00 / hr
Property lease	\$2916.68 / ea
S360 Steel shot	\$0.60 / lb
S390 Steel shot	\$0.60 / lb
S460 Steel shot	\$0.60 / lb
Service Charge	\$55.00 / hr
Shackles	\$29.45 / ea
Short term lease	\$3.33 / m <sup>2</sup>
Storage by Area	\$3.33 / m <sup>2</sup>
Storage by Weight	\$1.00 / t/day
Supplementary Charge	\$0.67 / ft <sup>2</sup>
Thimbles	\$3.28 / ea
Vessel on EDC Floating Drydock	\$0.00 / month
350 VH	\$2500.00 / day



Table 9.1: User Fees (cont'd)

Public Ports and Harbours – Selkirk Marine Railway Dry Dock											
User Fee	Fee Type	Fee-setting Authority	Date Last Modified	2005-06				Planning Years			
				Forecast Revenue (\$000)	Actual Revenue (\$000)	Full Cost (\$000)	Performance Standard	Performance Results	Fiscal Year	Forecast Revenue (\$000)	Estimated Full Cost (\$000)
See Tariff Items below	Regulatory (R) as per Selkirk Marine Railway Dry Dock Regulations, 1989 (SOR/89-331)	Department of Public Works and Government Services Act (1996, c.16)	1989	17.7	36.5	50.2	The user fees were introduced prior to March 31, 2004. As such, performance standards have not yet been established.	Performance results could not be obtained as performance standards have not been established since the user fees were introduced prior to March 31, 2004.	2006-07	17.7	59.5
				See Note 1	See Note 1	See Note 1			2007-08	17.7	49.5
						No costs were incurred by other departments in support of the fee activity			2008-09	17.7	50.4
				Sub-total (R) 17.7	Sub-total (R) 36.5	Sub-total (R) 50.2			Sub-total	2006-07 17.7	2006-07 59.5
				Total 17.7	Total 36.5	Total 50.2			Sub-total	2007-08 17.7	2007-08 49.5
									Sub-total	2008-09 17.7	2008-09 50.4
				Total 17.7	Total 36.5	Total 50.2			Total	Total 53.1	Total 159.4
B) Date Last Modified: No substantial modification has been made since March 31, 2004.											
C) Other Information:											
Note 1: Since revenues are not forecasted based on the individual fee items, nor are costs calculated based on individual fee items, only the total figures are provided for all user fees.											



*Table 9.1: User Fees (cont'd)*

**Public Ports and Harbours – Selkirk Marine Railway Dry Dock Tariff Items**

<b>TARIFF OF DOCK CHARGES</b>	
<b>ITEM SERVICES AND FACILITIES</b>	<b>DOCK CHARGES (\$)</b>
Entry fee	655.00
Setting up keel and bilge blocks	655.00
Hauling out vessel	515.00
Launching vessel	515.00
Accommodation of vessel in the dry dock per day, per unit of gross tonnage	1.05
Fee for the winter term, one vessel	6,000.00
Fee for the winter term, tow vessels, per vessel	3,000.00
Additional charge pursuant to subsection 36(1) up to a maximum of \$1000.00 per day, per unit of gross tonnage	1.80





**Table 9.1: User Fees (cont'd)**

User Fee	Fee Type	Fee-setting Authority	Date Last Modified	2005-06						Planning Years			
				Forecast Revenue (\$000)	Actual Revenue (\$000)	Full Cost (\$000)	Performance Standard	Performance Results	Fiscal Year	Forecast Revenue (\$000)	Estimated Full Cost (\$000)		
Registration fees for listing as pre-qualified suppliers with the Translation Bureau	Other Products and Services (O)	As a special operating agency subject to a revolving fund, the Translation Bureau is required to break even and is therefore authorized to set the prices of all its services to all users	1997	See Note 1	5	See Note 2							See Note 2
				Sub-total (O)	Sub-total (O)	Sub-total (O)				Sub-total	2006-07	2006-07	2006-07
					5					Sub-total	2007-08	2007-08	2007-08
										Sub-total	2008-09	2008-09	2008-09
				Total	Total	Total				Total	Total	Total	Total
				5	5					105			

**B) Date Last Modified:**  
No substantial modification has been made since March 31, 2004.

**C) Other Information:**  
 Note 1: Given the small amounts at issue and the unpredictability of the volume of applications for listing, the Translation Bureau does not make revenue forecasts for these fees.  
 Note 2: The \$50 fee covers the estimated minimum cost of processing individual applications for listing; no accounting is done for overall costs in view of the small amounts at issue and the unpredictability of the volume of applications for listing.  
 Note 3: The planned increases in revenue stem from the renewal of all suppliers' registrations, an exercise that the Bureau intends to conduct in the next years and that will span over more than one fiscal year.



Table 9.2: Service Standards for External Fees

**Access to Information and Privacy**

External Fee	Service Standard	Performance Result	Stakeholder Consultation
Fees charged for the processing of access requests filed under the <i>Access to Information Act (ATIA)</i>	<p>Response provided within 30 days following receipt of request; the response time may be extended pursuant to section 9 of the <i>ATIA</i>. Notice of extension to be sent within 30 days after receipt of request.</p> <p>The <i>ATIA</i> provides fuller details: <a href="http://laws.justice.gc.ca/en/A-1/218072.html">http://laws.justice.gc.ca/en/A-1/218072.html</a>.</p>	Statutory deadlines met 90.89% of the time.	The service standard is established by the <i>ATIA</i> and the Access to Information Regulations. Consultations with stakeholders were undertaken by the Department of justice and the Treasury Board Secretariat for amendments done in 1986 and 1992.

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External Fee	Service Standard	Performance Result	Stakeholder Consultation
<p>Subscription rates are charged for the printed version of the <i>Canada Gazette</i></p> <p>Insertion fees are charged to government and private sector clients meeting their legal obligation to publish in the <i>Canada Gazette</i></p>	<p>100% compliance with the legislated publication deadlines for the <i>Canada Gazette</i> and the legislated publication deadlines for each of its clients.</p> <p>Error rate of less than 1% percent</p>	<p>100%: All notices were published within the legislated deadlines. The <i>Canada Gazette</i> met all its publication dates for all formats of the <i>Canada Gazette</i>.</p> <p>The error count for 2005-06 was 0.074% (only 3 errors in 4,054 pages published).</p>	<p>The subscription rates have not been modified since 1985.</p> <p>The insertion fees have not been modified since 1992.</p> <p>The establishment of the current fee structure pre-dates the November 2004 <i>Policy On Service Standards for External Fees</i>.</p>



*Table 9.2: Service Standards for External Fees (cont'd)*

**Licensing and Certification – Canada General Standards Board**

External Fee	Service Standard	Performance Result	Stakeholder Consultation
Administration Fees	Administration of testing of products, auditing management systems and related activities, in 60 days or under, per transaction.	60 day processing time met in 90% of transactions.	Stakeholder groups that include industry and government interests.  Client Satisfaction Surveys provide feedback on the effectiveness of services and the appropriateness of fees; generally, feedback has been positive; the only negative feedback has been from small enterprise clients who feel that the federal government should not charge for any service rendered.
Professional Services Fees	Fees for the recovery of charges by external laboratories and auditing firms under contract for performance of testing and auditing services; invoices issued within 30 days of provision of service.	30 day processing time met in 95% of transactions.	Stakeholder groups such as Technical Advisory Committees and Management Systems Committees that include industry and government interests meet annually and provide feedback on the effectiveness of services and appropriateness of fees; feedback has been positive.



*Table 9.2: Service Standards for External Fees (cont'd)*

**Public Ports and Harbours – Esquimalt Graving Dock**

External Fee	Service Standard	Performance Result	Stakeholder Consultation
Booking	Service Standards are currently under development and are thus not available.	Performance Results are not available as Service Standards are still under development.	Stakeholder Consultation has not been undertaken as Service Standards are still under development.
Draining			
Dockage for a vessel per unit of gross tonnage (minimum 2500 tons), per day			
Dockage for cargo on board per tonne of cargo, per day			
Berthage at North Landing Wharf, per metre, per day (a) working vessels			
Berthage at North Landing Wharf, per metre, per day (b) non-working vessels			
Berthage at South Jetty, per metre, per day			
Storage of cargo, building materials, equipment or machinery, per tonne, per day			
Top wharfage, per tonne (minimum 50 tonnes) (one-time charge)			
Crane per hour (a) with light hook			
Crane per hour (b) with main hook, up to 50 tonne lift			
Crane per hour (c) with main hook, over 50 tonne lift			
Mobile Crane, per hour (a) 9-tonne crane			
Mobile Crane, per hour (b) 20-tonne crane			
Forklift per hour			
Air Compressor, per manifold hour			
Motor work boat, per hour			
Fresh water, per cubic metre			
Electric power, per kilowatt hour			
Parking, per section, per shift			
Tie-up and letting go			
Flood-lights (a) per standard (high mast), per hour			
Flood-lights (b) per caisson (4 lights), per hour			
Overtime labour of dry-dock employees, per employee, per hour			
Commissionaire service, per employee, per hour			





*Table 9.2: Service Standards for External Fees (cont'd)*

**Public Ports and Harbours – Selkirk Marine Railway Dry Dock**

External Fee	Service Standard	Performance Result	Stakeholder Consultation
Entry fee	Service Standards are currently under development and are thus not available.	Performance Results are not available as Service Standards are still under development.	Stakeholder Consultation has not been undertaken as Service Standards are still under development.
Setting up keel and bridge blocks			
Hauling out vessel			
Launching vessel			
Accommodation of vessel in the dry dock per day, per unit of gross tonnage			
Fee for the winter term, one vessel			
Fee for the winter term, two vessels, per vessel			
Additional charge pursuant to subsection 36(1) up to a maximum of \$1000.00 per day, per unit of gross tonnage			

**Translation**

External Fee	Service Standard	Performance Result	Stakeholder Consultation
Registration fees for listing as pre-qualified suppliers with the Translation Bureau	See B.	<p>Average processing times of requests to register on the list (including time required for verifying professional accreditation with provincial associations):</p> <ul style="list-style-type: none"> <li>– five days for official languages translation and terminology;</li> <li>– 20 working days for foreign language translation;</li> <li>– after the annual official languages interpretation exam, three files are marked a day until they have all been evaluated; approved contractors are registered within five working days following the marking.</li> </ul>	Planned for 2006-2007.
<p><b>B) Other Information</b> The department's responsibilities in matters of linguistic contracting were overhauled in 2005-2006. Accordingly, consultations will be held with stakeholders in 2006-2007.</p>			



**Table 10: Major Regulatory Initiatives**

No major regulatory initiatives have been undertaken by PWGSC in 2005-2006.

**Table 11: Details on Project Spending**

*(in millions of dollars)*

Project	Current Estimated Total Cost	Actual 2003-2004	Actual 2004-2005	Planned Spending 2005-2006	Total Authorities (at March 31, 2006)	Actual 2005-2006
<b>REAL PROPERTY SERVICES</b>						
<b>Atlantic Project Definition</b>						
Dartmouth - New Government of Canada Building, Bedford Institute of Oceanography - Construction	80.3	0.6	0.4	1.6	4.0	0.1
Halifax - New Royal Canadian Mounted Police Government of Canada Building - Construction <sup>1</sup>	57.6	0.3	1.0	2.5	8.5	2.5
<b>Atlantic Project Implementation</b>						
Charlottetown - Proposed Government of Canada Building - Construction	49.8	2.5	2.7	17.9	50.3	13.8
Argentia - Environmental remediation	92.5	5.0	3.9	7.7	93.5	6.1
<b>Quebec Project Implementation</b>						
Montreal - 740 Belair Street - Construction	54.5	6.3	17.4	23.4	60.3	25.0
<b>Quebec Project Closeout</b>						
Quebec - 55 Wharves - Demolition	19.9	0.1	0.1	0.2	19.9	0.0
<b>Ontario Project</b>						
180 Queen Street West, Toronto - New lease	239.0	0.3	0.9	19.4	239.0	11.3
277 Front Street West - Refit leased premises	75.5	0.0	-	8.6	75.5	0.3
<b>National Capital Region Project Definition</b>						
Ottawa - Cellulose Nitrate Film Storage Facility, National Library of Canada and National Archives of Canada - New construction <sup>1</sup>	8.4	0.1	0.4	7.3	1.0	0.0
Ottawa/Gatineau - Alexandra Bridge - Renovation/Deck Replacement <sup>1</sup>	18.6	0.1	0.4	1.3	2.1	0.5
Ottawa - Federal Judicial Building - New Construction <sup>1</sup>	157.7	6.8	3.9	7.9	16.8	0.1
CHP East Tunnel	31.1	0.1	0.2	3.0	1.8	0.1
<b>National Capital Region Project Implementation</b>						
Gatineau - Laurier Taché Garage - Renovation	61.5	0.6	12.0	8.6	61.5	13.2
Ottawa - Portrait Gallery of Canada - Renovation	32.3	1.2	0.9	9.7	32.3	2.7
Ottawa - Skyline Campus - Renovation and Federal Occupancy	114.3	1.6	4.3	22.0	29.5	7.4
Laniel Dam - Replacement	21.9	0.1	0.7	4.2	23.5	2.9
<b>National Capital Region Lease Project</b>						
269 Laurier Avenue West, Ottawa	105.6	0.0	0.6	25.3	112.8	21.8
Canada Post Place				8.8		
<b>Western Project Implementation</b>						
Regina - Government - Government of Canada Building - New construction	47.8	4.5	5.8	19.9	47.8	20.0





**Table 11: Details on Project Spending (cont'd)**

*(in millions of dollars)*

<b>Project</b>	<b>Current Estimated Total Cost</b>	<b>Actual 2003-2004</b>	<b>Actual 2004-2005</b>	<b>Planned Spending 2005-2006 (at March 31, 2006)</b>	<b>Total Authorities (at March 31, 2006)</b>	<b>Actual 2005-2006</b>
<b>Parliamentary Precinct Project Definition</b>						
Ottawa – Bank Street Building – New Building <sup>2,3</sup>	197.9	4.9	0.1	<b>8.4</b>	18.9	0.1
Ottawa – Wellington Building – Renovation <sup>3</sup>	150.1	0.6	0.5	<b>31.4</b>	7.4	0.6
Ottawa – Site Infrastructure – New construction <sup>2,3</sup>	82.5	0.4	0.3	<b>3.4</b>	4.6	0.1
Ottawa – West Block <sup>3</sup>	769.2	0.3	4.4	<b>33.5</b>	177.7	14.9
<b>Parliamentary Precinct Project Implementation</b>						
Ottawa – Library of Parliament (LOP) – Conservation, Rehabilitation and Upgrade	127.9	23.2	25.2	<b>18.5</b>	127.9	17.5
<b>Parliamentary Precinct Lease Project</b>						
131 Queen Street. <sup>3</sup>	166.3	0.0	0.5		166.3	4.3
181 Queen Street <sup>3</sup>	59.9	14.6	8.4		59.9	6.4
<b>Pacific Project Definition</b>						
Surrey – Royal Canadian Mounted Police “E” Division Headquarters, Purchase Land and Crown Construct <sup>1</sup>	204.0	0.2	6.6	<b>27.3</b>	13.7	2.5
<b>PUBLIC SERVICE COMPENSATION</b>						
Pension Modernization Project	115.5 <sup>4</sup>	N/A <sup>5</sup>	3.6	<b>5.8<sup>6</sup></b>	9.3	5.6
Notes:						
1. Current Estimated Total Cost has been reduced to the Preliminary Project Approval (PPA) approved amount.						
2. Project currently deferred.						
3. Additional information is available in the Status Report on Major Crown Projects (Table 12).						
4. This figure reflects the indicative amount approved by TB at PPA. This will be revised through the substantive costing work being performed by the GoC Pension Modernization Project team and included in the TB Submission for Effective Project Approval (EPA) in late 2006.						
5. The GoCPMP did not receive PPA until May 3, 2004.						
6. This figure reflects the forecast spending based on a TB Submission to re-profile the approved charges to the Pension Fund (as approved at PPA).						



**Table 12: Status Report on Major Crown Projects**

**a. Long Term Vision and Plan for the Parliamentary Precinct**

The Long-Term Vision and Plan (LTVP) for the Parliamentary Precinct, approved in 2001, is a detailed framework that provides direction for the renewal of Canada's seat of government - the Parliamentary Precinct. During the 25-year implementation period, an extensive preservation program will restore the magnificent appearance of the buildings, while bringing them up to modern standards by renovating their electrical, mechanical and safety systems and providing more functional offices and committee rooms in existing buildings. New construction will also be undertaken in the Precinct to meet the space requirements identified by the Senate of Canada, the House of Commons and the Library of Parliament, which cannot be met by the existing facilities.

As developed in 2001 and amended in 2002, the LTVP would have unfolded as a series of major projects implemented in five phases, over a period of approximately 25 years. Phase I projects (2001-2002 to 2008-2009) were to have included: Library of Parliament; Bank Street Building; Wellington Building Renovation; Site Infrastructure; Victoria Building; East Block masonry; Federal Judicial Building (FJB) parking and Site Development (FJB still under consideration by the Department of Justice and PWGSC).

The renovation of the Library of Parliament was completed in 2005-2006. The Wellington Building Renovation is at the project definition stage.

The West Block Renovation Program was originally scheduled within Phase 2 of the LTVP, following the completion of the Bank Street Building project; a new building that was to be constructed to accommodate committee rooms and Senators' offices. However, due to accelerated deterioration of the West Block masonry plus health and safety concerns related to asbestos, agreement was received from Cabinet in May 2005 to advance the West Block Renovation to Phase 1 of the LTVP.

As a result of the emergency rescheduling of the West Block project, the architectural design competition for the Bank Street Building was cancelled in June 2005, and the Bank Street Building and Site Infrastructure projects were suspended pending a review of the overall LTVP.

In May 2005, Cabinet instructed the Minister of PWGSC to return by December 2006 with options to reorganize the LTVP and its associated costs. PWGSC has once again engaged the Senate, the House of Commons and the Library of Parliament (referred to hereafter as the parliamentary partners) in a consultation process to update the LTVP. The consultative review is nearing completion and options are being developed.

The Library of Parliament, Wellington Building Renovation, Bank Street Building, and West Block Renovation Program are the subjects of separate notes contained in the table.

In 2005, administration of the LTVP was strengthened through the creation of an Executive Steering Committee comprised of senior officials from PWGSC, the Senate of Canada, the House of Commons and the Library of Parliament. This committee is instrumental in moving the various project files forward. As well, a Memorandum of Understanding defining the roles and responsibilities of PWGSC and the three Parliamentary partners was signed in July 2005.

Further information on this subject may be found on the PWGSC website located at:

[http://www.pwgsc.gc.ca/reports/text/dpr\\_2005-2006/sct3\\_tbl12\\_a-e.html](http://www.pwgsc.gc.ca/reports/text/dpr_2005-2006/sct3_tbl12_a-e.html)



#### **b. Conservation, Rehabilitation and Upgrade of the Library of Parliament**

The scope includes the rehabilitation of the Main Library Building on Parliament Hill, fit-up of swing space locations, and Building Components and Connectivity for all locations. The project is the first in the 2001 Long-Term Vision and Plan for the Parliamentary Precinct, although the project has been under way since 1995. The objective is to renew the Main Library Building for at least another 50 years so that it may continue as a functioning library and significant tourist destination. The work involves full rehabilitation from the weathervane to the foundation, including the excavation for three new basement levels. The total budget has been revised and approved at \$127.9 million.

Further information on this subject may be found on the website located at:  
[http://www.pwgsc.gc.ca/reports/text/dpr\\_2005-2006/sct3\\_tbl12\\_b-e.html](http://www.pwgsc.gc.ca/reports/text/dpr_2005-2006/sct3_tbl12_b-e.html)

#### **c. Bank Street Building (New Parliamentary Precinct Building)**

The purpose of this project was to construct a new Parliamentary Precinct building of about 20,500 square metres, to include 39 offices for Senators, 12 modern committee rooms for the House of Commons, and support spaces, plus an additional 10,000 square metres for a 300-car underground parking garage. This building was identified as a priority in the Long Term Vision and Plan for the Parliamentary Precinct. It would support within the Parliamentary Precinct parliamentary functions that have been relocated while other parliamentary buildings are being renovated.

This project was put on hold in December 2003 while the government conducted an expenditure review. In May 2005, the West Block Renovation Program, which was originally scheduled within Phase 2 of the LTVP, was advanced to Phase 1 due to accelerated deterioration of the masonry plus health and safety concerns related to asbestos. As a result of that emergency rescheduling of the West Block project, the architectural design competition for the Bank Street Building was cancelled in June 2005, and the Bank Street Building and Site Infrastructure projects were suspended pending a review of the overall LTVP. The cost estimate at the time the project was put on hold was \$325.1 million.

Further information on this subject may be found on the PWGSC website located at:  
[http://www.pwgsc.gc.ca/reports/text/dpr\\_2005-2006/sct3\\_tbl12\\_c-e.html](http://www.pwgsc.gc.ca/reports/text/dpr_2005-2006/sct3_tbl12_c-e.html)

#### **d. Wellington Building Renovation Project**

The Wellington building is a classified heritage building that is located at 180 Wellington Street, across from Parliament Hill. It is a six-storey structure built in 1925. Metropolitan Life Insurance Company completed the last major renovation in 1959. The House of Commons has been the major tenant since the Crown expropriated the building in 1973.

Renovations are required for health and safety reasons, to replace obsolete building systems and to meet current building code requirements. The planned start of construction is September 2008, with completion in May 2012. The building will be completely vacated during the renovations. The current cost estimate is \$254.8 million (excluding swing space).

The work will be completed in two phases to expedite project completion within 24 months.

This project is a key enabler of the West Block Building Program, as the Wellington building will provide interim accommodations for the West Block committee rooms during its renovation.



Further information on this subject may be found on the PWGSC website located at:

[http://www.pwgsc.gc.ca/reports/text/dpr\\_2005-2006/sct3\\_tbl12\\_d-e.html](http://www.pwgsc.gc.ca/reports/text/dpr_2005-2006/sct3_tbl12_d-e.html)

#### **e. West Block Renovation Project**

The West Block is a classified heritage building that is located on Parliament Hill. It is the oldest of the Parliamentary buildings forming a triad with the Centre Block and the East Block. It provides accommodation for Members of Parliament and for parliamentary functions. The building requires major renovations for health and safety and asset integrity reasons.

The renovation project was initiated in 1992 under the Parliamentary Precinct Long Term Construction Program and received EPA in February 1997. In 1998, the project was put on-hold and was subsequently placed under Phase 2 of the June 2001 LTVP for the Parliamentary Precinct. However, due to the accelerated deterioration of the masonry walls and the high risk of friable asbestos in the ceiling plenum, in May 2005, Cabinet approved a recommendation to advance the major renovations to Phase 1 of the LTVP.

Construction will be undertaken under two phases. Phase 1, Emergency Stabilization - will involve the erection of scaffolding around towers to eliminate the risk of collapse. Engineered stabilization work as well as repairs and conservation of the masonry will follow this. Stabilization of masonry walls is to be determined. Phase 2, Asbestos Abatement and Interior Demolitions – demolition will start in summer 2009; renovations and new construction, to start at completion of the demolition work. Stabilization work will also be undertaken under Phase 2.

The building will be completely vacated during phase 2. Occupants will be relocated to swing space during Phase 1 and for the duration of Phase 2 work. In June 2005, Treasury Board granted Revised PPA in the amount \$769.2 million (indicative estimate, constant dollars, excluding GST) including swing space.

Further information on this subject may be found on the PWGSC website located at:

[http://www.pwgsc.gc.ca/reports/text/dpr\\_2005-2006/sct3\\_tbl12\\_e-e.html](http://www.pwgsc.gc.ca/reports/text/dpr_2005-2006/sct3_tbl12_e-e.html)

#### **f. Pension Modernization Project**

The purpose of the Government of Canada Pension Modernization Project (GoCPMP) is to renew PWGSC's pension administration systems and services by replacing outdated technology and providing modern services to employees, employers and pensioners.

PWGSC's approximately 40-year-old systems and business-process infrastructure for pension administration is in grave need of renewal. The limited capabilities of existing processes and the archaic technology of the legacy systems severely compromise PWGSC's ability to sustain current service levels. As well, they severely limit PWGSC's ability to offer future services that are comparable to the delivery performance and cost-effectiveness of industry leaders.

Employers are looking to provide better and broader services to their employees. Current demographic trends indicate that more than 40 percent of the public service will be in a position to retire within the next eight years. As a result, increasingly large numbers of employees are seeking retirement counseling and want access to capabilities that allow them to analyze their pension benefit options. At the same time, pension administration business units face significant losses of experienced, trained personnel, as the most qualified 52 percent (approximately) of the current complement are eligible to retire within the next eight



years as well.

A Request for Proposal was issued in the fall of 2004 and bidding closed at the end of January 2005. The evaluation of the bids received was completed in the spring of 2005, and Treasury Board (TB) approved the contract award to EDS Canada Inc. on October 31, 2005.

The GoCPMP is currently in the Project Definition Phase. A Requirements Mapping and Gap Analysis for the business and technical requirements and the solution proposed was completed in the spring of 2006; this exercise also included the mapping of the proposed future business processes as well as the product management processes. The TB Submission for Effective Project Approval is expected to be presented to the Treasury Board in December 2006. The Government of Canada Pension Modernization Project is to be completed by June 2012.

Further information on the Pension Modernization Project may be found on the PWGSC website located at: <http://www.pwgsc.gc.ca/compensation/modern/mod-toc-e.html>.





**Table 13: Details on Transfer Payment Programs**

(in millions of dollars)

PROGRAM ACTIVITY	Actual 2003-04	Actual 2004-05	Planned Spending	2005-06	
				Total Authorities	Actual
<b>GOVERNMENT SERVICES</b>					
<b>Federal Accommodation and Holdings</b>					
<b>GRANTS</b>					
Municipalities and Other Taxing Authorities <sup>(Note 1)</sup>	0.92	0.81	-	-	<b>1.16</b>
	0.92	0.81	-	-	<b>1.16</b>
<b>CONTRIBUTIONS</b>					
Argentia Management Authority	0.27	-	5.17	-	-
	0.27	-	5.17	-	-
<b>TOTAL FEDERAL ACCOMMODATION AND HOLDINGS</b>	<b>1.19</b>	<b>0.81</b>	<b>5.17</b>	<b>-</b>	<b>1.16</b>
<b>Total Transfer Payments</b>	<b>1.19</b>	<b>0.81</b>	<b>5.17</b>	<b>-</b>	<b>1.16</b>

Totals may not add up due to rounding.

Note 1: Funding for Payments to Municipalities and Other Taxing Authorities was devolved to the applicable custodial departments. The figures reported represent payments not recovered by year-end from custodial clients.

Note 2: The 2003-2004 actual does not include the activities of Government Information Services. These activities were reported under the former Communication Canada and were transferred to PWGSC effective April 1, 2004.

**Table 14: Foundations (Conditional Grants)**

PWGSC is not responsible for administering conditional grant funding agreements.

**Table 15: Alternative Service Delivery**

With respect to outsourcing for 2005-2006 and previous fiscal years, the BLJC contract for property management services produced annual savings of \$20 million per year between 1998 and March 2005. The SNC Lavalin ProFac contract produced annual savings of \$30.5 million from April 2005 to March 31, 2006 (i.e., \$18.5 million from fee reduction plus \$12 million from reduced oversight).



**Table 16: Horizontal Initiatives**

**a. Government of Canada Marketplace**

As part of *The Way Forward* procurement renewal, the department will make use of common electronic purchasing tools, such as the Government of Canada Marketplace (GoCM), a virtual shopping mall that will streamline the governments purchasing process. While the launch of the GoCM has been delayed, significant inroads were made in the design phase. A functional prototype was designed, built, tested and demonstrated to many stakeholders. The department continues its efforts to develop the service to ensure an adaptive and flexible electronic goods and services catalogue and purchase order production service. Also, the GoCM will be a valuable source of information for *The Way Forward*, reporting on Government purchasing trends and providing detailed, accurate and timely data for Commodity Managers.

Further information on this subject may be found on the PWGSC website located at:

[http://www.pwgsc.gc.ca/reports/text/dpr\\_2005-2006/sct3\\_tbl16\\_a-e.html](http://www.pwgsc.gc.ca/reports/text/dpr_2005-2006/sct3_tbl16_a-e.html)

**b. Government On-Line**

Government On-line (GOL) was launched in response to demands by Canadians to make information and services available on-line while continuing to provide services through traditional modes. It was a key component of the Government of Canada's service strategy.

Government On-Line is one of Canada's real success stories. Canadians, Canadian businesses, and international clients have wholeheartedly adopted web-based services and continue to give them high marks for value. The success of this initiative is the result of the combined efforts of 34 departments and agencies across government, including Public Works and Government Services Canada and the Treasury Board Secretariat, who have worked together, as well as with private sector partners and other levels of government, to make these innovative services possible. As a result, the Canadian government is world's most connected government to its citizens.

Throughout the initiative, the objectives remained focused on:

- providing clients with a more accessible government, where information and services are organized according to clients' needs, and are available 24/7 around the world, in English or French;
- delivering better and more responsive services by implementing more efficient and timely electronic services;
- building trust and confidence in on-line service delivery by ensuring that electronic transactions are protected and secure, and that personal information is safeguarded.

In its final year, GOL transitioned its assets to organizations that will continue work on service transformation and assessed its results.

Further information on this subject may be found on the PWGSC website located at:

[http://www.pwgsc.gc.ca/reports/text/dpr\\_2005-2006/sct3\\_tbl16\\_b-e.html](http://www.pwgsc.gc.ca/reports/text/dpr_2005-2006/sct3_tbl16_b-e.html)

**c. The Secure Channel**

The GOL initiative was launched to expand and improve service delivery for individuals and businesses, and



to achieve efficiencies in the way that government conducts business. Effective and efficient on-line service delivery depends largely on the development and implementation of a common secure infrastructure.

The Secure Channel is at the centre of the GoC's common infrastructure and forms the foundation of the GOL initiative. It provides Canadians with secure and private access to federal government on-line services, thus helping to realize client-centric, cross-government service delivery anytime, anywhere and in both official languages.

A key feature of the Secure Channel, the GOL Certification Authority (CA), issues public-key infrastructure (PKI) certificates known as "epasses" to Canadian citizens and businesses whose identities have been confirmed, providing them with on-line credentials for use to access government services in a secure manner that respects their privacy. The GOL CA is one of the largest CA's in the world, demonstrating the GoC leadership in this area. Also within the Secure Channel service suite, the Secure Applications and Key Management Services (SAKMS), provide GoC employees with a common PKI certificate service and the security infrastructure to protect and ensure integrity of transactions. These centralized infrastructures help individual departments avoid the duplicate costs of building and maintaining their own infrastructures.

Another Secure Channel service, electronic directories, allows departments to integrate information on government personnel and services.

A secure on-line payment service to the Receiver General, called the Receiver General Buy Button, currently supports 9 departmental storefronts (websites that enable citizens to purchase GoC items) in production. Continuing enhancements to this common infrastructure will progressively increase the range and quality of the services that departments can deliver on-line. Over 600,000 transactions have been completed to date.

Finally, over 120 departments and agencies have migrated to the Secure Channel Network (SCNet), which provides departments with connection to the Internet and gives citizens' access to their services.

Further information on this subject may be found on the PWGSC website located at:

[http://www.pwgsc.gc.ca/reports/text/dpr\\_2005-2006/sct3\\_tbl16\\_c-e.html](http://www.pwgsc.gc.ca/reports/text/dpr_2005-2006/sct3_tbl16_c-e.html)

#### **d. Shared Travel Services Initiative**

The Shared Travel Services Initiative (STSI) project, a \$96.2 million initiative, will provide fully functional, comprehensive, and seamlessly integrated "employee-friendly" travel services to government employees, and provide for better travel expense management. Travel services include the following:

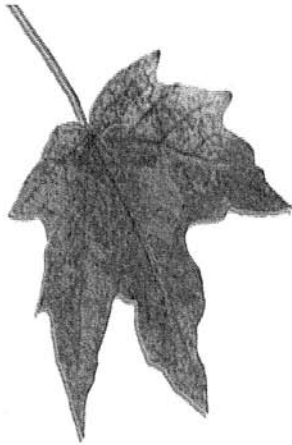
- Full-service travel agency;
- On-line reservation service;
- Travel expense claim service;
- Travel card service;
- Traveler's reimbursement service;
- Business intelligence service;
- Employee Portal; and
- Employee traveler service network.

Further information on this subject may be found on the PWGSC website located at:

[http://www.pwgsc.gc.ca/reports/text/dpr\\_2005-2006/sct3\\_tbl16\\_d-e.html](http://www.pwgsc.gc.ca/reports/text/dpr_2005-2006/sct3_tbl16_d-e.html)



*Table 17: Financial Statements of Departments and Agencies*



## **Public Works and Government Services Canada**

# **Departmental Financial Statements**

**2005-2006**

Financial Statements are prepared in accordance with accrual accounting principles. The unaudited supplementary information presented in the financial tables in the DPR is prepared on a modified cash basis of accounting in order to be consistent with appropriations-based reporting. Note 3 on page 118 of the financial statements reconciles these two accounting methods



Public Works and  
Government Services  
Canada

Travaux publics et  
Services gouvernementaux  
Canada

**Canada**



*Table 17: Financial Statements of Departments and Agencies (cont'd)*

**PUBLIC WORKS AND GOVERNMENT SERVICES CANADA**  
**Statement of Management Responsibility**

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2006 and all information contained in these statements rests with Public Works and Government Services Canada (PWGSC) management. These financial statements have been prepared by management in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of PWGSC's financial transactions. Financial information submitted to the *Public Accounts of Canada* and included in PWGSC's *Departmental Performance Report* is consistent with these financial statements.

Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the *Financial Administration Act*, are executed in accordance with prescribed regulations, within Parliamentary authorities, and are properly recorded to maintain accountability of Government funds. Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout the department.

The consolidated financial statements of PWGSC have not been audited.

I. David Marshall  
Deputy Minister, PWGSC

Date 

  
Mike Hawkes  
Chief Financial Officer,  
Finance Branch

Date JUL 19 2006





*Table 17: Financial Statements of Departments and Agencies (cont'd)*

**PUBLIC WORKS AND GOVERNMENT SERVICES CANADA**  
**Consolidated Statement of Operations (Unaudited)**  
**For the Year Ended March 31**

	2006	2005
(in thousands of dollars)		(Note 16)
<b>Expenses (Note 4)</b>		
Real Property	2,971,771	-
Acquisition	349,241	-
Information Technology	491,182	-
Receiver General and Compensation	243,061	-
Government Information	76,262	-
Business Integration	69,847	-
Translation Bureau	188,082	-
Consulting and Audit Canada	91,597	-
<b>Total expenses</b>	<u>4,481,043</u>	<u>4,249,951</u>
<b>Revenues (Note 5)</b>		-
Real Property	1,376,894	-
Acquisition	153,822	-
Information Technology	182,153	-
Receiver General and Compensation	64,999	-
Government Information	11,294	-
Business Integration	51,772	-
Translation Bureau	140,445	-
Consulting and Audit Canada	92,301	-
<b>Total revenues</b>	<u>2,073,680</u>	<u>1,954,430</u>
<b>Net cost of operations</b>	<u>2,407,363</u>	<u>2,295,521</u>

The accompanying notes form an integral part of these financial statements.



*Table 17: Financial Statements of Departments and Agencies (cont'd)*

**PUBLIC WORKS AND GOVERNMENT SERVICES CANADA  
Consolidated Statement of Financial Position (Unaudited)  
At March 31**

	2006	2005
(in thousands of dollars)		
<b>Assets</b>		
<b>Financial assets</b>		
Accounts receivable and advances (Note 6)	327,927	364,505
Inventory held for resale	4,696	4,518
Seized Property Working Capital Account	15,546	(7,002)
<b>Total financial assets</b>	<u>348,169</u>	<u>362,021</u>
<b>Non-financial assets</b>		
Prepaid expenses	6,236	5,913
Tangible capital assets (Note 7)	4,072,549	4,036,713
<b>Total non-financial assets</b>	<u>4,078,785</u>	<u>4,042,626</u>
<b>Total</b>	<u>4,426,954</u>	<u>4,404,647</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 8)	595,407	582,523
Vacation pay and compensatory leave	50,091	48,655
Other liabilities (Note 9)	73,181	55,338
Lease inducements	28,168	29,853
Environmental liabilities	318,598	323,369
Lease obligation for tangible capital assets (Note 10)	990,284	1,023,645
Employee severance benefits (Note 11)	181,235	171,726
<b>Total</b>	<u>2,236,964</u>	<u>2,235,109</u>
<b>Equity of Canada</b>	<u>2,189,990</u>	<u>2,169,538</u>
<b>Total</b>	<u>4,426,954</u>	<u>4,404,647</u>

Contingent liabilities (Note 12)  
Contractual obligations (Note 13)

The accompanying notes form an integral part of these financial statements.



**Table 17: Financial Statements of Departments and Agencies (cont'd)**

**PUBLIC WORKS AND GOVERNMENT SERVICES CANADA  
Consolidated Statement of Equity of Canada (Unaudited)  
For the Year Ended March 31**

	2006	2005
(in thousands of dollars)		
<b>Equity of Canada, beginning of year</b>	2,169,538	2,105,814
Net cost of operations	(2,407,363)	(2,295,521)
Current year appropriations used (Note 3)	2,530,779	2,397,264
Revenue not available for spending	(81,701)	(99,401)
Change in net position in the Consolidated Revenue Fund (Note 3)	(59,783)	22,354
Services received without charge from other government departments (Note 14)	38,520	39,028
<b>Equity of Canada, end of year (Note 15)</b>	<u>2,189,990</u>	<u>2,169,538</u>

The accompanying notes form an integral part of these financial statements.



**Table 17: Financial Statements of Departments and Agencies (cont'd)**

**PUBLIC WORKS AND GOVERNMENT SERVICES CANADA  
Consolidated Statement of Cash Flow (Unaudited)  
For the Year Ended March 31**

	2006	2005
(in thousands of dollars)		
<b>Operating activities</b>		
Net cost of operations	2,407,363	2,295,521
Non-cash items:		
Amortization of tangible capital assets	(355,829)	(313,667)
Loss on disposal of tangible capital assets	(56,624)	(82,574)
Gain on change of capital lease terms	-	2,134
Services received without charge from other government departments	(38,520)	(39,028)
Adjustments to tangible capital assets	46,860	(2,566)
Variation in Statement of Financial Position:		
Increase (decrease) in financial assets	(13,852)	73,006
Increase in prepaid expenses	323	405
Increase (decrease) in liabilities	250	(113,442)
Cash used by operating activities	<u>1,989,971</u>	<u>1,819,789</u>
<b>Capital investment activities</b>		
Acquisition of tangible capital assets and assets under capital leases (Note 7)	410,818	492,888
Disposal of tangible capital assets	(11,494)	7,540
Cash used by capital investment activities	<u>399,324</u>	<u>500,428</u>
<b>Financing activities</b>		
Net cash provided by Government of Canada	<u>2,389,295</u>	<u>2,320,217</u>

The accompanying notes form an integral part of these financial statements.





*Table 17: Financial Statements of Departments and Agencies (cont'd)*

**PUBLIC WORKS AND GOVERNMENT SERVICES CANADA**  
**Notes to the Financial Statements as at March 31 (Unaudited)**

**1. Authority and Objectives**

The Department of Public Works and Government Services Canada (PWGSC) was established effective June 20, 1996, under the *Public Works and Government Services Act*. This legislation sets out the legal framework for the government services PWGSC provides to other government departments and agencies. These services are grouped into seven key areas:

- **Real Property**, which provides services related to the construction, maintenance and repair of public works and federal real property; the provision of office accommodation and other facilities; and the provision of architectural and engineering advice and other services;
- **Acquisition**, which plans for and acquires supplies and services;
- **Information Technology**, which provides electronic infrastructure and professional services in the areas of network and computer services, telecommunications, and application development;
- **Receiver General and Compensation**, which issues payments and collects revenues for major government programs, and provides payroll, benefits and pension plan administration services for the Public Service of Canada;
- **Government Information**, which provides information to Canadians through government-wide communications programs, systems and processes;
- **Business Integration**, which develops collaborative customer relationships between PWGSC and departments in order to better align its program and service offerings to satisfy their requirements;
- **Special Operating Agencies**, of which there are two: Consulting and Audit Canada, and the Translation Bureau. Consulting and Audit Canada provides consulting, audit and assurance services to public sector managers across Canada and abroad. The Translation Bureau provides translation, interpretation, terminology and technolinguistic services to Parliament, the judiciary and the federal public service.

The PWGSC Consolidated Statement of Operations presents expenses and revenues by these seven key service areas.

**2. Summary of Significant Accounting Policies**

The financial statements have been prepared in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.





*Table 17: Financial Statements of Departments and Agencies (cont'd)*

**PUBLIC WORKS AND GOVERNMENT SERVICES CANADA**  
**Notes to the Financial Statements as at March 31 (Unaudited)**

**2. Summary of Significant Accounting Policies (continued)**

Significant accounting policies are as follows:

**(a) Parliamentary appropriations**

PWGSC is financed by the Government of Canada through Parliamentary appropriations. Appropriations provided to PWGSC do not parallel financial reporting according to generally accepted accounting principles since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the Statement of Operations and the Statement of Financial Position are not necessarily the same as those provided through appropriations from Parliament. Note 3 provides a high-level reconciliation between the bases of reporting.

**(b) Consolidation**

These financial statements include the accounts of seven Revolving Funds as listed below. Each Revolving Fund prepares a complete set of financial statements annually that are audited and published in the Public Accounts of Canada. The accounts of these sub-entities have been consolidated with those of PWGSC and all inter-organizational balances and transactions have been eliminated.

The sub-entities of PWGSC are:

- Consulting and Audit Canada Revolving Fund;
- Translation Bureau Revolving Fund;
- Real Property Services Revolving Fund;
- Defence Production Revolving Fund;
- Optional Services Revolving Fund;
- Telecommunications and Informatics Common Services Revolving Fund;
- Real Property Disposition Revolving Fund.

**(c) Net Cash Provided by Government**

PWGSC operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by PWGSC is deposited to the CRF and all cash disbursements made by PWGSC are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal government.

**(d) Change in net position in the Consolidated Revenue Fund**

This is the difference between the net cash provided by Government and appropriations used in a year, excluding the amount of non spendable revenue recorded by PWGSC. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.



*Table 17: Financial Statements of Departments and Agencies (cont'd)*

**PUBLIC WORKS AND GOVERNMENT SERVICES CANADA**  
**Notes to the Financial Statements as at March 31 (Unaudited)**

**2. Summary of Significant Accounting Policies (continued)**

**(e) Revenues**

- Revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenue.
- Revenues from regulatory fees are recognized in the accounts based on the services provided in the year.

**(f) Expenses**

Expenses are recorded on the accrual basis:

- Services provided without charge by other government departments for the employer's contribution to the health and dental insurance plans, workers' compensation and legal services are recorded as operating expenses at their estimated cost.
- Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.
- Grants are recognized in the year in which the conditions for payment are met. In the case of grants which do not form part of an existing program, the expense is recognized when the Government announces a decision to make a non-recurring transfer, provided the enabling legislation or authorization for payment receives Parliamentary approval prior to the completion of the financial statements.
- Contributions are recognized in the year in which the recipient has met the eligibility criteria or fulfilled the terms of a contractual transfer agreement.

**(g) Employee future benefits**

(i) Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multi-employer plan administered by the Government of Canada. The department's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. Current legislation does not require the department to make contributions for actuarial deficiencies of the Plan.

(ii) Severance benefits: Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.





*Table 17: Financial Statements of Departments and Agencies (cont'd)*

**PUBLIC WORKS AND GOVERNMENT SERVICES CANADA**  
**Notes to the Financial Statements as at March 31 (Unaudited)**

**2. Summary of Significant Accounting Policies (continued)**

**(h) Accounts receivable and advances**

Accounts receivable and advances are stated at amounts expected to be ultimately realized. A provision is made for receivables where recovery is considered uncertain.

**(i) Lease inducements**

Lease inducements represent incentives received by PWGSC to enter into a lease. Lease inducements include incentives such as: free rent, cash received to be applied on rent, lump sum cash, leasehold improvements and moving costs paid by lessor.

- Rent free periods or periods of significantly reduced rent are allocated over the term of the lease on a straight-line basis;
- Cash payments from the lessor to the lessee are accounted for as reductions in rental expense over the term of the lease;
- Leasehold improvements are amortized over the remaining life of the lease or the useful life of the improvement, whichever is shorter;
- Costs absorbed by the lessor are amortized over the term of the lease.

**(j) Contingent liabilities**

Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

**(k) Environmental liabilities**

Environmental liabilities reflect the estimated costs related to the management and remediation of environmentally contaminated sites. Based on management's best estimates, a liability is accrued and an expense recorded when the contamination occurs or when the department becomes aware of the contamination and is obligated, or is likely to be obligated to incur such costs. If the likelihood of the department's obligation to incur these costs is not determinable, or if an amount cannot be reasonably estimated, the costs are disclosed as contingent liabilities in the notes to the financial statements.

**(l) Inventories**

Inventories held for resale are physical items that will be sold in the future in the ordinary course of business to parties outside of the government reporting entity.



**Table 17: Financial Statements of Departments and Agencies (cont'd)**

**PUBLIC WORKS AND GOVERNMENT SERVICES CANADA  
Notes to the Financial Statements as at March 31 (Unaudited)**

**2. Summary of Significant Accounting Policies (continued)**

**(m) Tangible capital assets**

Betterments, leasehold improvements on buildings, and works and infrastructure having an initial cost of \$25,000 or more are recorded at their acquisition cost. All other tangible capital assets having an initial cost of \$10,000 are recorded at their acquisition cost.

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

<u>Asset class</u>	<u>Amortization period</u>
Buildings	25 years
Works and infrastructure	40 years
Machinery and equipment	3 to 20 years
Informatics hardware and software	3 to 5 years
Vehicles	7 to 8 years
Leasehold improvements	Lesser of the remaining term of the lease or useful life of the improvement
Assets under construction	Once in service, in accordance with asset class
Leased tangible capital assets	In accordance with asset class if ownership is likely to transfer to PWGSC; otherwise, over the lease term

**(n) Measurement uncertainty**

The preparation of these financial statements in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are contingent liabilities, environmental liabilities, the liability for employee severance benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.





*Table 17: Financial Statements of Departments and Agencies (cont'd)*

**PUBLIC WORKS AND GOVERNMENT SERVICES CANADA  
Notes to the Financial Statements as at March 31 (Unaudited)**

**2. Summary of Significant Accounting Policies (continued)**

**(o) Seized Property Working Capital Account**

This account was established by section 12 of the *Seized Property Management Act*. Expenses incurred, and advances made, to maintain and manage any seized or restrained property and other properties subject to a management order or forfeited to Her Majesty, are charged to this account. This account is credited when expenses and advances to third parties are repaid or recovered and when revenues from these properties or proceeds of their disposal are received and credited with seized cash upon forfeiture.

Any shortfall between the proceeds from the disposition of any property forfeited to Her Majesty and the amounts that were charged to this account and that are still outstanding, is credited to this account.

**3. Parliamentary Appropriations**

PWGSC receives most of its funding through annual Parliamentary appropriations. Items recognized in the Statement of Operations and the Statement of Financial Position in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, PWGSC has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:





**Table 17: Financial Statements of Departments and Agencies (cont'd)**

**PUBLIC WORKS AND GOVERNMENT SERVICES CANADA  
Notes to the Financial Statements as at March 31 (Unaudited)**

**(a) Reconciliation of net cost of operations to current year appropriations used**

	2006	2005
(in thousands of dollars)		
<b>Net cost of operations</b>	2,407,363	2,295,521
<b>Adjustments for items affecting net cost of operations but not affecting appropriations:</b>		
Add (Less):		
Amortization of tangible capital assets	(355,829)	(313,667)
Loss on disposal of tangible capital assets	(56,624)	(82,574)
Services provided without charge	(38,520)	(39,028)
Justice Canada legal services	(5,634)	(5,593)
Reduction of lease inducements	(1,045)	(2,698)
Revenues from Seized Property Proceeds Account	17,249	(2,665)
Vacation pay and compensatory leave	(1,497)	(596)
Employee severance benefits	(12,229)	(6,699)
Revenue not available for spending	81,701	99,401
Decrease in liabilities for contaminated sites	4,771	7,577
Gain on change in lease term	-	2,134
Adjustments to tangible capital assets	46,860	(2,566)
Other	152	19,973
	<u>(320,645)</u>	<u>(327,001)</u>
<b>Adjustments for items not affecting net cost of operations but affecting appropriations:</b>		
Add (Less):		
Acquisitions and adjustments of tangible capital assets	364,279	360,763
Payments on lease obligations for tangible capital assets	70,132	60,597
Reduction of liabilities and others	9,650	7,384
	<u>444,061</u>	<u>428,744</u>
<b>Current year appropriations used</b>	<u>2,530,779</u>	<u>2,397,264</u>



**Table 17: Financial Statements of Departments and Agencies (cont'd)**

**PUBLIC WORKS AND GOVERNMENT SERVICES CANADA  
Notes to the Financial Statements as at March 31 (Unaudited)**

**(b) Appropriations provided and used**

	2006	2005
(in thousands of dollars)		
Vote 1 - Operating expenditures	2,262,720	2,231,789
Vote 5 - Capital expenditures	327,924	335,996
Grants and contributions	10,085	2,713
<b>Statutory items:</b>		
Revolving Funds	408,745	389,796
Other	115,648	111,488
<b>Total authorities provided</b>	<u>3,125,122</u>	<u>3,071,782</u>
Less:		
Authorities available for future years	(415,553)	(408,950)
Lapsed appropriations	(181,411)	(266,763)
<b>Current year budgetary appropriations used</b>	2,528,158	2,396,069
Seized Property Management Act	2,621	1,195
<b>Current year appropriations used</b>	<u>2,530,779</u>	<u>2,397,264</u>

**(c) Reconciliation of net cash provided by Government to current year appropriations used**

	2006	2005
(in thousands of dollars)		
Net cash provided by Government	2,389,295	2,320,217
Revenue not available for spending	81,701	99,401
Change in net position in the Consolidated Revenue Fund		
Variation in financial assets	13,852	(73,006)
Variation in prepaid expenses	(323)	(405)
Variation in liabilities	(250)	113,442
Other adjustments	46,504	(62,385)
	<u>59,783</u>	<u>(22,354)</u>
<b>Current year appropriations used</b>	<u>2,530,779</u>	<u>2,397,264</u>



*Table 17: Financial Statements of Departments and Agencies (cont'd)*

**PUBLIC WORKS AND GOVERNMENT SERVICES CANADA**  
**Notes to the Financial Statements as at March 31 (Unaudited)**

**4. Expenses**

The following table presents details of expenses by category:

	2006	2005
(in thousands of dollars)		
Grants and Contributions	8,646	872
Other operating expenses	1,856,329	1,803,158
Salaries and employee benefits	1,087,323	1,059,658
Cost of goods sold for inventories	1,002,563	863,682
Amortization of tangible capital assets	355,829	313,667
Interest on capital lease payments and other	94,935	73,431
Loss on disposal of tangible capital assets	56,624	82,574
Expenses from Seized Property Proceeds Accounts	9,226	26,478
Legal services	4,523	2,400
Other miscellaneous payments	5,045	24,031
Total operating expenses	4,472,397	4,249,079
<b>Total expenses</b>	<b>4,481,043</b>	<b>4,249,951</b>

The following table presents details of the Other operating expenses:

Rentals	678,750	-
Professional and special services	458,628	-
Repair and maintenance	361,572	-
Utilities, material and supplies	100,779	-
Transportation and communications	75,380	-
Other expenses	181,220	-
Total Other operating expenses	1,856,329	1,803,158

The 2004-2005 comparative information by category of other operating expenses was not available due to a change in the level of details associated with the consolidation process.

In August 2005, the Government of Canada reached a settlement agreement with Paul Coffin and Communication Coffin. A recovery of \$1,250,845 has been netted against the operating expenses.





*Table 17: Financial Statements of Departments and Agencies (cont'd)*

**PUBLIC WORKS AND GOVERNMENT SERVICES CANADA  
Notes to the Financial Statements as at March 31 (Unaudited)**

**5. Revenues**

The following table presents details of revenues by category:

	2006	2005
(in thousands of dollars)		
Services of a non-regulatory nature	774,391	806,572
Sales of goods and information products	740,318	646,988
Rentals	367,989	355,389
Services of a regulatory nature	74,126	67,605
Adjustments to tangible capital assets	46,860	2,566
Other fees and charges	40,381	48,226
Revenues from Seized Property Proceeds account	26,475	23,813
Other revenues	3,140	3,271
<b>Total revenues</b>	<b>2,073,680</b>	<b>1,954,430</b>

Services of a non-regulatory nature are mainly comprised of translation services, consulting services, telecommunications services, traffic management and central freight, classroom rentals and educational services, IT design engineering, project fees and payroll recoveries.

Services of a regulatory nature are mainly comprised of cost recovery for administrative services provided for the Public Service Pension Plan, the Employment Insurance program and the Canada Pension Plan.

In November 2005, the Liberal Party of Canada remitted \$1,142,818 to the Government of Canada as a result of the findings of the Gomery Report. This amount is included in other revenues.



*Table 17: Financial Statements of Departments and Agencies (cont'd)*

**PUBLIC WORKS AND GOVERNMENT SERVICES CANADA**  
**Notes to the Financial Statements as at March 31 (Unaudited)**

**6. Accounts receivable and advances**

The following table presents details of accounts receivable and advances:

	2006	2005
(in thousands of dollars)		
Accounts receivable from other Federal Government departments and agencies	251,636	302,471
Accounts receivable from external parties	76,362	62,051
Employee advances and loans	572	689
	<u>328,570</u>	<u>365,211</u>
Less: allowances for doubtful accounts on external receivables	(643)	(706)
Total	<u>327,927</u>	<u>364,505</u>





Table 17: Financial Statements of Departments and Agencies (cont'd)

**PUBLIC WORKS AND GOVERNMENT SERVICES CANADA**  
**Notes to the Financial Statements as at March 31 (Unaudited)**

**7. Tangible Capital Assets**

(in thousands of dollars)

Cost				
Capital asset class	Opening balance	Acquisitions	Disposals, write-offs and other adjustments	Closing balance
Land	263,529	-	1,475	265,004
Buildings	3,300,405	-	50,898	3,351,303
Works and infrastructure	740,730	-	101,582	842,312
Machinery and equipment	10,481	149	(549)	10,081
Informatics hardware and software	178,153	13,558	(1,702)	190,009
Vehicles	9,733	1,113	(1,104)	9,742
Leasehold improvements	249,750	25	45,766	295,541
Assets under construction	677,851	359,201	(210,590)	826,462
	5,430,632	374,046	(14,224)	5,790,454
<b>Leased tangible capital assets</b>				
Land	47,534	681	1	48,216
Buildings	1,285,239	34,163	(54,807)	1,264,595
Informatics equipment	8,738	1,928	-	10,666
	1,341,511	36,772	(54,806)	1,323,477
<b>Total</b>	<b>6,772,143</b>	<b>410,818</b>	<b>(69,030)</b>	<b>7,113,931</b>

Accumulated amortization and Net book value						
Capital asset class	Opening balance	Amortization	Disposals, write-offs and other adjustments	Closing balance	2006 Net book value	2005 Net book value
Land	-	-	-	-	265,004	263,529
Buildings	1,815,582	157,929	(6,944)	1,966,567	1,384,736	1,484,823
Works and infrastructure	258,214	22,476	23,538	304,228	538,084	482,516
Machinery and equipment	7,733	437	(525)	7,645	2,436	2,748
Informatics hardware and software	107,700	24,353	(4,903)	127,150	62,859	70,453
Vehicles	5,393	863	(1,045)	5,211	4,531	4,340
Leasehold improvements	55,062	55,040	16	110,118	185,423	194,688
Assets under construction	-	-	-	-	826,462	677,851
	2,249,684	261,098	10,137	2,520,919	3,269,535	3,180,948
<b>Leased tangible capital assets</b>						
Land	-	-	-	-	48,216	47,534
Buildings	482,998	92,939	(60,014)	515,923	748,672	802,241
Informatics equipment	2,748	1,792	-	4,540	6,126	5,990
	485,746	94,731	(60,014)	520,463	803,014	855,765
<b>Total</b>	<b>2,735,430</b>	<b>355,829</b>	<b>(49,877)</b>	<b>3,041,382</b>	<b>4,072,549</b>	<b>4,036,713</b>



Table 17: Financial Statements of Departments and Agencies (cont'd)

**PUBLIC WORKS AND GOVERNMENT SERVICES CANADA**  
**Notes to the Financial Statements as at March 31 (Unaudited)**

**8. Accounts payable and accrued liabilities**

	2006	2005
(in thousands of dollars)		
Accounts payable and accrued liabilities	499,148	467,243
Accrued salaries and wages	34,510	56,363
Contractor's holdback and others	32,545	29,265
Accounts payable to other federal government Departments and agencies	29,204	29,652
<b>Total</b>	<b>595,407</b>	<b>582,523</b>

**9. Other liabilities**

	March 31, 2005	2005-2006		March 31, 2006
		Receipts and credits	Payments and charges	
(in thousands of dollars)				
Seized property deposits	46,155	50,001	(29,821)	66,335
Deposits on disposals and rents	912	5,322	(5,797)	437
Contractors' security deposits	7,265	3,979	(5,846)	5,398
Francophone summits	6	200	(195)	11
Credit card special project fund	1,000	-	-	1,000
	<b>55,338</b>	<b>59,502</b>	<b>(41,659)</b>	<b>73,181</b>

**Seized property deposits**

This account was established pursuant to the *Seized Property Management Act*, to record seized cash and proceeds from the interlocutory sale of seized assets. These funds are deposited to the Consolidated Revenue Fund and credited to the account until returned to the owner or forfeited.

**Deposits on disposals and rents**

This account was established in accordance with the terms and conditions of the Real Property Disposition Revolving Fund to record receipts on future disposals of properties that are not closed at the end of the year. It is also used to record rent deposits received by the department or collected on behalf of third party clients, which will be returned to the tenants at the end of the lease.



*Table 17: Financial Statements of Departments and Agencies (cont'd)*

**PUBLIC WORKS AND GOVERNMENT SERVICES CANADA**  
**Notes to the Financial Statements as at March 31 (Unaudited)**

**9. Other liabilities (continued)**

**Contractors' security deposits**

This account was established to record contractors' securities that are required for the satisfactory performance of work in accordance with the Government Contracts Regulations.

**Francophone summits**

This account was established to record funding granted since 1994 by the Agence intergouvernementale de la Francophonie (Paris), which changed its name in 2006 to the Organisation internationale de la Francophonie, for projects involving the development of French and partner languages in order to express the scientific and technical modernity.

**Credit card - Special project fund**

This account was established to record funds received from American Express (AMEX) to improve the Travel Card Program.

**10. Lease obligations for tangible capital assets**

PWGSC has entered into agreements to rent buildings, land and information technology equipment under capital leases with a cost of \$1,323,476,065 and accumulated amortization of \$520,462,742 as at March 31, 2006 (\$1,341,511,483 and \$485,745,440 respectively as at March 31, 2005) (Note 7). The obligations for the upcoming years include the following:

<b>Maturing year</b>	<b>2006</b>
(in thousands of dollars)	
2007	170,453
2008	173,674
2009	161,262
2010	156,247
2011 and thereafter	937,318
Total future minimum lease payments	1,598,954
Less: imputed interest (weighted average rate 9.7%)	608,670
Balance of obligations under leased tangible capital assets	990,284





Table 17: Financial Statements of Departments and Agencies (cont'd)

**PUBLIC WORKS AND GOVERNMENT SERVICES CANADA**  
**Notes to the Financial Statements as at March 31 (Unaudited)**

**11. Employee benefits**

**(a) Pension benefits**

PWGSC employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Quebec Pension Plan benefits and they are indexed to inflation.

Both the employees and the department contribute to the cost of the Plan. The 2005-06 expense amounts to \$116,940,943 (\$112,453,108 in 2004-05), which represents approximately 2.6 times the contributions by employees.

PWGSC's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

**(b) Severance benefits**

PWGSC provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future appropriations and revolving funds. Information about the severance benefits, measured as at March 31, is as follows:

	2006	2005
(in thousands of dollars)		
Accrued benefit obligation, beginning of year	171,726	160,944
Expense for the year	27,884	23,308
Benefits paid during the year	(18,375)	(12,526)
Accrued benefit obligation, end of year	<u>181,235</u>	<u>171,726</u>

**12. Contingent liabilities**

**(a) Contaminated sites**

Liabilities are accrued to record the estimated costs related to the management and remediation of contaminated sites where PWGSC is obligated or likely to be obligated to incur such costs. The department has identified approximately 236 sites (231 sites in 2005) where such action is possible and for which a liability of \$318,598,675 (\$323,368,784 in 2005) has been recorded. Out of this amount, an amount of \$272,202,263 relates to the environmental remediation activity for Sydney Tar Pond and Coke Ovens remediation project. PWGSC has estimated additional clean-up costs of \$137,754,266 (\$131,434,370 in 2005) that are not accrued, as these are not considered likely to be incurred at this time. PWGSC's ongoing efforts to assess contaminated sites may result in additional environmental liabilities related to newly identified sites, or changes in the assessments or intended use of existing sites. These liabilities will be accrued by PWGSC in the year in which they become known.



Table 17: Financial Statements of Departments and Agencies (cont'd)

**PUBLIC WORKS AND GOVERNMENT SERVICES CANADA**  
**Notes to the Financial Statements as at March 31 (Unaudited)**

**12. Contingent liabilities (continued)**

**(b) Claims and litigation**

Claims have been made against PWGSC in the normal course of operations. Legal proceedings for claims totaling approximately \$13,073,050 (\$50,195,510 in 2005) were still pending at March 31, 2006. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded in the financial statements.

**13. Contractual obligations**

The nature of PWGSC's activities can result in some large multi-year contracts and obligations whereby the department will be obligated to make future payments when the services/goods are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

(in thousands of dollars)

	2007	2008	2009	2010	2011 and thereafter	Total
Capital assets	50,000	7,000	-	-	-	57,000
Operating leases	190,000	172,000	168,000	158,000	819,000	1,507,000
Purchases	556,000	482,000	631,000	3,000	-	1,672,000
<b>Total</b>	<b>796,000</b>	<b>661,000</b>	<b>799,000</b>	<b>161,000</b>	<b>819,000</b>	<b>3,236,000</b>

**14. Related party transactions**

PWGSC is related as a result of common ownership to all Government of Canada departments, agencies and Crown corporations. PWGSC enters into transactions with these entities in the normal course of business and on normal trade terms. Also, during the year PWGSC received services which were obtained without charge from other departments, these services without charge have been recognized in PWGSC's Statement of Operations as follows:

	2006	2005
(in thousands of dollars)		
Employer's contribution to the health and dental insurance plans (excluding revolving funds)	31,628	31,521
Legal services	4,523	2,400
Workers' compensation	2,369	5,107
<b>Total</b>	<b>38,520</b>	<b>39,028</b>

PWGSC provides without charge to other government departments accommodation, payroll and cheque issuance services.





*Table 17: Financial Statements of Departments and Agencies (cont'd)*

**PUBLIC WORKS AND GOVERNMENT SERVICES CANADA**  
**Notes to the Financial Statements as at March 31 (Unaudited)**

**15. Equity of Canada**

Under section 13 of the *Seized Property Management Act*, the net proceeds received from the disposition of seized and forfeited properties to Her Majesty or fines imposed and also monies received from the government of foreign states pursuant to agreements for the purpose of the Act are to be earmarked for specified purposes. Under the Act, expenses to be charged against the revenues include: operating expenses incurred in carrying out the purpose of the Act, amounts paid as a result of claims and repayments of advances from the Minister of Finance, interest on drawdown from Seized Property Working Capital Account and distribution of the proceeds to other Government departments and the Consolidated Revenue Fund.

	2006	2005
(in thousands of dollars)		
<b>Seized Property Proceeds Account - restricted</b>		
<b>Balance, beginning of year</b>	15,596	18,261
Revenues	26,475	23,813
Expenses	(9,226)	(26,478)
<b>Balance, end of year</b>	32,845	15,596
Unrestricted Equity of Canada, end of year	2,157,145	2,153,942
<b>Total Equity of Canada, end of year</b>	<u>2,189,990</u>	<u>2,169,538</u>

**16. Comparative information**

Comparative information by major program for presentation in the Statement of Operations was not available as the department revised its definition of major program as of April 1, 2005.



**Table 18: Responses to Parliamentary Committees and Audits and Evaluations for 2005-2006**

Response to Parliamentary Committees
<p>There were no parliamentary reports requiring a government response from PWGSC in the previous parliamentary session for fiscal year 2005-2006.</p>

Response to the Auditor General Including to the Commissioner of the Environment and Sustainable Development (CESD)
<p><b>Government Information Services - Quality and Reporting of Surveys</b></p> <p>In November 2005, the Auditor General tabled a report on the <i>Quality and Reporting of Surveys</i> (<a href="http://www.oag-bvg.gc.ca/domino/reports.nsf/html/20051102ce.html">http://www.oag-bvg.gc.ca/domino/reports.nsf/html/20051102ce.html</a>). The Treasury Board Secretariat responded to the findings and recommendations of the Auditor General concerning the presentation of survey data in Departmental Performance Reports.</p> <p>PWGSC prepared a response to the audit findings on public opinion surveys commissioned by departments and agencies and reviewed by PWGSC. The department developed a Management Action Plan to respond to the recommendations of the Auditor General.</p> <p>For example, as part of this plan, the department is establishing an Advisory Panel on Telephone Public Opinion Research Quality to provide advice on telephone survey quality standards and benchmarks, which will then be used in the department's next contracting tools for public opinion research.</p> <p>The department also undertook a study of best practices to maximize survey response rates, to be disseminated throughout the GoC public opinion research community.</p> <p>As well, it initiated the development of internal procedures and a checklist to review research project proposals and ensure consistency of advice given to clients and agencies.</p> <p>It is expected that the Management Action Plan will be fully implemented by the end of the 2006-2007 fiscal year.</p>
<p><b>Audit and Evaluation</b></p> <p><b>Auditor General – February 2005</b></p> <p>PWGSC was one of several departments audited for Chapter 8 – <i>Managing Government: Financial Information</i>. The Auditor General's overall assessment was that PWGSC has satisfactorily addressed previously identified internal financial control weaknesses in its financial system, but needs to take further action to satisfactorily address previously identified weaknesses related to monitoring and authorities controls. No recommendations were directed at PWGSC.</p> <p><b>Auditor General – November 2005</b></p> <p>PWGSC was one of several departments audited for Chapter 4 – <i>Managing Horizontal Initiatives</i>. PWGSC was included in this audit because of its participation in the Surplus Federal Real Property for Homelessness Initiative. No recommendations were directed at PWGSC.</p>



#### Commissioner of the Environment and Sustainable Development – September 2005

PWGSC was one of several departments audited for Chapter 4 – *Safety of Drinking Water: Federal Responsibilities*, Chapter 5 – *Drinking Water in First Nations Communities*, Chapter 7 – *Sustainable Development Strategies*, and Chapter 8 – *Environmental Petitions*. No recommendations were directed at PWGSC.

Chapter 6 on *Green Procurement* included observations and recommendations directed at PWGSC. The Commissioner found that: central direction on green procurement is missing; the federal government is not using the potential of green procurement as a tool to achieve sustainable development objectives; there is no basis to assess progress on green procurement; and PWGSC has undertaken some green procurement initiatives, however, more remains to be done. The department's response can be found at:

<http://www.oag-bvg.gc.ca/domino/reports.nsf/html/c20050906ce.html> Since the Commissioner issued her report, PWGSC issued a government *Policy on Green Procurement* <http://www.pwgsc.gc.ca/greening/text/proc/pol-e.html> which came into effect April 1, 2006.

#### External Audits

On September 20, 2005, the Commissioner of Official Languages released the results of an Audit on the Management of the Official Languages Program at PWGSC ([http://www.ocol-clo.gc.ca/archives/sst\\_es/2005/works\\_travaux/PublicWork.pdf](http://www.ocol-clo.gc.ca/archives/sst_es/2005/works_travaux/PublicWork.pdf)).

The Commissioner made 12 recommendations to PWGSC. The department has since put in place an action plan to redress shortfalls. Key elements of the department's action plan include development of policies, communications plan, stronger accountabilities, a strategy on language training and closer monitoring ([http://www.ocol-clo.gc.ca/archives/sst\\_es/2005/works\\_travaux/work\\_travaux\\_e.htm - appendixA](http://www.ocol-clo.gc.ca/archives/sst_es/2005/works_travaux/work_travaux_e.htm-appendixA)).

In February 2006, the Commissioner of Official Languages presented a follow-up report on her study called "*For Rent: In Search of Bilingual Services from Businesses in National Capital Region Federal Buildings*", first tabled in March 2004 ([http://www.ocol-clo.gc.ca/archives/sst\\_es/2006/lease\\_baux/lease\\_baux\\_2006\\_e.htm](http://www.ocol-clo.gc.ca/archives/sst_es/2006/lease_baux/lease_baux_2006_e.htm)).

The Commissioner has made three new recommendations to PWGSC in her follow-up study. The department has since adopted an action plan which includes amendments to its service clause so that all commercial tenants located in the NCR are required to serve the public in both official languages. The department has also worked more closely with Canadian Heritage, the National Capital Commission and the City of Ottawa to promote the bilingual character of the NCR in the business community. PWGSC is also working on the development of monitoring and control mechanisms.

The Commissioner of Official Languages tabled her seventh annual report on May 9, 2006. The document contains a report card in which PWGSC's overall performance on official languages was downgraded from "fair" to "poor" in relation to last year ([http://www.ocol-clo.gc.ca/archives/ar\\_ra/2005\\_06/pwgsc\\_tpsgc\\_e.htm](http://www.ocol-clo.gc.ca/archives/ar_ra/2005_06/pwgsc_tpsgc_e.htm)).

PWGSC has since put in place measures such as the development of an accountability framework; the distribution of an information package on active offer to all the regional offices and contacted with all designated bilingual office managers to remind them on their obligation towards active offer. The department is also planning the conduct of an internal audit on active offer in 2007-2008).



## Internal Audits or Evaluations

### Internal Audits

Audit of Selected Payment Issue Product – National Capital Region Priority Print Sites  
Audit of the Management of the Government of Canada Pension Modernization Project  
Audit of PWGSC's National Accounts Verification Framework  
Audit of Financial Commitments and Forecasting  
Audit of IT Infrastructure Component of the Corporate Business Continuity Plans  
Audit of Translation Bureau Revolving Fund for the fiscal year ended March 31, 2005  
Audit of Real Property Disposition Revolving Fund for the fiscal year ended March 31, 2005  
Audit of Consulting and Audit Canada Revolving Fund for the fiscal year ended March 31, 2005  
Audit of Optional Services Revolving Fund for the fiscal year ended March 31, 2005  
Audit of Real Property Services Revolving Fund for the fiscal year ended March 31, 2005  
Audit of Telecommunications and Informatics Common Services Revolving Fund for the fiscal year ended March 31, 2005

### Evaluations

Formative Evaluation of the Professional Development Regime for PWGSC Procurement Resources  
Evaluation Framework for Gateways and Clusters  
Evaluation Framework for the Government On-line Initiative  
Evaluation Framework for the Alternative Forms of Delivery Initiative for Real Property Services  
Interim Evaluation of the New Alternative Forms of Delivery Initiative for Real Property Services - Phase 1

More information on these audits and evaluations may be found on the PWGSC website located at:  
<http://www.pwgsc.gc.ca/aeb/text/toc-e.html>



**Table 19: Sustainable Development Strategy**

Points to Address	Departmental Input
<p>What are the key goals, objectives, and/or long term targets of the Sustainable Development Strategy (SDS)?</p>	<p>The PWGSC Sustainable Development Strategy (SDS) 2003 was tabled in Parliament in February 2004. SDS 2003 contained departmental commitments relating to four goals:</p> <ul style="list-style-type: none"> <li>• Greening PWGSC’s operations as a custodian and provider of facilities and common-use office space to federal departments;</li> <li>• Greening PWGSC’s services to federal departments and agencies;</li> <li>• Greening PWGSC's internal operations; and</li> <li>• Providing national and international leadership in the greening of government operations.</li> </ul>
<p>How do your key goals, objectives and/or long-term targets help achieve your department’s strategic outcomes?</p>	<p>Overall, experience gained throughout the previous SDSs has led to smarter target development, improved management processes and enhanced results monitoring systems. PWGSC is well positioned to build on its successes as it continues with the implementation of its Sustainable Development Strategy 2003.</p>
<p>What were your targets for the reporting period?</p>	<p>For the reporting period, PWGSC continued to make progress on its 4 overarching goals and respective objectives, such as integrating environmentally responsible practices into day-to-day activities. For a list of the Objectives and Targets in the PWGSC SDS 2003, please see <a href="http://www.pwgsc.gc.ca/sd-env/text/performance-report-e.html">http://www.pwgsc.gc.ca/sd-env/text/performance-report-e.html</a>.</p>
<p>What is your progress (this includes outcomes achieved in relation to objectives and progress on targets) to date?</p>	<p>Progress toward meeting the targets over fiscal year 2005-06 was steady, including in the areas of new and rejuvenated buildings (rejuvenated buildings are “buildings where major reconstruction work has been carried out whereby the building would now meet environmental and health and safety performance requirements equivalent to those of a new building”), and natural resources management. Where targets are identified as being at risk, recovery plans are identified and implemented. Detailed performance in relation to SDS 2003 commitments can be found in the PWGSC Sustainable Development Performance Report. This report is available on the Internet at <a href="http://www.pwgsc.gc.ca/sd-env/text/performance-report-e.html">http://www.pwgsc.gc.ca/sd-env/text/performance-report-e.html</a></p> <p>Last fiscal year, PWGSC created the Office of Greening Government Operations (OGGO). OGGO consolidated PWGSC's environmental expertise and provides government-wide leadership on greening government operations. OGGO is an important source of advice and functional guidance for federal departments regarding the greening of their operations, specifically in the areas of green procurement, green construction, green property management, waste management, risk management and remediation of contaminated sites, and other activities. Responding to the need for guidance and a coordinated federal approach on greening government operations, OGGO along with TBS and EC produced “Greening Government Operations, Guidance for Organizations Developing SDS 2007-09”. PWGSC is currently drafting the fourth round of SDSs, according to the <i>Office of the Auditor General Act</i>, to be tabled in Parliament in December 2006 and will be incorporating this Guidance to contribute to the federal approach.</p> <p>Greening government operations is one of the key initiatives of PWGSC's <i>The Way Forward</i> transformation. As the primary provider of common services to all federal departments and agencies, PWGSC is strongly committed to demonstrating leadership in ensuring that the environment, the economy and society are considered in an integrated manner in its operations and procedures. It will help create a better future for all Canadians.</p>





**Table 19: Sustainable Development Strategy (cont'd)**

Points to Address	Departmental Input
What adjustments have you made, if any?	Where targets are identified as being at risk, recovery plans are identified and implemented. Mitigation actions are noted by target in the Sustainable Development Performance Report 2005-2006 available at the following link <a href="http://www.pwgsc.gc.ca/sd-env/text/performance-report-e.html">http://www.pwgsc.gc.ca/sd-env/text/performance-report-e.html</a> .

More information on SDS 2003 is available at <http://www.pwgsc.gc.ca/sd-env/sds2003/strategy/toc-e.html>.

**Table 20: Procurement and Contracting**

Procurement and Contracting
<p>As a provider of Quality Services, PWGSC acquires goods, services and construction on behalf of the departments and agencies of the Government of Canada.</p> <p>In 2005-2006, approximately 61,000 contractual documents covering 15,000 goods and services, for a total value of \$13.528 billion, were processed. This is a decrease of approximately \$5 billion from 2004-05, mainly due to the award of the Maritime Helicopter Project in 2004-05, worth approximately \$5 billion. Annual contracting volumes for the three fiscal years prior to 2004-05 averaged approximately \$10 billion. In 2005-06, a contract valued at approximately \$1.8 billion was awarded for Aircraft Pilot Training Services on behalf of the Department of National Defence. Other contracts, valued at approximately \$1.4 billion, were also awarded for the repair and overhaul of military fixed-wing aircraft and for the supply of aircraft and airframe structural components, also on behalf of the Department of National Defence.</p> <p>Original contracts, excluding amendments, accounted for approximately 34,000 documents valued at \$10.7 billion. Of these, 81 percent were awarded through competitive processes, 4 percent used Advance Contract Award Notices (ACANs) and 15 percent were non-competitive.</p> <p>PWGSC awarded 1,168 contracts in Aboriginal procurements worth over \$376 million.</p> <p>The Department of National Defence continues to be PWGSC's largest client, accounting for about 56 percent of business volume. PWGSC's top ten clients accounted for 93 percent of the business volume and 82 percent of the documents processed.</p> <p>To support its role in providing the above Quality Services, PWGSC continued to re-enforce its Sound Stewardship framework of procurement procedures and policies. Sound Stewardship fosters the cost-effective and efficient delivery of contracting services to the government, while complying with legislative obligations, including those related to national and international trade agreements. Further information regarding how PWGSC manages the contracting function, including related contracting authorities, delegations and policies can be viewed at: <a href="http://www.pwgsc.gc.ca/acquisitions/text/index-e.html">http://www.pwgsc.gc.ca/acquisitions/text/index-e.html</a></p> <p>In 2005-2006, various audit reports and related action plans were completed on procurement-related activities. These may be viewed at <a href="http://www.pwgsc.gc.ca/aeb/text/toc-e.html">http://www.pwgsc.gc.ca/aeb/text/toc-e.html</a></p>



**Table 21: Service Improvement**

Service Improvement
<p>The Services Integration Branch (SIB) was created to manage relations with, and service delivery to, colleague departments and agencies. In 2005-2006, SIB conducted a customer satisfaction survey to identify areas for improvement to help PWGSC meet the needs of colleague departments and agencies in a more responsive and efficient manner to provide quality services, while ensuring sound stewardship.</p> <p>In February 2006, to advance and support the implementation of its transformation agenda, PWGSC re-assigned functions within SIB to various business lines. In particular, experienced SIB account executives were re-assigned to Acquisition, Real Property and IT branches where they could more closely and effectively support the efforts of colleague departments and agencies to achieve savings associated with <i>The Way Forward</i>.</p> <p>At the same time, PWGSC announced that it would create a new Strategic Transformation Branch to build on the work of the Strategic Transformation Group and strengthen the department's analytical function and integrated reporting capacity in the context of PWGSC's business transformation.</p> <p>Together, the foregoing re-alignment of resources within PWGSC is expected to result in greater efficiencies and savings in the delivery of quality services to colleague departments.</p> <p>In keeping with our strategic objective to deliver quality services, every branch and Special Operating Agency, uses performance indicators, including client satisfaction ratings and surveys to track and report on the quality and delivery of their products.</p> <p>Section II of this report sets out branch activities and reports on actual results achieved against planned results as reported in the Report on Plans and Priorities, 2005-2006. For example, the Translation Bureau reported in Section II of this report that, in 2005-2006, their interpretation services achieved a 97% client satisfaction rate, against a client satisfaction target of 85%. Likewise, the consulting and audit services of Consulting and Audit Canada reported client satisfaction rates of 97% for consulting services and 93% for audit services in their respective sub-sections of Section II.</p> <p>For additional information on specific PWGSC activities, their planned and actual results, including client satisfaction ratings, please see Section II of this report.</p>

**Table 22: Travel Policies**

PWGSC complies with the Treasury Board of Canada Secretariat *Special Travel Authorities* and the *Travel Directive, Rates and Allowances*.



**Table 23: Storage Tanks**

Status of Fuel Storage Tanks on PWGSC-Owned Land
<p><b>Annual Report for April 30, 2006</b></p> <p>As required under the <i>Canadian Environmental Protection Act, Part IV, Registration of Storage Tank Systems for Petroleum Products and Allied Petroleum Products on Federal Lands Regulations</i>, this report provides the information set out in Schedule II of the aforementioned regulation, for the period of January 1, 2005 up to December 31, 2005.</p> <p>There are a total of 86 fuel storage tanks on PWGSC owned land, 22 above ground and 64 underground. Three aboveground storage tanks and one underground storage tank belonging to the Corporation of the Town of Moosenee are not yet registered. Of the 22 aboveground petroleum storage tanks, 19 are registered, 18 are in compliance with Environment Canada's <i>Technical Guidelines for Aboveground Storage Tank Systems Containing Petroleum Products</i>, and 4 are not in compliance (the four non-compliant tanks belong to the Town of Moosenee). Of the 64 underground petroleum storage tanks, 63 are registered, 44 comply with the <i>Technical Guidelines for Underground Storage Tank Systems Containing Petroleum Products and Allied Petroleum Products</i>, and 19 are not in compliance.</p> <p>During the reporting period of January 1, 2005 to December 31, 2005, 19 of the previously reported non-compliant tanks have been upgraded, removed and/or replaced in compliance with the technical guidelines. As a result, compliance performance increased from 54 percent compliance in 2004 to 72 percent compliance in 2005, an increase of 20 percent in compliance improvement over last year's compliance progress report.</p> <p>Specific action plans have been developed or are progressing to bring the remaining non-compliant petroleum storage tanks into compliance with the technical guidelines over the next 2 fiscal years 2006-2007 and 2007-2008(06/07/08).</p> <p>The following number of <b>aboveground</b> storage tank systems:</p> <ul style="list-style-type: none"> <li>• Are registered with PWGSC: 19;</li> <li>• Comply with the Federal Aboveground Storage Tank Technical Guidelines: 18;</li> <li>• Do not comply with the Federal Aboveground Storage Tank Technical Guidelines: 4.</li> </ul> <p>The following number of <b>underground</b> storage tank systems:</p> <ul style="list-style-type: none"> <li>• Are registered with PWGSC: 63;</li> <li>• Comply with the Federal Underground Storage Tank Technical Guidelines: 44;</li> <li>• Do not comply with the Federal Underground Storage Tank Guidelines: 19.</li> </ul>



## ***OTHER ITEMS OF INTEREST***

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### ***Related Internet Sites:***

Acquisition Services: <http://www.pwgsc.gc.ca/acquisitions>  
Business Access Canada: <http://www.contractscanada.gc.ca>  
Compensation Service Standards:  
<http://www.pwgsc.gc.ca/compensation/service/serv-servicelevels2002-e.html>  
Consulting and Audit Canada: <http://www.cac.gc.ca>  
Government of Canada: <http://www.canada.gc.ca>  
Information Technology Services: [http://www.pwgsc.gc.ca/text/factsheets/info\\_technology-e.html](http://www.pwgsc.gc.ca/text/factsheets/info_technology-e.html)  
Internal Audits and Evaluations: <http://www.pwgsc.gc.ca/aeb/text/toc-e.html>  
Modern Comptrollership in Action: <http://www.pwgsc.gc.ca/mmpa/2003/text/index-e.html>  
Office of Greening Government Operations: <http://www.pwgsc.gc.ca/greening>  
Office of the Auditor General of Canada: <http://www.oag-bvg.gc.ca/>  
Public Service Compensation: <http://www.pwgsc.gc.ca/compensation>  
Public Works and Government Services Canada: <http://www.pwgsc.gc.ca>  
PWGSC Government On-Line (GOL) Public Report: <http://www.pwgsc.gc.ca/gol/text/index-e.html>  
PWGSC Alternative Forms of Delivery: <http://www.pwgsc.gc.ca/realproperty/afps-afd/text/index-e.html>  
PWGSC Report Card on Compliance with Response Deadlines under the *Access to Information Act*:  
[http://www.infocom.gc.ca/reports/section\\_display-e.asp?intSectionId=390](http://www.infocom.gc.ca/reports/section_display-e.asp?intSectionId=390)  
Real Property Services: <http://www.pwgsc.gc.ca/realproperty/>  
Receiver General: <http://www.pwgsc.gc.ca/recgen>  
Small and Medium Enterprises: <http://www.pwgsc.gc.ca/sme>  
Speech from the Throne: [http://www.sft-ddt.gc.ca/default\\_e.htm](http://www.sft-ddt.gc.ca/default_e.htm)  
Translation Bureau: <http://www.translationbureau.gc.ca>  
Treasury Board Secretariat 2006-2007 Report on Plans and Priorities Guidelines: [http://www.tbs-sct.gc.ca/est-pre/20062007/p3\\_e.pdf](http://www.tbs-sct.gc.ca/est-pre/20062007/p3_e.pdf)