



Public Works and
Government Services
Canada

Travaux publics et
Services gouvernementaux
Canada



Departmental Performance Report

For the period ending March 31, 2003

The Honourable Ralph Goodale, P.C.
Minister of Public Works and Government Services Canada
Receiver General for Canada



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Section I — Minister's Message



Public Works and Government Services Canada is a core department of the Government of Canada, providing a broad range of “common services” to more than 100 federal departments and agencies. All told, we handle some 60,000 procurement transactions every year, worth more than \$11 billion.

Because of the visibility and the magnitude of our activities, we are subject to some extra special scrutiny by the general public and by the Office of the Auditor General in defence of the interests of taxpayers. It's like living in a fish bowl, but I welcome the interest and the scrutiny. And I hope it drives me and my officials to ever-improving standards—in our knowledge of the marketplace, in our understanding of our clients' detailed requirements, in our planning for both immediate and long-term needs, in the execution of our business plan and in our relationship with the private sector.

The individual citizen's ability to trust public institutions and to have confidence in the processes of government lies at the very heart of democracy. And the people in this portfolio—in what we do and how we do it—are the custodians of a great deal of that trust and confidence.

In acquiring and managing for government everything from paper clips to vehicle fleets, consulting services to office towers, information technology to military helicopters—we need to deliver integrity, every step of the way. And among other things, that means priding ourselves on our internal focus on ethics, auditing, measurement and reporting.

So it's important that we do our job well. How the government looks and how well it performs can be affected, if we don't.



Section II — PWGSC Profile

This section identifies the objective of Public Works and Government Services Canada (PWGSC) and provides a profile of our operations along with a summary of 2002-03 expenditures. In addition, we provide a summary of our operating context, priorities and performance over the past fiscal year.

Our Objective

PWGSC delivers client-focused common services to government, ensuring best value for taxpayers. We provide innovative solutions for our clients, while respecting the values of prudence, probity and transparency.

By focusing on what we do best—providing efficient services within a framework driven by values—we help departments focus on what they do best—delivering results for Canadians.

PWGSC at a Glance

PWGSC provides common services to approximately 100 federal departments and agencies nationwide. We accommodate some 205,000 public servants and parliamentarians across Canada, and manage over six million square metres of space in some 2,500 locations. We are Canada's largest purchasing agent, administering over 60,000 contractual documents worth more than \$11.4 billion. We maintain Canada's accounts and carry out the federal government's banking and disbursing activities, which total almost \$1.3 trillion a year. Our data centres are similar in size to those of the largest Canadian banks and we make some 222 million payments to Canadians annually, approximately 68% of which are electronic.

Key Facts

- PWGSC has an annual budget of over \$4 billion.
- We have a workforce of some 13,000 employees in the National Capital Area and 5 regions.
- We manage buildings in 2,500 locations across Canada.

In addition, PWGSC plays a key role in delivering the government's information management and technology infrastructure. We provide a wide array of services that range from public service pay and pension to telecommunications, management consulting and audit, and translation services.

By the very nature of these activities, we offer Canadians a unique window on how their tax dollars are spent. And while factors such as the number of procurement transactions we handle and the amount of space we manage are vital components of our mandate, there is even more at stake in how we do things. Our role as a common service provider demands that we deliver top-quality service and, at the same time, uphold the values of prudence, probity and transparency. This is not an easy job in an environment where clients demand faster and cheaper service, but also where people expect and want us to play by the rules. Indeed, it is precisely in the combination of *what* we do and *how* we do it that we help earn the confidence of Canadians in government integrity.

Business Line Structure

The department manages its major activities under the Government Services Program. Our eight business lines are:

- Real Property Services;
- Supply Operations Service;
- Receiver General;
- Public Service Compensation;
- Telecommunications and Informatics Common Services;
- Consulting and Audit Canada;
- Translation Bureau; and
- Operational Support.

The first seven business lines are focused on the needs of government clients and Canadians. The Operational Support Business Line provides support services to our other business lines. In each case, our efforts are guided by an overall business line objective that, in turn, is supported by a series of planned results. Section III of this report therefore provides performance information in terms of the business line objective and specific results that business lines planned to achieve.

Our business line structure will be reconsidered next year as part of a planned review of our Planning, Reporting and Accountability Structure. This review will, among other things, confirm the strategic outcomes that the department is seeking to achieve and the means by which we assess performance against those outcomes. We also expect the review to entail the development of a logic model that illustrates the relationships between the department's strategic outcomes and intermediate-level outcomes, outputs and activities. Our aim is to continually improve

management approaches so that we can be clearer and more transparent about our plans and performance.

Expenditures

The department's planned spending, total authorities, actual spending, and full-time equivalents for 2002-03 are presented in the following table, along with an explanation of key variances.

Net Expenditures 2002-03			
	<i>(in millions of dollars)</i>		
	Planned Spending	Total Authorities	Actual
GOVERNMENT SERVICES PROGRAM			
• Operating, Capital, Grants and Contributions and Statutory Votes			
Gross Expenditures	2,692.7	3,260.0	3,153.3
Less: Revenues credited to the Vote	455.6	720.3	715.9
Net Expenditures	2,237.1	2,539.8	2,437.4
• Revolving Funds Authorities			
Gross Expenditures	1,274.7	1,274.7	1,362.7
Less: Respendable Revenue	1,288.6	1,288.5	1,377.2
Net Resources (Provided) Used	(13.9)	(13.8)	(14.5)
DEPARTMENTAL TOTAL	2,223.3	2,526.0	2,422.9
FULL-TIME EQUIVALENTS	12,454	12,454	13,270

Totals may not add up due to rounding.

Note:

(1) Queens Quay West Land Corporation (QQWLC) responsibilities, under the Crown Corporations Program, along with Corporate Implementation Group responsibilities were transferred to Transport Canada effective April 1, 2002 and should be reported by Transport Canada in their Departmental Performance Report.

The variance between planned spending and total authorities is mainly attributed to additional funding received for various Government On-Line initiatives, government-wide accommodation, collective agreements and for the acquisition of the Skyline Campus. The decrease in the actual from the total authorities relates to lower costs due to project slippage and seasonal delays, as well as the annual return to the consolidated revenue fund of employee benefit costs related to the separately controlled allotment. See the Financial Performance Overview in Annex B for further details.

Performance Context

In 2002-03, the department completed a number of reviews—some of which were driven by external factors while others focused on internal considerations. On the external front, we commissioned a Service Delivery Task Force to consider service delivery barriers. Recommendations of the Task Force subsequently resulted in a major restructuring of the

department's organization. In November 2002, a new Operations Branch was created for delivering services in real property, procurement, and telecommunications and informatics. Program branches were also created in these areas to promote business innovation, policy and strategic management. A new Corporate Policy and Infrastructure Branch brought together various internal services previously managed across other branches. Given the breadth of the restructuring, change management issues were the focus of heightened management attention over the past fiscal year.

As a common service provider and a steward of public funds, PWGSC must continue to address the needs and expectations of its clients in the context of available resources and value for money. Toward that end, in 2002-03, we assessed our financial capacity to sustain the delivery of our operations. The assessment confirmed that the department faces significant resource pressures associated mainly with increased client expectations, the growing need of government and the need to replace aging departmental infrastructure, particularly in the informatics area. Without adequate resources, certain of the department's services will face greater risk of systems breakdown, non-delivery, or client dissatisfaction.

PWGSC is continuing to work with Treasury Board Secretariat to address resource issues, particularly within the context of the expenditure and management reviews now underway as part of the government's 2003 Budget commitments. The goal of these reviews is to ensure that our programs are not only relevant and effective, but also affordable. We expect to identify decisions emerging from the reviews in our 2004-05 *Report on Plans and Priorities*. These decisions are also expected to influence the review of the department's Planning, Reporting and Accountability Structure previously referenced in the context of our business line structure.

In addition to the assessment of our resource position, the department's management capacity was assessed under the Modern Comptrollership initiative. The assessment, completed in July 2002, found that the department is seen as a strong steward of public resources, that the audit function is sound and professionally executed, and that our values and ethics program is well regarded. But the assessment also identified improvements needed to enable better decision-making. Areas for improvement include the department's funding mechanisms, resource models, information systems, and more tightly integrated management approaches. These areas posed significant challenges for the organization—challenges we are continuing to address.

For example, we are working towards a stronger and more integrated approach to risk management. The capacity assessment confirmed that a number of risk management systems and practices are in place across the business lines, some of which are referenced in this performance report. However, the assessment also pointed to the need for a better organization-wide approach to managing risk. We are therefore currently developing a corporate risk profile to bring more precision to the risks that could significantly influence the achievement of business objectives. Work related to risk management will be linked to planned improvements in the integration of

performance information in an overall effort designed to improve the information available for decision-making.

The department is committed to building our capacity in integrated risk management and other critical areas. We also recognize that success in meeting our commitments ultimately depends on the people at PWGSC. Managing a large and diverse workforce of over 13,000 people with specialties that range from areas like engineering and architecture to compensation, translation and management consulting, is a big endeavour. Also, an aging workforce with ever-increasing retirement rates expected over the next five years magnifies the challenges of this job. Furthermore, while the results of the 2002 Public Service Employee Survey were better than the 1999 survey results, three areas were identified as challenges: workload/work-life balance; harassment/discrimination; and the transparency of selection and classification processes. We have developed an action plan to focus on these areas and to link to other departmental objectives and initiatives, such as proactive conflict resolution initiative, and classification and staffing reform initiatives.

Finally, in 2002-03 we continued to address risks and challenges that came from unexpected sources, such as those the department faced with the Sponsorship contract enquiries. An internal departmental audit identified some contract irregularities in this program in 2000, and the Minister of Public Works and Government Services asked the Auditor General to review some of the contracts. The Auditor General's Report in May 2002 and the subsequent review of the House of Commons Standing Committee on Public Accounts raised the issue to national prominence. Although program responsibility for Sponsorship was transferred to Communications Canada in September 2001, PWGSC maintained responsibility for contracting. In collaboration with the President of the Treasury Board and Communications Canada, PWGSC participated in a Treasury Board review of the sponsorship and advertising programs, which led to the announcement in December 2002 of key changes, strengthening the management of this program and improving its value for Canadians. The redesigned sponsorship program is now based on four key principles: value for money, stewardship, flexibility and transparency.

Performance Summary

In our *Report on Plans and Priorities* for 2002-03, we set out five key priorities:

- improving our contribution to government and Canadians;
- improving our services;
- promoting and facilitating electronic government;
- becoming an organization of choice; and
- ensuring best value for taxpayers.

The table that follows is organized by departmental priorities. It highlights some outcomes related to each priority and provides page references where further detail can be found in this report.

Priority	Outcomes	Page References
Improving our contribution to government and Canadians	<ul style="list-style-type: none"> • We continued to manage the Long Term Plan for the Parliament Buildings and the \$52-million renovation of the Library of Parliament. • We further greened our operations and ensured the sustainability of our buildings and operations. • We worked with Health Canada to purchase sufficient doses of smallpox vaccine to protect Canadians in the event of a bio-terrorism attack. • We worked with the Department of National Defence on a priority basis to ensure that our soldiers had the supplies necessary to meet Canadian obligations in Afghanistan and elsewhere in the world. • We supported 25 government-wide projects through our specialized consulting and audit services. 	<p>18, 71</p> <p>15, 25, 62, 63</p> <p>23</p> <p>23</p> <p>43</p>
Improving our services	<ul style="list-style-type: none"> • Client departments and agencies have easier access to accommodation and purchasing information through various new Web sites. • We implemented the Receiver General Buy Button that makes it easier for departments to accept on-line credit card payments. • A Web-based format was developed for public service benefit statements that will allow employees to easily access their own records. 	<p>17, 24</p> <p>28</p> <p>33</p>
Promoting and facilitating electronic government	<ul style="list-style-type: none"> • The Electronic Supply Chain program generated a significant increase in the value of electronic procurement orders in 2002-03. • We connected over 100 departments and agencies to the Secure Channel infrastructure. • We ensured the Canada Web site was available to the public, 99.99% of the time, 24 hours a day, 7 days a week. • We created a new Technolinguistic Service that helps government organizations better meet their Government On-Line objectives. 	<p>23</p> <p>38</p> <p>39</p> <p>49</p>

Priority	Outcomes	Page References
Becoming an organization of choice	<ul style="list-style-type: none"> • We invested in the development of our people and launched the “Year of E-Learning” to encourage employees to explore new learning opportunities on-line. • We further promoted shared values and ethics. • The second Public Service Employee Survey done in 2002 revealed improvements in the work environment. 	18, 25, 40, 46, 51, 55, 65 45, 65 56
Ensuring best value for taxpayers	<ul style="list-style-type: none"> • The utilization of our buildings and office space has continued to improve (by 1.7% this year alone). • We expanded our e-procurement service to allow federal, provincial and municipal clients to order cars and trucks on-line—4,700 standard vehicles were purchased in 2002-03. • We issued 222 million payments, of which 150 million were direct deposits, and avoided costs of \$79.4 million through the elimination of postage and paper costs for these payments and through lower banking costs for electronic payments. • The Public Service Compensation workload increased by 21% from 1997 with no additional increase in compensation resources. 	14 22 27 34



Section III — Performance

In this section, we outline performance by business line. For each business line, we present a brief description of responsibilities and a summary of expenditures. We also provide an overview of performance and report on the planned results that were set out in our *Report on Plans and Priorities* for 2002-03.

Government Services Program

Real Property Services

Objective

To provide clients with a full range of real property services, including innovative solutions, strategic and expert advice, and to contribute to policy priorities that support the Government of Canada in the delivery of programs for Canadians.

Description

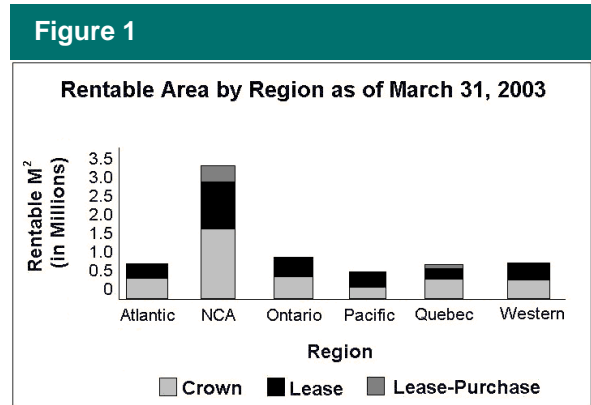
The Real Property Services (RPS) Business Line provides real property leadership and stewardship to the federal government as the custodian of federal office and common-use facilities, laboratories, various engineered public works (e.g. bridges and dams), and national historic sites such as the Parliamentary Precinct and heritage assets across Canada. We add value to government by contributing to preserving Canada's federal heritage buildings, providing leadership in

Key Facts

- PWGSC provides work environments for almost 205,000 federal employees in 100 departments and agencies in about 2,500 locations across Canada.
- We are custodian for \$7 billion worth of federal real property.
- PWGSC manages 6.4 million square metres of rentable space of which 3.4 million is Crown-owned, 2.5 million is leased and 0.5 million is lease-purchased.
- We acquired 4 major office buildings over the reporting year (total value of \$209.5 million).

sustainable development, being good neighbours, and promoting accessibility for persons with disabilities.

RPS has two service lines: accommodation and holdings, and services. We manage office accommodation for the federal government, including the acquisition, operation, maintenance, building, repair and disposal of federal real property. Figure 1 shows the distribution of our real property inventory by region. We also provide expert advice, and professional and technical services (including architecture, engineering, sustainable development, real estate, asset and facilities management) to government departments and agencies.



RPS, on behalf of the Government of Canada, is also responsible for the Payments in Lieu of Taxes (PILT) program. PILT makes payments to Canadian taxing authorities, comparable to property taxes, for federal property. For the reporting year, these payments were \$407.5 million to 1,700 taxing authorities.

The business line’s planned spending, total authorities, actual spending and full-time equivalents for 2002-03 are presented in the table on the next page, along with an explanation of key variances.

Net Expenditures 2002-03			
<i>(in millions of dollars)</i>			
	Planned Spending	Total Authorities	Actual
FEDERAL ACCOMMODATION AND HOLDINGS			
SERVICE LINE			
• Operating, Capital, Grants and Contributions and Statutory Votes			
Gross Expenditures	1,971.6	2,286.8	2,187.7
Less: Respendable Revenue	259.6	436.5	432.4
Net Expenditures	1,712.0	1,850.3	1,755.3
SERVICES SERVICE LINE			
• Real Property Services Revolving Fund			
Gross Expenditures	776.4	776.4	826.6
Less: Respendable Revenue	776.4	776.4	826.6
Net Resources (Provided) Used	-	-	-
• Real Property Disposition Revolving Fund			
Gross Expenditures	3.8	3.8	5.6
Less: Respendable Revenue	20.4	20.4	17.9
Net Resources (Provided) Used	(16.6)	(16.6)	(12.3)
BUSINESS LINE TOTAL	1,695.4	1,833.7	1,743.0
FULL-TIME EQUIVALENTS	4,530	4,530	4,834

Totals may not add up due to rounding.

The variance between authorities and actual spending is due mainly to project delays caused by uncertainties in contracting and project delivery, as well as the annual return to the Consolidated Revenue Fund of employee benefit costs related to the separately controlled allotment.

Performance Overview

RPS met or exceeded the majority of its performance expectations and targets for the 2002-03 fiscal year.

Over the reporting period, we faced several challenges. These included improving and enhancing service delivery, renewing our inventory and information management and technology systems, and addressing our human resource needs. We managed our real property portfolio while contributing to the government's sustainability objectives. We ensured continued value for money, while taking into account a rapidly changing real estate market, an aging inventory and increased client demand for space. We continued to focus on enhancing our value to clients, greening government operations, improving service delivery capacity through partnerships, and ensuring the effective stewardship of government's real property. Highlights for the year include:

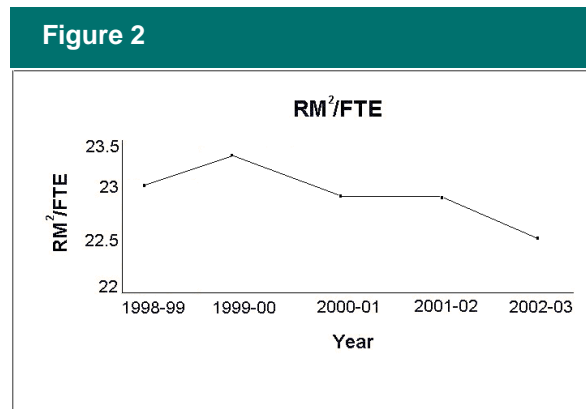
- An award granted by Indian and Northern Affairs Canada granted to the client-service team for the timely and efficient supply of accommodation through the fit-up of the Montclair building in Gatineau, Quebec.
- A National Tenant Survey of over 32,000 building occupants was conducted using a computer-aided telephone interview system that saved an estimated 500,000 sheets of paper.
- The affiliation between RPS and Brookfield Lepage Johnson Controls has demonstrated improved service delivery as well as innovation through high client satisfaction ratings and performance based on outcomes rather than process.
- The strategic acquisition of space in a cost-effective manner, by taking advantage of market conditions in the National Capital Area (NCA), to meet anticipated public service growth and inventory renewal requirements.

Performance Analysis

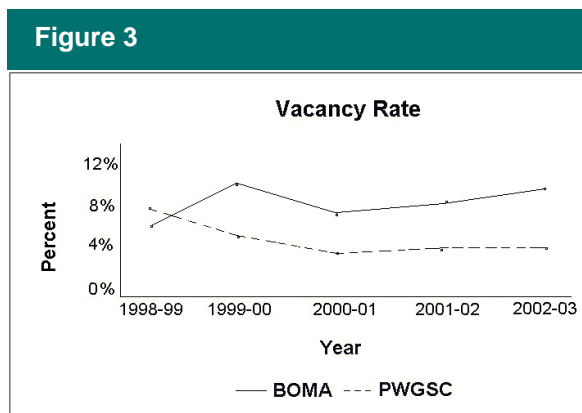
The results planned for the reporting year and performance achieved by Real Property Services are set out below. The performance data contained in this report are based on RPS' review of its real property information as of March 31, 2003.

Planned Result: Effective and efficient accommodation and related services that deliver safe, healthy, productive and environmentally sound workplaces for the Government of Canada

Accommodation usage: We monitor three measures to indicate the effective and efficient use of office accommodation. The rentable square metres (RM²) per full-time equivalent (FTE) decreased by 1.7% (as indicated in Figure 2), whereas the rental cost per RM² as well as per FTE both increased marginally at 3.4% and 1.7%. These measures indicate that while overall cost of space increased slightly, the use of space improved. By maximizing the use of space, we were able to partially offset the increase in cost for space.



Vacancy rates: The national vacancy rate for office Crown-owned inventory remained at 3.7% for 2002-03, meeting our target of 4% or below. Effective management of our portfolio, including the expansion in government programs and the disposal of surplus buildings, has contributed to maintaining the low vacancy rates. For 2002-03, PWGSC's rate was significantly lower than the industry benchmark, the Building Owners and Managers (BOMA) rate of 9% for office facilities (see Figure 3).



Capital reinvestment: Our National Investment Strategy (NIS) identifies the need to maintain the value of the Crown-owned office and common use portfolio by re-capitalizing 4% of the inventory every year. This would result in renovating or replacing the entire portfolio every 25 years, in line with the average economic life of major building systems and, as such, maintaining a safe, healthy and productive workplace.

Since 1995-96, our capital budget has not been protected against inflation and is now funded to achieve a re-capitalization rate of 3.3% of our inventory annually. This increases the existing pressure on the operating and maintenance budgets and the overall reinvestment cost. In 2002-03, we achieved a 3.1% re-capitalization rate against a target of 3.3%.

Sustainable development: To support the Federal government in meeting Canada's Kyoto commitments, we have taken a leadership role in reducing greenhouse gas emissions in our operations and activities through the Federal House in Order initiative. We have shaped a strong environmental management framework and established concrete targets that will facilitate more energy efficient processes, innovative building technologies and better fleet management systems.

Over the reporting period, we have made progress towards the completion of 23 targets that pertain to real property in PWGSC's Sustainable Development Strategy. We met eight of our targets and most of the other targets are on track. However, particular attention will be placed on two high-risk targets related to asbestos management plans and environmental training. For those commitments, which require corrective action, recovery plans have been developed and are being implemented.

PWGSC has made progress in the area of water conservation, waste reduction and green house gas emissions. PWGSC has also demonstrated leadership towards the preparation and implementation of Environmental Emergency Response Plans. Further details can be found in Annex A – Consolidated Reporting and in the *PWGSC Sustainable Development Performance Report* (<http://www.pwgsc.gc.ca/sd-env/text/performance-report-e.html>).

Planned Result: Strategic and expert real property advice and value-added services required by client departments and agencies to deliver programs and services to Canadians

Project efficiency: In response to client concerns, we set a target to improve by 10% the number of projects delivered on time and on budget. In 2002-03, project timeliness showed its first gains after a four-year decline, an improvement of 3% over the previous year.

However, there was a decline of 6% on the percentage of projects delivered within budget. Client changes and other external factors such as site conditions or other regulatory agency requests were the principal reasons for cost increases beyond the original budget.

We have identified a series of recommendations for enhanced project delivery with the intent of implementing the recommendations over the next two years.

Planned Result: A high level of client satisfaction with those service delivery aspects important to our clients

Tenant satisfaction results: Over 32,000 tenants were interviewed for the 2002-03 National Tenant Satisfaction Survey administered by Statistics Canada. Overall satisfaction with services in buildings remains at 90%, unchanged from the previous year. The top two service attributes tenants would like to see improved are air circulation and temperature control.

Planned Result: Contribute to government policy and program priorities and initiatives

Recognition: We have continued to support government policy and program priorities, especially in the following areas: Good Neighbour Policy; Homelessness; Sustainable Development; Government On-Line; Greening of Government Operations; and the National Historic Places Initiative.

We are focused on sustainable communities and buildings. Our Good Neighbour Policy commits PWGSC to take into account a broader range of sustainability considerations when identifying accommodation solutions for departments. We achieve this by considering local plans and priorities while addressing other federal policy objectives, client needs and cost considerations. As well, we continued to concentrate on the benefits of a “green” building—lower energy costs, improved air quality and reduced global warming impacts.

We have made significant progress in support of Government On-Line. Examples include:

- Client departments and agencies now have on-line access to all policies from the Office of the Chief Appraiser of Canada.
- A Payments in Lieu of Taxes (PILT) Applications Internet Web site was developed and offers a good example of intrajurisdictional collaborative technology.
- The Office Accommodation Services Reporting Web site (known as OASRep On-Line) offers clients fast, easy and interactive access to PWGSC's real property data on their departmental occupancies, including preformatted reports detailing office accommodation costs, as well as current and planned occupancies. We now have a total of 101 client users representing 18 departments and agencies.
- The Buildings On-Line Web site, including 13 buildings across Canada in our initial launch, provides a central information point for building occupants, offering information on building-related events, activities and important news about the workplace.

Planned Result: Effective management of the capital, operations, and maintenance budgets and revolving funds

Budget Management and Federal Accommodation and Holdings Service Line:

RPS was managed with great care to ensure that operating and capital year-end expenditures were within 2% of budget, excluding the mandatory operating lapse representing employee benefits and health care. The **operating** lapse of \$2.3 million, or 0.2% of the budget, was considerably less than the previous year's \$9.2 million and well below the target. A summary of the facilities costs is provided in Figure 4.

Figure 4

Facilities Costs - Operating	
<i>(in millions of dollars)</i>	
Crown-owned buildings--operating & maintenance	481.3
Leased accommodation	806.2
Lease-purchase accommodation	130.3
Administration of facilities	141.0
Payment in lieu of taxes	140.0
Bridges and highways	24.0
Gross expenditures	1,722.8
Revenue	(432.4)
Net Expenditures	1,290.4
Program Administration	22.1

The **capital** lapse was \$28.2 million, or 6.1% of the budget. The lapse is largely attributable to project delays caused by an early winter season; changes in project plans related to Parliamentary Precinct and other inventory in the NCA; and the purchase of a building at a lower than expected price. While the capital lapse reflects a decrease in performance from the previous fiscal year, processes are being put in place to monitor the major capital project requirements and allocations more closely.

The Real Property Services Revolving Fund (RPSRF) is a financial account used for the management of optional real property services. PWGSC is committed to breaking-even, on a

commercial accounting basis, in operating these services. For 2002-03, the RPSRF had a slight operating deficit of \$2.9 million, which represents less than 1% of revenue from clients.

Parliamentary Precinct: There is a 25-year Long Term Vision and Plan for the Parliamentary Precinct, which is managed as a Major Crown Project. The three main projects currently in progress are the Library of Parliament, Wellington Building and the Bank Street Building. For more information, please see Major Crown Projects in Annex A.

Planned Result: A skilled, knowledgeable, productive and motivated workforce

Learning: We continued to build internal capacity for a skilled, knowledgeable, representative and productive workforce by investing significantly in our Management Trainee Program. This program attracts a young, talented workforce and encourages them to compete successfully at the manager level. In addition, we developed and piloted new manager training, and advanced recruitment and training programs for building service technicians and property managers. We encouraged employees to learn and develop their skills through promotion of Web site access to learning resources and individual employee learning plans. Over this past year, the number of employees with a learning plan increased to 91% from 54% in 2001-02.

Official Languages: As of March 31, 2003, 81% of our employees in 1,480 bilingual positions met the language requirements. The percentage has decreased slightly over the previous year due to a 20% increase in the number of bilingual positions.

Employment Equity: Visible minorities and persons with disabilities continued to be under-represented for most categories. There was an increased representation of women in the Executive and Technical categories.

Management Practices

Throughout the performance period, we faced a variety of challenges. To improve the quality of information used in decision-making, we initiated a data integrity strategy for our business applications. The strategy helped improve the completeness of data in the targeted systems during the year.

We are on track in meeting the commitments contained in the departmental action plan that responds to Chapter 8 of the December 2002 Report of the Auditor General of Canada, "Acquisition of Office Space – Public Works and Government Services Canada", tabled in the House of Commons on June 6, 2003. The department is committed to implementing, monitoring and reporting on progress with respect to the action plan. The action plan commitments will appear in the government response to the Nineteenth Report of the Standing Committee on Public Accounts (SCOPA) to be tabled on or before November 3, 2003 in the House of Commons. In the Nineteenth Report, SCOPA supported the Auditor General's recommendations and called for

PWGSC to ensure that its *Departmental Performance Report* contain information on the progress of the action plan starting with the fiscal year ending March 31, 2004. Detailed reporting to SCOPA of progress on the action plan will be done by March 31, 2004.

In addition, the OAG indicated that improvement was necessary in the gathering of timely client accommodation demand information. Because we share roles and responsibilities with client departments, we do not control all the factors that affect the economy and efficiency of office space acquisition. Clients' lack of ability to forecast their requirements beyond one or two years hinders our collection of client demand information. A review of methodology and analysis tools is under way to improve results in this area.

Concurrently, we are strengthening our Investment Management Framework and moving toward portfolio acquisitions to address the forecasting challenge. We are using the Capital Asset Planning system to enhance long-term portfolio planning. As well, we have begun acquiring space before reaching agreements with specific clients to occupy the space. This allows us to take advantage of favourable prices and provide more timely accommodation, while assessing and accepting the financial risk of acquiring space.

Supply Operations Service

Objective

To provide government with expertise in procurement and related common services, as well as asset disposal services.

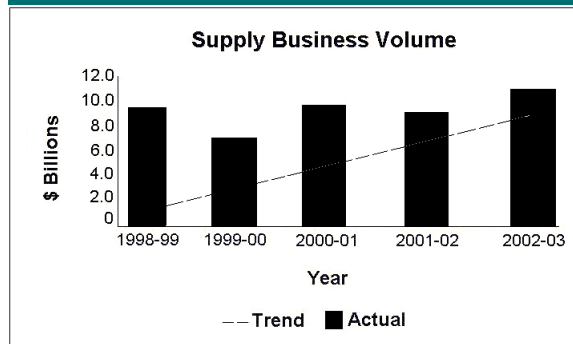
Description

The Supply Operations Service (SOS) Business Line acquires goods and services on behalf of the federal government; over 60,000 contractual documents (i.e., original contracts, standing offers, amendments, purchase orders, etc.) were awarded in fiscal year 2002-03. We manage the supply process by assisting clients with requirements definition, bid solicitation and evaluation, and contract negotiation and administration. We manage all procurement-related aspects of major projects valued at over \$100 million. SOS also provides certain specialized services to client departments, such as marine inspection and technical services; industrial security and personal security screening services; management of seized property, controlled goods and travel; standards for and certification of products and services; registration of quality (ISO 9000) and environment (ISO 14001) management systems; and asset disposal services.

Key Facts

- Over 60,000 contractual documents, worth \$11.4 billion and covering 15,000 goods and services, were awarded—a 10% increase from 2001-02 (see Figure 5 below).
- 2,044 contracts, worth \$270 million, were awarded to Aboriginal companies.
- The number of seized property files quadrupled between 1999 and 2003 (from 3,800 to 18,000).

Figure 5



The business line’s planned spending, total authorities, actual spending and full-time equivalents for 2002-03 are presented in the table on the next page, along with an explanation of key variances.

Net Expenditures 2002-03			
<i>(in millions of dollars)</i>			
	Planned Spending	Total Authorities	Actual
• Operating Vote			
Gross Expenditures	142.0	172.9	177.5
Less: Respendable Revenue	27.4	44.2	44.2
Net Expenditures	114.6	128.7	133.2
• Optional Services Revolving Fund			
Gross Expenditures	116.2	116.2	100.3
Less: Respendable Revenue	116.3	116.3	99.1
Net Resources (Provided) Used	(0.1)	(0.1)	1.1
BUSINESS LINE TOTAL	114.5	128.6	134.4
FULL-TIME EQUIVALENTS	1,700	1,700	1,971

Totals may not add up due to rounding.

The variance between the planned and actual spending in the operating vote is due to additional funding received for the Electronic Supply Chain (Government On-Line) initiative and collective agreements. The variance in the Optional Services Revolving Fund between planned and actual spending is due to lower than expected sales to provinces in the Vaccine Program (Influenza Vaccine). For the Net Resources Used, the amount represents a delay in external receivables in the Vaccine Program to be recovered in 2003-04.

Performance Overview

Overall, SOS has made good progress with respect to its plans and priorities for 2002-03. We continued to maintain vigilance in addressing the needs of our clients, while supporting the principles of fair and transparent procurement processes, best value for tax dollars spent and conformity with Canada's trade obligations. We also provided guidance and sound advice in relation to best procurement practices and contract administration. The Risk Advisory Services have been extensively involved in developing specific tools for PWGSC's implementation of the Treasury Board policy limiting contractor liability in procurement contracts.

Over the reporting period, Canada's national security became a priority. We played a key role by ensuring that the Government of Canada purchased the supplies necessary to respond to any potential bio-terrorism attack and emergency requirements.

The Electronic Supply Chain program is a key contribution to the Government On-Line initiative. We made good progress in 2002-03 with a significant increase in the value of electronic procurement orders. We expect that the Government of Canada Marketplace will further enhance the delivery of the on-line purchasing service in the near future.

Finally, we took a leadership role, together with TBS and the Department of National Defence, on the government-wide Procurement Reform Initiative to improve government practices.

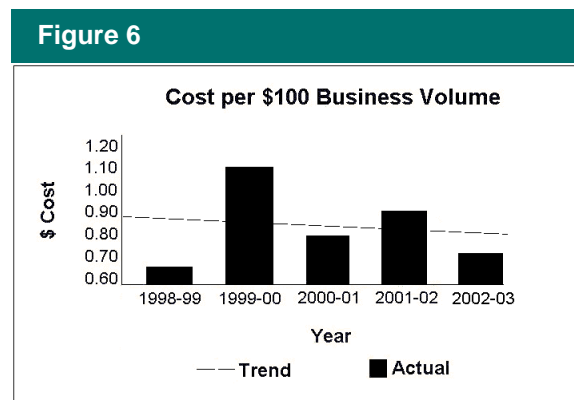
Performance Analysis

The results planned for the reporting year and performance achieved by the Supply Operations Service are set out below.

Planned Result: Cost-effective delivery of procurement and related services

Cost-Effectiveness: We continued to provide cost-effective services to the Government of Canada. Highlights include:

- As shown in Figure 6, the total cost per \$100 business volume has decreased by 24% compared to 2001-02, down from \$0.92 to \$0.70. The cost increase in 2001-02 was attributable, in part, to the increased costs for the Controlled Goods Program, which was implemented that year.
- Our National Fuel Procurement Program issues standing offers worth over \$300 million annually for automotive diesel, heating oil, as well as marine and aviation fuel. The program's Intranet site provides information on current and historic monthly fuel price changes and Notice of Standing Offer terms and conditions, enabling client departments to take advantage of this on-line service, which reduces the lag time between the date of price calculation and the effective date of price change and provides client departments the opportunity to time their purchases at the most advantageous prices. It also achieves annual recurring savings estimated at \$14,000 resulting from the elimination of printing services and postage costs associated with the distribution of Notice of Standing Offer terms and conditions and monthly price change amendments.
- We released our newest and most advanced application for on-line procurement of standard vehicles, including cars and light trucks. The standing offers procurement process is competitive and dynamic. Last year, almost 4,700 vehicles, worth \$121 million, were purchased.



National Priorities and Security: Canada's national security interests created important priorities for SOS during the reporting year. Our procurement efforts supported:

- the national anti-terrorism strategy through our plans to purchase, on behalf of Health Canada, sufficient smallpox vaccine to protect Canadians in the event of a bio-terrorism attack;
- Operation Apollo, Canada's contribution to the world coalition's fight against terrorism, for which we procured equipment, clothing and supplies for our troops serving overseas. Responding to the emergency requirements, we were able to accelerate the acquisition of urgently needed materiel and technology; and
- the 2002 G8 Summit in Kananaskis, Alberta, for which we planned and managed all the logistics, including providing facilities and procurements for a multitude of requirements.

Maritime Helicopter Project: The previously approved procurement strategy was changed and now calls for the release of a single Request for Proposal (RFP) to replace the fleet of Sea King helicopters. The RFP will be issued in fiscal year 2003-04.

Electronic Supply Chain: The e-Purchasing initiative launched in December 2000 enables the electronic submission of requisitions for certain goods and services and the placement of orders against standing offers and catalogues. The value of orders received electronically was \$35 million against an anticipated \$22 million.

The current Government of Canada Marketplace (GoCM) project will further enhance the delivery of acquisition services by establishing a single on-line marketplace available to all federal departments that choose to participate. It will enable and support many of the government's supply chain business processes, from electronic access, control, purchasing, payment, to reporting, within an efficient and secure electronic environment. We expect to issue the contract in the last quarter of 2003-04 and complete the final definition of the service in the first quarter of 2004-05, with an anticipated start of service implementation and operation by the last quarter of 2004-05.

Quality Assurance: We are committed to responding to audits and decisions of the Canadian International Trade Tribunal (CITT). The following items are notable:

- In response to the Eighth Report of the Standing Committee on Public Accounts, as well as to the concerns of the Auditor General about procurement activities in support of Health Canada's Canadian Health Network, we carefully monitored our use of Advance Contract Award Notices (ACANs), contract coding, and the possibility of contract splitting. We agreed to report back to the Standing Committee on these matters by December 31, 2003.

- We had targeted a 50% PWGSC-favourable CITT rate. In 2002-03, 52 complaints were filed with the CITT against PWGSC procurements: 46% were dismissed; 10% were withdrawn; 21% were not valid; and 23% were valid. This is a minor decrease when compared with 66 complaints filed in 2001-02 where 24% of the cases were declared valid. The decisions against the department did not raise significant new issues that would require the development of revised policies and/or procedures.

Interdepartmental Procurement Reform Initiative: PWGSC is a lead player, together with TBS and the Department of National Defence, in the government-wide Procurement Reform Initiative. The expected result of this initiative is a more timely, effective and efficient procurement system. During the reporting period, our efforts continued to focus on three fronts: strengthening the policy framework, streamlining and improving the process, and renewing and developing human resources.

Planned Result: Increased transparency and access for suppliers wishing to do business with the government

Supplier Registration Information (SRI): We created Contracts Canada as an interdepartmental Web initiative (<http://www.contractsCanada.gc.ca>) to improve supplier and buyer awareness and simplify access to federal government purchasing information. PWGSC is committed to increasing the number of SRI users. Thirteen new user departments were added during 2002-03. Currently, 31 partners (departments and agencies) participate in this initiative. We also funded SRI service enhancements through two new versions and continued developmental work on new functionalities.

Planned Result: Effective delivery of specialized services, including traffic management

Government Travel Modernization Project (GTMP): In conjunction with TBS, PWGSC has undertaken a major initiative to provide Canadian government travellers with end-to-end, state-of-the-art travel solutions. A contract for the Shared Travel Services Initiative (STSI), formerly known as the Government Travel Modernization Project (GTMP), was to have been issued by December 2002. The project was delayed because of the unexpectedly large volume of requirements to be evaluated and lack of funding. This initiative has now been made a Major Crown Project, as shown in Annex A. It is expected that the contract will be awarded in the fall of 2003, with full implementation by April 2005.

Planned Result: Maintain and enhance our professional capacity through employee development and recruitment

Recruitment and retention: The knowledge and professional capacity of our employees is central to the effective operation of the procurement function in government. We continued to take important steps in the development of our people, such as:

- A Human Resources Plan was developed that integrated external recruitment, internal opportunities, official languages goals and employment equity commitments.
- With respect to recruitment and retention, PWGSC implemented the Intern Officer Program that graduated 45 students in 2002-03.

Management Practices

In support of Canada's Kyoto commitments, sustainable development is a priority for the Government of Canada, for the Minister of Public Works and Government Services Canada and for the department. In view of this, we actively helped clients green their procurement by providing them with tools to facilitate the purchase of green goods and services. For example, the Green Procurement Network is a Web site that provides federal employees with green procurement information, while the e-Purchasing catalogue highlights green goods and makes it possible for clients to get statistics on their green purchases. There is also a green procurement training course actively marketed to clients.

We provided ongoing risk management advice to senior management, procurement officers and client departments. For example, we advised the Privy Council Office and Department of Foreign Affairs and International Trade concerning the G-8 Summit, and on two highly sensitive files for Health Canada and the Canadian Nuclear Safety Commission. We also delivered risk management training sessions to over 400 procurement managers and officers and their clients across Canada, as part of PWGSC's implementation of the Treasury Board policy limiting contractor liability in procurement contracts.

In support of PWGSC's commitment to taking a strong leadership role in the TBS-led interdepartmental Procurement Reform Initiative, we developed and delivered project management and complex procurement professional development programs. A pilot course entitled *Introduction to Intermediate Complex Procurement Professional Development Program* was also tested.

Receiver General

Objective

To manage the operations of the federal treasury, including issuing Receiver General payments for major government programs, to prepare the Public Accounts and to produce the government's monthly financial statements.

Description

The Receiver General (RG) Business Line plays a vital operational role in ensuring the financial stability of the federal government and the confidence of the Canadian public through accurate and timely reporting of the government's financial activities and issuing of payments to the majority of adult Canadians. The business line, through its own initiatives and in partnership with other government departments and agencies, contributes significantly to achieving government objectives in terms of client focus, responsible spending, and reporting results to Canadians.

Key Facts

- 222 million payments were made in 200 countries.
- \$1.3 trillion in cash flows were put through Receiver General bank accounts.
- There are 95 federal departments and agencies in the Accounts of Canada.
- We issued payments on behalf of 7 provinces and 3 territories as part of joint initiatives with federal departments.

The business line's planned spending, total authorities, actual spending and full-time equivalents for 2002-03 are presented in the following table, along with an explanation of key variances.

Net Expenditures 2002-03			
	<i>(in millions of dollars)</i>		
	Planned Spending	<i>Total</i> <i>Authorities</i>	Actual
• Operating Vote			
Gross Expenditures	118.2	121.9	120.4
Less: Respendable Revenue	19.5	20.9	20.9
BUSINESS LINE TOTAL	98.7	101.0	99.5
FULL-TIME EQUIVALENTS	463	463	426

Totals may not add up due to rounding.

The increase in gross expenditure is mainly due to a transfer of Information Management and Information Technology (IM/IT) responsibilities from the Operational Support Business Line to the Receiver General Business Line.

Performance Overview

Most of our performance expectations were achieved in the past year. We met our Public Accounts scheduling obligations for tabling in Parliament. The management letter resulting from the Auditor General's annual audit of the Accounts of Canada contained no issues related to the RG.

Almost all payments were delivered as scheduled, although the total number of payments affected by operational incidents rose. Operational procedures and controls were reinforced to minimize error. Improvements in both revenue and payment services outside Canada were initiated. When these improvements are fully completed in 2003-04, Canadians receiving payments in other countries will benefit from better exchange rate and pay lower bank charges.

The RG Web site was restructured to improve access and increase the amount of information available to the public, including frequently asked questions. Web development continued on the two main RG systems.

We work with a wide range of partners, which include financial institutions, central agencies, government departments and agencies, other levels of government and other national governments. We participate in government-wide committees, international conferences and professional associations to develop and maintain good relationships and share best practices.

Performance Analysis

The results planned for the reporting year and performance achieved by the Receiver General Business Line are set out below.

Planned Result: Effective management of the federal treasury operations and issuing of RG payments for government programs

We provide service to all federal departments and agencies that use the Consolidated Revenue Fund, as well as to the Bank of Canada and several provinces and territories. The RG is a central service that is primarily mandatory, although some optional services are offered that derive from the technical infrastructure and expertise that support the RG. For instance, the systems and infrastructure used to support preparation of the Public Accounts also provide an optional financial system for 20 departments and agencies. The majority of Canadians receive at least one payment from the RG every year, and millions of people depend on the timely delivery of our payments as their sole or primary source of income.

Payment Issue: In 2002-03, we issued 222 million payments, of which 150 million were direct deposits. Direct deposit provides the public with more convenient, reliable and private payment delivery. In the last fiscal year, we avoided costs of \$79.4 million through the elimination of postage and paper costs for these payments and through lower banking fees for electronic

payments. In addition, the elimination of cheques and envelopes avoided use of an estimated 2.4 tons of paper, the equivalent of 41,000 trees.

The number of operational incidents attributable to this department that affected payment service delivery decreased from 57 in 2001-02 to 33 in 2002-03. However, the percentage of total payments affected by this type of incident increased from .03% to .25%. More than 75% of the increase can be attributed to two incidents. In addition, more than 95% of the incidents affected cheques, which require manual intervention in the payment process. Direct deposit, which is entirely automated, is a much more reliable method of processing and delivering payments.

Banking and Disbursement: We managed cash flows of almost \$1.3 trillion, representing \$633 billion in inflows and \$630 billion in outflows. These amounts include both budget-based revenues and expenditures and the debt management program of the Department of Finance. We arranged for revenue collection services for 41 departments and agencies, of which seven collect revenues on-line as well as through the mail, over-the-counter, by telephone, or through a financial institution. We paid \$35.7 million to financial institutions for services.

Accessibility: We made efforts to improve Web access to the Standard Payment System used to process all RG payments. As a result of complaints from departments about slow performance, the Web processing was streamlined and complaints have stopped. Functionality was added to the Web for the RG employees responsible for managing the payment process and relations with departments and agencies. The result was easier access to enquiries that are simpler to use and understand.

Government Banking System: This new system will support RG reconciliation of remittances to the government with financial institutions and departments as well as management of settlement and compensation. While the original objective for 2002-03 was to complete construction, some delays occurred. Construction was started, but not finished during the fiscal year.

Receiver General Buy Button (RGG): We implemented the RGG at the beginning of the fiscal year. This is an on-line utility that supports departments wishing to accept credit card payments from the public. It provides standard interfaces, secure storage of information and insulation against changes in the government's credit card process. At the end of the fiscal year, the RGG was migrated to the Secure Channel. This move will provide enhanced security and generic interfaces shared with all programs using the Secure Channel. Following consultation with departments, the private sector, provinces and the public, we also developed a strategy for making new on-line services available to the public for doing business with government.

Planned Result: Effective maintenance of the Accounts of Canada, preparation of the Public Accounts, and production of the government's monthly financial statements with due attention to timeliness, accuracy, security and client satisfaction

Maintaining the Accounts of Canada, “the government’s books”, and producing the annual Public Accounts of Canada represents a significant component of the RG’s responsibilities.

Public Accounts and Financial Statements: The Public Accounts, and the information contained in them, are an internationally recognized example of the government’s commitment to sound financial management and reporting results to Canadians. Each year, the RG accounts are the subject of an extensive audit by the Office of the Auditor General, which strongly indicates the government’s success in meeting its commitments. The Public Accounts for 2002-03 will be completed on a full accrual basis (including the capitalization of assets) for the first time. This brings to a successful close the government’s Financial Information Strategy (FIS) initiative. Monthly Financial Statements were produced within timelines established by the Department of Finance. For 2002-03, the Auditor General’s management letter contained no issues for the RG.

Green Operations: Equipment acquired in support of the payment process now enables us to offer departments the opportunity to have documents converted to an image that can be viewed on-line while we store the paper in the warehouse where redeemed cheques are archived. One department took advantage of this opportunity in 2002-03 and negotiations are under way with other programs.

Management Practices

Failure of any component of RG operations could have severe negative impacts on the financial security of Canadians and their confidence in the government’s management abilities. Therefore, we strongly emphasize the management of operational and project risks. We have a full control framework and make extensive use of structured risk management tools, threat and risk assessments, and privacy impact assessments. The business line was included in a risk management diagnostic study that confirmed the maturity of risk management in these areas and highlighted the need for more consideration of strategic risks. This recommendation will be pursued in 2003-04.

For example, we face a particular challenge in our Cheque Redemption Control Directorate (CRCD) in Matane, Quebec, which is a major employer in the Gaspésie. CRCD is facing both an aging workforce and decreasing workload due to increased technology in the delivery and reconciliation of payments. CRCD is developing detailed plans for renewal of its workforce and opportunities to offer new services for government departments, building on the infrastructure that supports cheque redemption control.

We are active in supporting government-wide initiatives such as Government On-Line, including the RGGB and participation in committees exploring issues such as service transformation and business registration. The Common Departmental Financial System, offered as an optional service to small- and medium-sized departments, is a FIS-compliant, shared system that promotes and supports Modern Comptrollership objectives.

The government-wide mission-critical systems operate in an infrastructure that has an emergency power supply to ensure that the systems keep running during events such as the ice storm in the late 1990s and the power blackout of August 2003. However, more extensive disaster recovery protection is required to ensure continuity of service in all emergencies.

To renew our workforce, we participate in the government-wide Financial Officer Recruitment and Development program, with emphasis on increasing diversity in our workforce. Similarly, we are involved in the Post-Secondary Recruitment Program, a recruitment program for administrative officers, also concentrating on recruitment of visible minorities.

Partnerships continued to evolve as more representatives of foreign governments visited PWGSC to learn how to introduce consolidated, accrual accounting in their jurisdictions and structure their banking and payment services for maximum effectiveness. Participation in the annual Banking Colloquium, a meeting of major financial institutions and federal departments and agencies to discuss common issues, was expanded to include participants from several provinces and two national governments.

Public Service Compensation

Objective

To provide payroll, benefits and pension plan administration services for departments.

Description

The Public Service Compensation Business Line delivers efficient pay, benefits and pension services to public service employees, pensioners and retired members of the Canadian Forces, Royal Canadian Mounted Police (which will finalize the outsourcing of their pension activities to a private company in 2003-04), Members of Parliament and the federal judiciary. We help client departments and agencies to achieve their objectives through collaborative relationships that focus on customizing and integrating services and the modernization of values-based human resources management.

Key Facts

- ➔ We serviced 289,000 pay accounts and 333,000 pension accounts.
- ➔ We issued 12.9 million pay and pension payments.

The business line's planned spending, total authorities, actual spending and full-time equivalents for 2002-03 are presented in the following table, along with an explanation of key variances.

Net Expenditures 2002-03			
	<i>(in millions of dollars)</i>		
	Planned Spending	<i>Total Authorities</i>	Actual
• Operating Vote			
Gross Expenditures	51.5	77.8	75.1
Less: Respendable Revenue	24.3	41.0	41.8
BUSINESS LINE TOTAL	27.2	36.8	33.4
FULL-TIME EQUIVALENTS	806	806	859

Totals may not add up due to rounding.

The increases in gross expenditures and respendable revenue are the result of new Treasury Board submissions being approved between the Annual Reference Level Update (ARLU) exercise and year-end. These include initiatives related to the *Public Service Superannuation Act* and *Royal Canadian Mounted Police Superannuation Act*.

Performance Overview

The majority of our performance expectations over the past year have been achieved. Payments were accurate and on time. Important initiatives and implementation of policy and collective agreements were delivered on time and within budget. However, aging technology continues to challenge our ability to satisfy the evolving human resources management needs of our client departments and our cost-effectiveness. This is being addressed by the Compensation Modernization Initiative for which submissions to Treasury Board are being developed on the replacement of our Pay and Pension systems.

Extensive development of Web-based self-service to employees has continued, with the objective of improving compensation services. Two significant client surveys—one on the pension benefits Web site and the other concerning overall satisfaction of our client departments—were successfully completed. Results of these surveys revealed a strong degree of satisfaction with pension Web initiatives and general satisfaction with our service performance for client departments. The latter indicated that there is room for improvement in providing advice to pay and benefits personnel in client departments.

Partnerships evolved as a major electronic interface between the central pay system and selected departmental human resources systems were developed. In addition, as a result of our close association with the Canada Customs and Revenue Agency, both departments have gained valuable knowledge into each other's current and future payroll systems and business processes.

Performance Analysis

The results planned for the reporting year and performance achieved by Public Service Compensation are set out below.

Planned Result: Effective management of payroll, benefits and pension administration

Timeliness and Accuracy: Processing payments and ensuring that the collection and remittance of deductions are accurate and timely are important to our clients. We experienced no problems that affected the issuance of payments to employees. Similarly, the monthly collection and remittance of deductions to 130 third-party organizations was managed effectively and all payroll accounts were reconciled at year-end in accordance with established guidelines.

System maintenance was delivered on time and within approved budgets. In all, 225 technical system updates were released to meet legislative requirements, improve regular system maintenance and make system enhancements. In addition, 122 collective agreements were implemented within their established 90-day time frames, including 565 new salary rates. Average system response time of 0.1 second consistently exceeded the industry standard of 0.5 seconds, based on monthly reports provided by the PWGSC System Administrator.

Reliability of Systems: The Regional Pay System (RPS), the backbone of today's pay delivery, is 30 years old and based on inefficient and inflexible technology. After years of changes and patches to accommodate legislative requirements, the system is fragile and even minor changes jeopardize its integrity. Changes often have unforeseen impacts and are difficult to test thoroughly. We are addressing this in the Compensation Modernization initiative through a submission to Treasury Board for replacement of the RPS.

A number of Web-based features were developed that have enhanced the functionality of our compensation systems. For example:

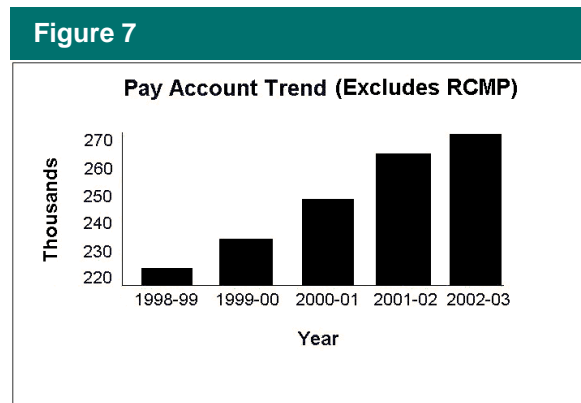
- Enhancements made to the on-line Pension Calculator included changes to comply with government "Common Look and Feel" standards, in addition to incorporating several user-friendly improvements. Use of this tool has proven to be extremely popular as evidenced by the number of Web site hits, which have averaged over 60,000 per month since it came on-line in March 2001.
- The first on-line survey of the Pension Benefits Web site users was completed. Overall, responses indicated that the site was well liked. Improvements will continue to be made as the site evolves.
- Annual employee benefit statements, funded through the Public Service Pension Funds, have been issued in paper format to all Public Service Superannuation Account contributors. A new Web-based application will simplify the process, enabling those with Web access to view their statements on-line. As a result, we expect to accrue savings in printing, paper and distribution costs. Development and testing of the application is complete.
- We have also developed an electronic pay stub for employees. Future enhancements will allow employees to calculate/estimate the impact on their pay under various circumstances and to initiate and amend voluntary deductions on the Web. This will effectively ease the workload of compensation advisors in departments.
- Implementation of both the benefit statement and the pay stub applications is dependent on the implementation of the government-wide Public Key Infrastructure.

Client Satisfaction: To ensure client satisfaction, we periodically conduct surveys to determine if the Compensation community in government feels that we are meeting our published service-level standards (<http://www.pwgsc.gc.ca/compensation/service/serv-servicelevels2002-e.html>).

We conducted surveys in 1998, 2000 and 2002. The 2002 survey was conducted via the Internet and resulted in a 64% response rate compared to 49% and 33% in previous surveys. The survey results indicated that respondents felt PWGSC regional pay offices meet service-level standards 90% of the time, provide timely and accurate responses to inquiries 95% of the time and rate training effectiveness at 94%. The main area that requires improvement is in providing advice to

departmental clients, which was rated in the range of 70% to 80%. Regional service managers are consulting their clients to discuss the results and corrective measures are being taken.

Service Standards: Maintaining service standards continues to be a challenge in the face of increased business volume. From 1997-98 to 2002-03, there has been a 21% increase in the number of pay accounts (see Figure 7), but no increase in compensation resources. The funding pressure is aggravated by the increased cost of technical professional services, which represents a main cost driver given the heavy reliance of compensation operations on technology.



Cost Efficiency: We publish performance reports on results achieved against service-level standards. The age of the pay system makes it difficult to obtain reliable information that can be used to calculate performance measures for cost-efficiency and productivity. This issue has been noted in recent internal audit reports and we are examining ways to overcome the limitations of outdated technology to improve the usefulness of our performance reporting (see most recent audit report at <http://www.pwgsc.gc.ca/aeb/text/archive/pfd/2001-711-e.pdf>). The Compensation Modernization Initiative will include requirements for modern performance measurement reporting.

Partnerships: Partnerships are used to support service delivery by leveraging the capabilities of external stakeholders, partners and other government organizations. An example of this is the cooperative effort with members of the PeopleSoft, Government of Canada, Human Resources Management Systems Cluster, which culminated in the development of an electronic interface to improve integration and efficiency between the central pay system and the human resources systems of 22 departments. This interface will reduce duplication and improve data accuracy and consistency in both human resources and compensation systems.

Another partnership is with the Canada Customs and Revenue Agency (CCRA). CCRA has initiated a review of its payroll process and we are working closely with the agency to develop a solution that will allow it to meet its renewal objectives. This partnership will provide the opportunity for PWGSC and CCRA to work together to administer payroll for CCRA. CCRA's in-house system will be used to calculate payroll. PWGSC will administer the specific modules of the system that are used to calculate payroll and benefits and that work in conjunction with the rest of the CCRA system. This partnership has provided PWGSC with valuable insight into the design and use of commercial off-the-shelf systems, which will assist us in developing a model for a modernized payroll system. It has also provided CCRA with the opportunity to learn about the business and legislative requirements for a public service pay system.

Recruitment and Retention: In an effort to retain our valued employees, we reviewed 73% of the business line's work descriptions to ensure that actual responsibilities are reflected accurately and that jobs are classified correctly. The review of the remaining work descriptions is scheduled for completion in 2003.

We recruited several employees through our Post-Secondary Recruitment Program aimed at visible minorities. Although the recruitment of an additional eight employees was planned, budget constraints allowed us to hire only six in 2002-03. We will continue with this program to ensure that competent compensation experts are available now and into the future. Retirements over the next five to ten years will seriously erode the knowledge base in this highly specialized field.

Management Practices

Based on the PWGSC Integrated Risk Management Framework, we did a risk management diagnostic study to determine the maturity of our risk management practices and processes. We identified specific risks, such as personnel recruitment and retention, and the need to modernize technology, systems and business processes to meet client demands. These risks are monitored, highlighted and discussed on an ongoing basis.

We have implemented many systems and internal controls to ensure the accuracy, integrity and reliability of the business line processes. As part of our risk management framework, we continuously monitor our business processes and enhance controls where required to meet changing needs. A recent Auditor General report on Financial Management and Control in the Government of Canada stated that: "On the basis of this assessment of the Regional Pay System control framework, we concluded that the controls met the objective of the controls assessment." The full report is available at <http://www.auditorgeneral.ca/domino/reports.nsf/html/20021205ce.html>.

Telecommunications and Informatics Common Services

Objective

To provide electronic government infrastructure and on-line access to government information and services by connecting people and technology, in order to support government operations and enable the renewal of government programs and services.

Description

The Telecommunications and Informatics Common Services (TICS) Business Line responds to the increasing demands of clients and Canadians for reliable, faster, more secure and convenient information technology services. We support a number of initiatives and commitments that provide a wide range of optional services to departments and agencies in the area of informatics and telecommunications services; professional training and development services in the area of information and communications technologies; and electronic access to government information and services for Canadians 24 hours a day, 7 days a week.

Key Facts

- ➔ We provided the electronic infrastructure, including the Government of Canada Secure Channel and secure services, connecting over 150 client networks and enabling electronic service delivery.
- ➔ We managed the Canada Site availability to the public, 99.99% of the time, 24 hours a day, 7 days a week.
- ➔ We managed the Government Electronic Directory Service (GEDS) Master Electronic Directory for all public service employees (125,000 hits per day, 64% of which are from outside the government).

The business line's planned spending, total authorities, actual spending and full-time equivalents for 2002-03 are presented in the table on the next page, along with an explanation of key variances.

Net Expenditures 2002-03			
	<i>(in millions of dollars)</i>		
	Planned Spending	Total Authorities	Actual
• Operating Vote			
Gross Expenditures	48.0	145.0	147.4
Less: Respendable Revenue	28.5	42.5	42.5
Net Expenditures	19.5	102.5	104.9
• Telecommunications and Informatics			
Common Services Revolving Fund			
Gross Expenditures	104.2	104.2	114.6
Less: Respendable Revenue	104.2	104.2	115.6
Net Resources (Provided) Used	-	-	(1.0)
BUSINESS LINE TOTAL	19.5	102.5	103.9
FULL-TIME EQUIVALENTS	258	258	292

Totals may not add up due to rounding.

The variance between planned and actual spending is due to additional funding received for several Government On-Line initiatives.

Performance Overview

TICS have generally met performance expectations in providing appropriate, timely and quality services to clients in most areas. We maintained high service levels while providing services to more clients and managing greater capacity and workload volumes.

We made progress in delivering Government On-Line initiatives, on time and on budget, in partnership with TBS and our other partners. We achieved our objective of implementing new departmental applications on-line through the Secure Channel Project. This will result in significant cost and time savings for departments, Canadian businesses and Canadians. As an example, we enabled Human Resources Development Canada to proceed with the deployment of its Web Record of Employment, reducing processing times from five to seven days to a few hours.

We also faced several key challenges. Certain larger departments continued to maintain their own telecommunications service arrangements, limiting our ability to realize the potential volume discounts associated with large-scale transactions. We can only negotiate better rates based on our known client base. We offset this issue by increasing the value of services to our current client base as well as through the addition of new smaller departments and agencies.

We faced financial challenges in continuing to meet the growing demand for information technology services. Particularly acute is the risk to the sustainability and potential growth of the Secure Channel, which is contingent on additional government funding.

Performance Analysis

The results planned for the reporting year and performance achieved by Telecommunications and Informatics Common Services are set out below. Substantiating data is based on evidence found in our information management tools including, for example, the Corporate Information Management System.

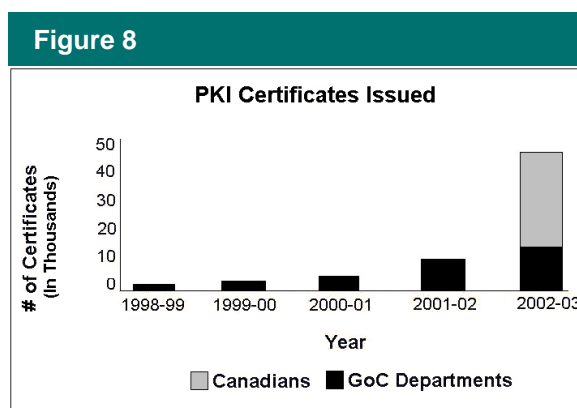
Planned Result: Information Management/Information Technology (IM/IT) infrastructure services that enable access to government programs, services, information and secure transactions

Secure Channel Infrastructure: Over the past year, we have developed the Secure Channel infrastructure to be more robust in handling applications and have connected over 100 departments, agencies and other federal organizations. With the progress made on the Public Key Infrastructure (PKI) component of the Secure Channel, we were able to deploy several new services for use by the general public.

- Canada Customs and Revenue Agency's application allows Canadians to securely change their address on-line (<http://www.ccr-aadrc.gc.ca/eservices/tax/individuals/aco/menu-e.html>).
- The Receiver General Buy Button (RBB) provides a common secure payment service should Canadians wish to purchase Government of Canada products. Currently, RBB is used by Industry Canada at its Strategis Web site (<http://www.strategis.ic.gc.ca>).
- Human Resources Development Canada's Web Record of Employment (ROE) application allows employers to complete ROE transactions on-line, facilitating and streamlining the process.

We have also been working to identify a long-term business model for the Secure Channel. New government priorities and current fiscal conditions dictated a shift of focus in the government's IM/IT Program Investment Strategy. We continue to work with Treasury Board officials on funding challenges associated with implementing the strategy, in particular those issues related to the Secure Channel Project.

Privacy Protection: The PKI component of the Secure Channel Project enables Canadians and Canadian businesses to access on-line government services while protecting their privacy, through a simple on-line registration process. This year, we extended the PKI service more widely to Canadians and Canadian businesses. As indicated in Figure 8, over 48,500 certificates were issued to Canadians in 2002-03, further enabling secure on-line access to government applications and services.



The sustainability of current development, operations and potential growth of the Secure Channel, however, is contingent on the availability of funding. Some of that risk is mitigated by the fact that the Secure Channel Network component (SCNet) is operating on a cost-recovery basis.

Planned Result: Innovative telecommunications services that facilitate efficient and effective delivery of government programs

Customer Base: The total client base for our telecommunications services has remained stable, surpassing our target of 95% retention. We are now providing service to several new, smaller clients, which has mitigated somewhat the loss of some of the business from several larger departments, which now acquire services directly from suppliers. They have opted to acquire their telecommunications services directly from vendors based partly on diverging views of technologies and on the perception that our management fee could be saved. As an optional service provider, we are at risk of losing clients in this competitive environment. But only the larger departments have the internal resources to negotiate and manage their own telecommunications services. Over the past five years, our brokering services have generated cumulative annual savings of approximately \$93 million, all of which have been passed on to client departments. The savings, coupled with the client retention rate and addition of new clients, demonstrate the continued provision and delivery of a value-added service.

Planned Result: Use of IM/IT infrastructure that maximizes the value of PWGSC's investments and expertise by supporting government programs and service delivery

Service Delivery: We continued to provide service to 47 departments and agencies in accordance with over 200 negotiated service-level agreements and retained all of our clients. Throughout the year, we also ensured the Canada site (www.canada.gc.ca) was available to the public, 99.99% of the time, 24 hours a day, 7 days a week.

We managed to provide consistent, reliable mainframe performance and availability, meeting clients' service-level agreements, even though the standard increased to 99.7% from 98% in 2001-02.

Learning: Our Knowledge Institute provided college- and university-accredited courses in management and information and communication technologies to some 1,100 government employees from roughly 40 federal departments and agencies. This year, we championed a new e-learning initiative to provide a large range of accessible and affordable courses for IT professionals. Launched with 400 users across 12 departments and agencies, almost 800 users across 17 clients departments and agencies are now taking advantage of this new on-line system.

Planned Result: Skilled, knowledgeable, productive and motivated workforce

Employee Satisfaction: Overall, our employees are pleased to be working at PWGSC in the IM/IT field. Based on the Public Service Employee Survey, our IM/IT employees ranked their satisfaction generally higher than the government average. Recruitment efforts resulted in a 4% increase in the number of new IM/IT-related employees. Targets to ensure a representative workforce were met in most cases.

We also developed a Multi-year Workforce Strategy, expected to be implemented in 2003-04. This three-year strategy addresses aspects of workforce priorities related to the entire PWGSC IM/IT community. Some of the key medium- and long-term initiatives include creating a list of IM/IT skills required, developing a training map, balancing the use of consultants and staff, and initiating succession planning.

Management Practices

We contributed to the implementation of the departmental Integrated Risk Management Framework and following the recent organizational realignment, a review of our risk management portfolio will take place. Further developmental initiatives will also be undertaken in line with the Modern Comptrollership agenda.

We did not make as much progress as expected on implementing an enhanced performance measurement framework due to PWGSC's reorganization priorities. However, we will review this situation during the next fiscal year. Changes to this framework are guiding other important initiatives, such as the transformation of our financial operations, tighter links between project proposals and their financial implications (cost control), and the move toward activity-based costing and quarterly budgeting.

Consulting and Audit Canada

Objective

To make a leading contribution, through our staff and the services they provide, to the improvement of public sector management and operations in Canada and abroad; and to balance the costs with the revenues received from charging clients for services.

Description

Consulting and Audit Canada (CAC) provides on an optional and fee-for-service basis, consulting and audit services to federal departments and agencies across Canada and upon request, to provincial, territorial, municipal and Aboriginal governments in Canada and to foreign governments and international organizations.

Our services help our clients better serve their public through improvements to public sector management, operations and administration, while meeting the priorities and needs of government. CAC stresses excellence in client service and the sharing of public sector experience. We work with small- and medium-sized enterprises (SMEs) to facilitate the transfer of knowledge across government.

CAC is organized into three service areas:

- Assurance, Accounting and Audit Services provide government organizations with advice on risk management, information for decision-making, control frameworks, third-party compliance, costing systems and accrual accounting.
- Consulting Services provide advice in four areas: human resources management and organizational development, information management and information technology, modern comptrollership and governance.
- Our international services are the same as those offered domestically, but tailored to the specific needs of our clients.

Key Facts

- We provide, on an optional and fee-for-service basis, Assurance, Accounting and Audit, Consulting and International Services.
- We provide services to federal government departments to foster effective and efficient public sector management.
- We provide access to government business to over 5,000 SMEs.
- We share and disseminate knowledge and expertise across government.

As a Special Operating Agency, CAC is an optional, fee-for-service organization. We are not financed through parliamentary appropriation; instead, we sustain our operations through the

means of a revolving fund on a full cost-recovery basis. For 2002-03, CAC generated a positive cash contribution of \$0.3 million compared to our planned contribution of \$1.1 million.

The business line's planned spending, total authorities, actual spending and full-time equivalents for 2002-03 are presented in the following table.

Net Expenditures 2002-03			
<i>(in millions of dollars)</i>			
	Planned Spending	Total Authorities	Actual
• Consulting and Audit Canada Revolving Fund			
Gross Expenditures	97.9	97.9	119.1
Less: Respendable Revenue	99.0	99.0	119.5
BUSINESS LINE TOTAL	(1.1)	(1.1)	(0.3)
FULL-TIME EQUIVALENTS	400	400	400

Totals may not add up due to rounding.

Performance Overview

Over the last year, CAC has made good progress against planned results and has generally met its performance expectations. The results are very similar to the ones from the previous year, indicating consistency in service delivery level. We managed the growth of our organization while meeting clients' expectations and balancing the interest of stakeholders.

We have successfully maintained a high involvement with public policy issues and level of repeat business. Our participation in horizontal projects and our work with SMEs have enabled a sharing of knowledge and expertise across government.

We continue to face pressures and challenges to absorb higher costs. This year alone, we experienced higher internal costs resulting from new collective agreements, non-discretionary PWGSC overhead costs, reinvestment in IM/IT and accommodation.

Performance Analysis

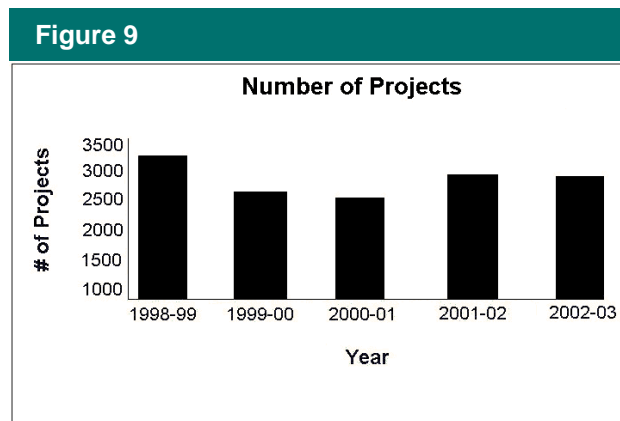
The results planned for the reporting year and performance achieved by Consulting and Audit Canada are set out below.

Planned Result: Relevant services responding to the changing needs of public sector clients and issues facing government

Client usage: We have maintained a high level of involvement in public policy issues, such as shared systems support and sustainable development. Our consultants and auditors transferred and shared knowledge across federal departments and agencies by delivering or supporting 25 government-wide projects in the areas of Modern Comptrollership, risk management and the Management Advisory Forum for Common Services.

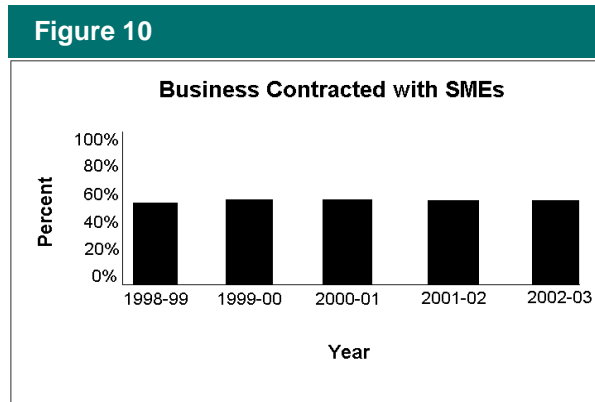
We have developed new products and services required by client departments that reflect the evolving priorities of government. We also positioned ourselves to contribute to Canada's foreign policy objectives and to promote effectiveness and efficiency in public sector management. In 2002-03, we solidified our agreement with the Canadian International Development Agency (CIDA) by increasing the level of service and client satisfaction. In addition, we developed new business by acting as a Canadian Executing Agency (CEA) for CIDA. Our role as CEA will be as third-party delivery agent for the Canadian Cooperation Fund, an \$18.5-million program that will be delivered in the Caribbean over the next five years. CAC and the World Bank have signed an agreement on a staff exchange program to the benefit of both organizations. The first phase of this program resulted in placing a principal consultant at the World Bank in Washington. We have participated in international forums and made presentations on public service reform models at the World Bank and the United Nations.

Growth in Demand: As shown in Figure 9, the number of projects engaged in during 2002-03 has decreased slightly compared to the previous year, but has been relatively constant over the past five years. However, the size of projects has increased resulting in an overall increase in revenue.



Planned Result: Sharing and dissemination of knowledge and expertise

Working with SMEs: Fifty-five percent of our business was contracted with SMEs in 2002-03 against a target of 50% to 60% (see Figure 10). We granted almost 2,000 contracts to 1,164 SMEs. Although we have met our objective, SME business contracting revenue decreased by 2% compared to fiscal year 2001-02; however, it has increased by 18% over the last five years from \$56 million in 1998-99 to \$66 million in 2002-03.



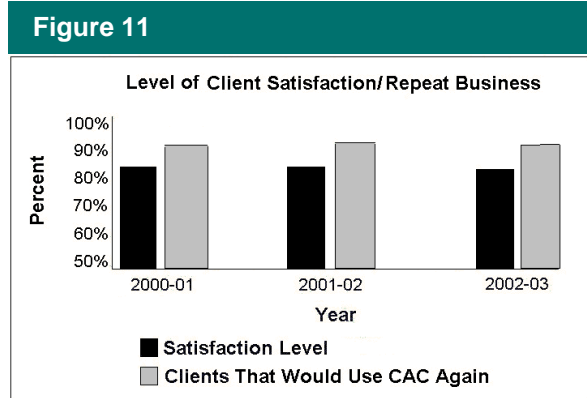
Government-wide Projects: During 2002-03, our consultants and auditors transferred and shared knowledge across federal departments and agencies by delivering or supporting over 25 government-wide projects. For example, we provided support in the implementation of risk management frameworks for small agencies, integrated management accountability frameworks (case studies), a baseline review to measure organized crime, reviews of audit policy frameworks and Modern Comptrollership. We are also assisting the Management Advisory Forum for Common Services (MAFCS), consisting of representatives from the 24 largest departments, to develop a generic corporate services allocation model. Expected to be completed in late fall 2003, this model will provide consistency and certainty regarding corporate services funding required for new or revitalized programs.

Inter and Extranets: Our Extranet site continues to transfer and share new and relevant information across government and with our employees. In 2002-03, our site was visited 2,985 times or an average of eight visits a day.

Information on 50% of our projects was posted to our Corporate Memory system—an increase of 7% from the previous year. A revised process for capturing this information at the source is being implemented to increase the percentage of projects posted. This provides better knowledge sharing on projects to all CAC staff, enabling them to better serve our clients.

Planned Result: High quality and professional services

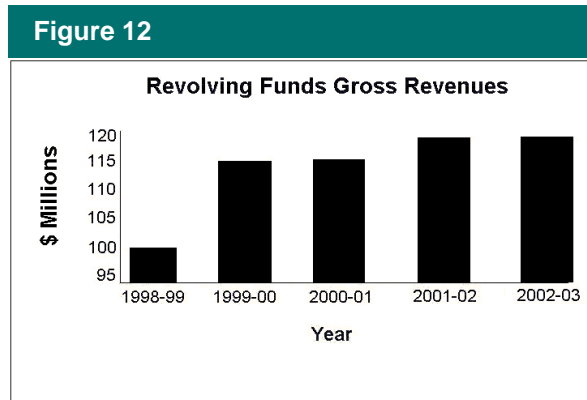
Client satisfaction results: During 2002-03, our repeat business was rated at 88% (against a target of 80%), our client satisfaction at 86% (against a target of 85%) and 91% of clients indicated that they would use CAC’s services again. When compared to the previous year, the results are very similar, indicating consistency in service delivery level (see Figure 11).



Code of Ethics and Professional Conduct: We also implemented a Code of Ethics and Professional Conduct (<http://www.cac.gc.ca>) to promote ethical and professional behaviour by CAC staff and management. The Code acts as a guide to conduct in the workplace and in our professional relationships. It also indicates to clients, government and the public the high standards that CAC expects its people to meet in discharging their responsibilities.

Planned Result: Treasury Board targets for Revolving Funds are met

Financial Management: As shown in Figure 12, CAC’s gross revenues in 2002-03 rose to \$119.1 million from \$116.8 million in 2001-02, an increase of 2%. We generated a positive cash contribution of \$0.3 million compared to our planned contribution of \$1.1 million. On an accrual basis, we experienced a slight loss of \$179,000 or 0.2% of total revenue of \$119.5 million.



Planned Result: Rejuvenation of the workforce

Recruitment: The average age of CAC’s employees is 44.6 years, with a potential loss of 27.3% due to retirement during the next five years. Our effort to rejuvenate our workforce resulted in a ratio of 1.38 new hires to departures and recruitment from outside the public service climbed to 57% of all new hiring. The average age of new hires is 37 years, which indicates a gradual incoming of a younger workforce. We also met all employment equity requirements, except for the number of visible minorities in the scientific and professional category that incurred a minimal shortfall of two recruits.

Workplace Improvement: We have also put in place some initiatives to attract, retain and promote employees and improve our workplace environment. These include a Wellness Committee that responds to issues highlighted in the Public Service Employee Survey, a professional development framework with five learning programs, an appointment-to-level process, a career plan framework that includes performance accords, and a mentoring/training plan as part of our Professional Development Program.

Management Practices

This year, we continued to help the broader public sector adapt to changes in government priorities while maintaining our long-term financial viability. We have experienced upward pressures on costs such as salary and rent increases, as well as retrofit costs related to increased need for space.

To ensure future sustainability, we have initiated a Pricing and Positioning Study. This study will examine the value framework underlying client choices and help re-orient the organization for a sustainable future.

We continue to mitigate contracting risk through an active risk management approach. Our self-assessment process of risk management will be revisited in 2003-04, along with our risk management and internal audit plans. Quarterly audits of contracts awarded are made to ensure that actual practices conform to contracting regulations. A CAC Code of Ethics and Professional Conduct was also put in place in 2002-03.

Each year, significant investment has been made in training and mentoring our employees to attract and retain our workforce and to create an environment that is dynamic, intellectually challenging and professional. In 2002-03, 98% of all employees received an average of 9.6 days of training. In 2001-02, 92% of all employees received an average of 12 days of training.

PWGSC's Audit and Ethics Branch conducted an audit of integrity of CAC's performance information contained in the 2001-02 *Department Performance Report*. The audit concluded that the performance reporting of CAC was very good, but some potential for improvement in reporting was identified. We will implement the report's recommendations during the next planning cycle.

Translation Bureau

Objective

To provide translation, interpretation and terminology services and products to support the Government of Canada in its efforts to provide services for and to communicate with Canadians in the official language of their choice. The Translation Bureau contributes to public policy and helps the government respect the spirit and meet the objectives of its Official Languages Policy.

Description

The Translation Bureau is a key player in supporting the government's commitment to provide services and communicate in both official languages. It also supports the government's service delivery infrastructure by providing a secure supply of translators and interpreters and ensuring terminology standardization within the federal government. These functions are important to the efficient functioning of government. The Bureau provides the critical mass necessary for government to fulfil its official languages obligations and promote the values that make up the Canadian identity.

Key Facts

- We provide translation, interpretation, terminology and linguistic services in both official languages as well as in over 100 other languages, including many Aboriginal languages.
- We produce bilingual glossaries on a variety of subjects and electronic terminology products, such as **TERMIUM®**—the Government of Canada's linguistic databank with over 3.5 million terms in the official languages and 130,000 in Spanish.

The business line's planned spending, total authorities, actual spending and full-time equivalents for 2002-03 are presented in the table on the next page, along with an explanation of key variances.

Net Expenditures 2002-03			
(in millions of dollars)			
	Planned Spending	<i>Total</i> <i>Authorities</i>	Actual
• Operating Vote			
Gross Expenditures	42.9	49.6	49.6
Less: Respendable Revenue	-	-	-
Net Expenditures	42.9	49.6	49.6
• Translation Bureau Revolving Fund			
Gross Expenditures	176.2	176.2	196.5
Less: Respendable Revenue	172.2	172.2	198.5
Net Resources (Provided) Used	4.0	4.0	(2.0)
BUSINESS LINE TOTAL	46.9	53.6	47.6
FULL-TIME EQUIVALENTS	1,566	1,566	1,624

Totals may not add up due to rounding.

The variance in the operating vote is due to additional workload and funding of \$5.9 million for Parliamentary services. Increased business volume in 2002-03 had a positive effect on the Translation Bureau Revolving Fund. Revenue from cost recovery increased by \$26 million due to an increase in translation request volume and an increase in translators' productivity, which resulted in the use of fewer freelance translators.

Performance Overview

The Translation Bureau's performance for the reporting period demonstrates progress in attaining its planned results in the delivery of quality and cost-effective services and products, and standardized, accessible terminology.

We became self-sufficient in 2002-03 as we exceeded our financial objective with a net surplus of \$2 million in the Translation Bureau Revolving Fund, rather than the planned deficit of \$4 million. Our business volume also increased. This enables us to invest in future strategic projects and provides more flexibility for cash management.

We developed new services that enable federal Web sites to be engineered from the ground up for bilingual and even multilingual and multicultural audiences. Two annual surveys have shown that 85% of clients are satisfied or very satisfied with our services.

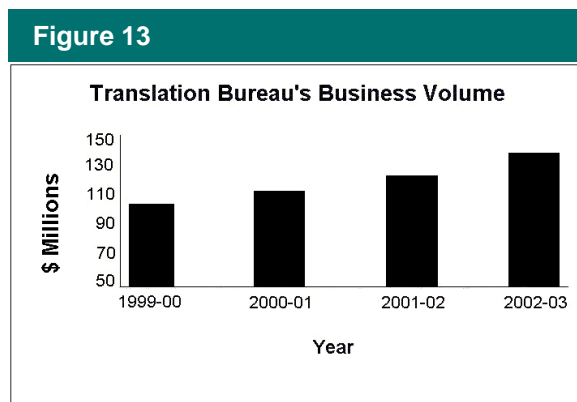
We continued to enrich TERMIUM® for disseminating standardized terminology within the government and to produce writing guides, vocabularies and glossaries.

Performance Analysis

The results planned for the reporting year and performance achieved by the Translation Bureau are set out below.

Planned Result: Quality and cost-effective services and products

Business Volume: As illustrated in Figure 13, our business volume has been steadily increasing since 1999-00 and in 2002-03 our revenues increased by 23% over the previous year. This can be attributed, in part, to the growing use of the Internet by government. As well, Canada's changing demographics are creating a higher demand for translation, interpretation and terminology services in languages other than English and French. We believe this trend will continue.



Surplus: We earned \$1.01 for each dollar spent in 2002-03, a 3% increase from the previous year.

Productivity Improvement: We have been faced with human resources challenges because of our increasing business volume, aging workforce and the insufficient output of language professionals by universities. To counter these challenges, as a first step, we implemented a productivity incentive plan in 1998 for translators. This has resulted in continued increases in productivity.

Productivity results for the past four years demonstrate a 7.6% increase in 1999-00, a 4.6% increase in 2000-01, a 1.5% decrease in 2001-02 (following the hiring of inexperienced recruits), and a 9.9% increase in 2002-03.

Client Satisfaction: Client expectations are changing. Clients are looking for services 24 hours a day, 7 days a week and seamless, end-to-end, secure delivery through integrated electronic channels. To respond to the evolving needs of our clients and improve services, we implemented a client satisfaction and loyalty assessment program in 2001-02. Two annual surveys have shown that 85% of clients are satisfied or very satisfied with our services. In 2002-03, we conducted a positioning study that concluded that clients value quality, deadlines and then price.

Service Improvements: We have also undertaken other initiatives to better enable us to provide our clients with electronic services. For example, we created a new Technolinguistic Service that helps government organizations better meet their Government On-Line objectives. It integrates linguistic expertise to engineer Web sites from the ground up for bilingual or multilingual audiences, helping organizations to manage Web content more easily and deploy on-line services faster. We are also continuing to create a database to combine all our terminology databases and those of other federal organizations in one central application, called TERMIUM V.

The Canadian translation industry needs to increase research and produce new technologies to survive in the fast-growing high-technology-related translation market. The Translation Bureau has worked in partnership with the National Research Council and the Université du Québec en Outaouais to create a Language Technology Research Centre. It is a place where specialists will pool their resources and be able to build on the skills and technologies necessary to ensure the development of the Canadian language industries.

We also collaborated with key stakeholders in the federal government, the private sector and universities to create the Canadian Language Industries Network. This organization will help the language industries remedy the problems of fragmentation and succession planning. It will foster networking between businesses in the industries and other partners in the public and private sectors. It will help the language industries establish strategic directions and improve their ability to respond to the increasing demand for products and services.

Planned Result: Standardized, accessible terminology

TERMIUM®: The use of TERMIUM® by clients has been increasing. The number of hits on TERMIUM® rose from 255 million in 2001-02 to 368 million in 2002-03 (see Figure 14).

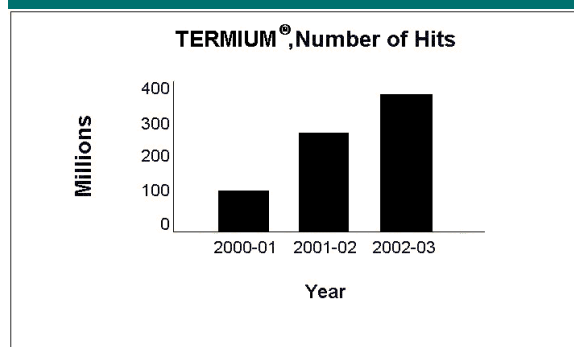
As of March 31, 2003, there were 3,500,000 terminology terms in TERMIUM®. Most of the terms are in both official languages, but with the creation of the North American Free Trade Agreement, our bank now has more than 130,000 Spanish terms.

In support of the federal government's intent to give more support to African countries and to help knowledge transfer, we worked with the *Réseau international francophone d'aménagement linguistique* and are contributing to the *Réseau international des langues africaines et créoles* by participating in the preparation of a six-language lexicon for the 2005 Francophonie Games.

Management Practices

To modernize our management practices, we introduced a governance structure and a planning and accountability cycle that harmonize with the department's directions and priorities. Through our new governance structure, we have increased the participation of our middle managers in major aspects of our planning and priority-setting decisions. We integrated risk management practices to better support decision-making. We also introduced key elements of the Quality Assurance Program and training on financial administration requirements.

Figure 14

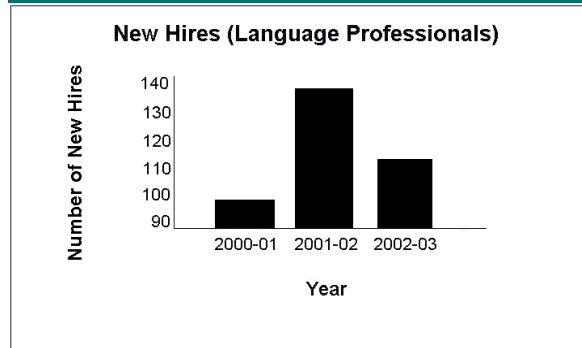


We increased the number of trained language professionals to benefit both the Translation Bureau and the translation industry in Canada. For example, during 2002-03, we partnered with the Université du Québec en Outaouais to create a specialized degree in localization (which consists in adapting software and Web sites to the users' cultural reality), to prepare students to meet the new needs of the translation profession.

We invested \$3.5 million in our La Relève Program and recruited 109 language professionals in 2002-03 (see Figure 15). We also offered training to more than 93% of our employees, for an average of more than six training days per employee during the fiscal year.

We participated in promotional activities for translation, interpretation and terminology careers in different schools and universities.

A project involving partnerships with provincial and municipal authorities, universities and colleges, and professional associations has been initiated to identify and train future conference interpreters.

Figure 15

Operational Support

Objective

To provide departmental support services, including information and technology management, policy advice, communications, security, financial, administration, human resources and other services needed to support the achievement of program objectives, in an efficient and cost-effective manner.

Description

The Operational Support Business Line provides support services to other business lines within PWGSC, such as information and technology management and information technology (IT) security. It also provides corporate services on a national basis related to finance, corporate policy and planning, communications, audit and ethics, human resources, materiel management, security, health and safety, emergency preparedness, contract claims resolution, executive secretariat function and legal services.

The business line's planned spending, total authorities, actual spending and full-time equivalents for 2002-03 are presented in the following table, along with an explanation of key variances.

Net Expenditures 2002-03			
(in millions of dollars)			
	Planned Spending	Total Authorities	Actual
IM/IT - DEPARTMENTAL OPERATIONS			
SERVICE LINE			
• Operating Vote			
Gross Expenditures	207.3	229.3	237.0
Less: Respendable Revenue	64.2	75.4	74.7
Net Expenditures	143.1	154.0	162.4
CORPORATE MANAGEMENT SERVICE LINE			
• Operating and Grants and Contributions Votes			
Gross Expenditures	111.3	176.6	158.5
Less: Respendable Revenue	32.2	59.8	59.4
Net Expenditures	79.1	116.8	99.1
BUSINESS LINE TOTAL	222.2	270.8	261.5
FULL-TIME EQUIVALENTS	2,731	2,731	2,864

Totals may not add up due to rounding.

Note:

(1) The Corporate Implementation Group responsibilities were transferred to Transport Canada effective April 1, 2002 and should be reported in their Departmental Performance Report.

The variance between planned and actual spending is mainly due to additional funding received for the Office Infrastructure Strategy, the Information Management Project and the 2001-02 operating budget carry forward.

Performance Overview

We made progress in 2002-03 against our planned results. Most of the time, we met client expectations in the delivery of IM/IT government-wide mission critical services and responded to PWGSC employees' requests on their first call for workstation support. However, an increase in infrastructure and workstation problems and outages due to aging hardware has presented difficulties.

Throughout the reporting period, we were guided by the human resources management framework established in 2001-02. Certain activities were postponed due to the departmental reorganization. Improvements were made in the areas of learning, official languages and employment equity. Overall, PWGSC is fully representative of the four designated groups (women, persons with disabilities, visible minorities and Aboriginal peoples). In addition, the second Public Service Employee Survey done in 2002 revealed improvements in the work environment.

To build better management capacity, PWGSC developed a policy network, an international and intergovernmental cooperation program and a national centre of expertise to provide security, safety, health and emergency preparedness services.

The Office of the Information Commissioner of Canada assessed PWGSC's compliance with the statutory time frames for processing Access to Information requests. We did not meet the minimal standard and we are now developing a plan to improve the timeliness of our responses.

Performance Analysis

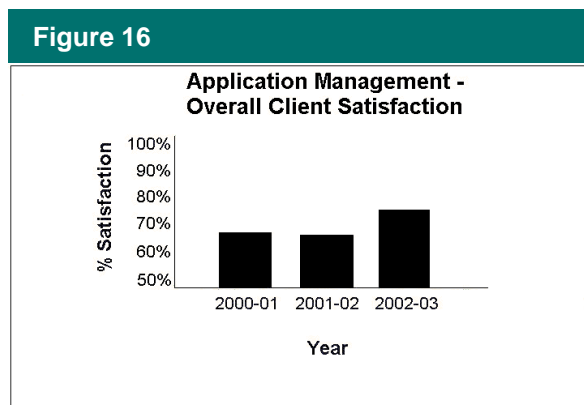
The results planned for the reporting year and performance achieved by Operational Support are set out below.

Planned Result: Quality and timely advice and support to the Minister and PWGSC senior managers on departmental issues

To enhance the level of advice offered and build analytical capacity, we established a Departmental Policy Network. This network provides a forum for departmental consultation and review of all key policies and initiatives proposed or under way within PWGSC. It also allows us to review client and central agency policies, priorities and initiatives that affect PWGSC. In addition, we are creating a policy Web site to share information on PWGSC and government-wide policy issues.

Planned Result: Effective information management and information technology and corporate management services that are cost-effective and meet the operational requirements of business lines

In support of PWGSC's government-wide mission critical services, such as Compensation, Receiver General, Real Property and Supply Services, we develop applications according to client requirements. An independent survey of clients indicated that over the past year, we have provided consistent service delivery for these projects, which is shown by the 75% overall client satisfaction rate (see Figure 16).



We provided secure, stable and dependable information and communications technologies services to other business lines including, for example, the Receiver General. This year we successfully delivered 86 million print products such as pension payments and Old Age Security to Canadians, a volume similar to last year. However, we did not meet the 99.95% accuracy rate set for this service for four of the twelve months, due to operational and delivery issues. Our overall accuracy rate was 99.41%.

The security of PWGSC's IT systems is vital since it supports other departments and agencies, as well as the Secure Channel. Over the past year, the Information Protection Centre conducted three vulnerability assessments on departmental systems and resolved potential difficulties. This avoided losses of about \$600,000 per month. With minimal additional funding, we enhanced our IT security capability through major system component upgrades and recruitment of skilled and competent employees.

We developed new security policies to achieve compliance with the revised Government Security Policy. Several standards have either been rewritten or designed to facilitate operations. Technical assistance to security investigations for incidents and breaches has increased by 10%.

We have once again surpassed the 75% target to resolve PWGSC employee workstation problems the first time by using our remote control software tool. However, there has been an increase in infrastructure and workstation problems and outages due in part to the aging hardware. This year, on average, 63.8% of these high-priority, mission critical problems were resolved within the two-hour resolution target as opposed to 67.5% for last year and 75% the previous year. The TBS Rust-Out program provided PWGSC with \$14.2 million in funding in 2002-03 to replace outdated equipment that could not have been replaced under our existing capital replacement programs. We replaced certain components of the Office and Network infrastructure, but there are some aging equipment issues that still have to be addressed.

PWGSC's information management project is intended to increase staff use of the department's electronic document and record system. In 2002-03, we purchased 4,500 licences. About 3,000 staff were trained in headquarters and the regions, and their licences were activated. Departmental restructuring delayed some licence activation and funding was diverted to acquire additional licences. All remaining licences should be implemented in the coming fiscal year.

Planned Result: A human resources management framework that reflects public sector values and fosters an inclusive work environment supportive of learning and leadership development while effectively managing change and relationships

Preliminary steps were taken in anticipation of the government's human resources modernization, including development and approval of an integrated conflict management system. In addition, we provided a management representative to the Joint Working Group on Term Employment in the Public Service and participated in various groups working to enhance on-line access to human resources information and services within Canada. PWGSC also developed a recruitment and retention framework and the staffing delegation course became mandatory for all sub-delegated managers.

In 2002-03, 93% of PWGSC employees had a learning plan compared to 73.5% the previous year. Our departmental Minimum Training Investment commitment meant that 89% of employees with a learning plan participated in learning activities. Overall participation in learning activities increased from 81.9% in 2001-02 to 86.7% in 2002-03. However, fewer employees received at least three days of training (55.3%, down 3.6% from 2001-02).

Efforts to develop leadership capacity included the establishment of a PWGSC Managers' Community Network Council and ADM champion, the launch of the Network in the fall of 2002 and Network meetings on work planning, team development, information sharing and the department's new service delivery model. Significant progress was also made in improving the bilingual capacity of managers. Many linguistic profiles of feeder group positions were raised, in accordance with the three-year Action Plan approved by the Executive Committee in February 2003. Executives appointed non-imperatively to bilingual positions now receive language training when appointed.

Overall, PWGSC is fully representative of the four designated employment equity groups. There is some minor under-representation for each group in the occupational category level. Visible minorities in the Administrative and Foreign Service category, Aboriginal peoples in the Executive category, and persons with disabilities in the Scientific and Professional, Technical, and Operational categories all show a small shortfall. Women are also under-represented in the Technical and Operational categories.

To improve overall representation, PWGSC established recruitment goals in its three-year Employment Equity Plan 2001–2004. The plan includes PWGSC’s strategy in response to the Embracing Change Action Plan and measures to foster an inclusive workplace.

Comparison of the 1999 and 2002 Public Service Employee Survey results show improvements. However, three areas require some attention: workload/work-life balance, harassment/discrimination and transparency of selection and classification processes. PWGSC has developed an action plan focusing on these areas. It includes specific organization-wide objectives and initiatives, such as a proactive conflict resolution initiative, a Modern Comptrollership action plan, and modernization initiatives such as classification reform and legislative measures.

Planned Result: Enhanced security and safety of departmental assets, activities and employees

In 2002-03, we created a national centre of expertise by amalgamating our departmental security-related functions with government-wide security-related services.

Our responsibility is to ensure the security of PWGSC employees and the general public accessing PWGSC-occupied or managed premises, information, and assets including buildings, bridges and dams. We thus developed a Critical Infrastructure Physical Security Protection Program. We are also coordinating the implementation of a Security Readiness Action Plan for all PWGSC occupancies and other facilities we manage as custodian. Strategic Corporate Security briefings occur regularly within the department and externally to clients, stakeholders and lead agencies.

We ensured the safeguarding of protected and classified information and assets (Canadian and foreign) entrusted to private sector contractors and individuals through government contracts. We also ensured that every person who examines, possesses or transfers controlled goods is registered or exempted from registration under the Controlled Goods Program.

Special Assistance

We assisted the voluntary efforts of Eastern farmers to support their fellow farmers facing a drought on the Prairies by opening the Mirror Emergency Operations Coordination Centre and providing needed accommodation to the HayWest organization. HayWest sent 300,000 tons of much-needed feed to relieve drought shortages on Western farms.

Heightened security following September 11, 2001 and numerous emergencies during the year put considerable funding pressure for program delivery. We will continue to work with TBS to ensure that program integrity is sustained through adequate funding.

Planned Result: Develop an International and Intergovernmental Cooperation Program

PWGSC has established a program to share best practices with like-minded organizations in other countries, promote its services and expertise around the world, and help developing countries with their own public service initiatives.

We met with our Australian, British and American counterparts which allowed us to improve our best practices in developing and maintaining border stations; developed a Good Neighbour Policy drawing on US experience; improved service standards in the areas of telecommunications, informatics and real property; and built competency through exchanges of personnel and joint training sessions. With the support of the Canadian International Development Agency and TBS, we were also active in hosting delegations from developing countries such as Argentina, China, Korea, Slovakia and St. Lucia.

Access to Information

The Office of the Information Commissioner of Canada (OICC) reviewed PWGSC's compliance with the statutory time frames for processing Access to Information requests. OICC rated our performance as an "F" according to its grading standard (time frames not met more than 20% of the time). Further information on this review and OICC's recommendations are available at http://www.infocom.gc.ca/reports/section_display-e.asp?intSectionId=390.

PWGSC has received a growing number of access requests for sponsorship information since 1999-00. For example, 18% of access requests received between April and September 2001 were sponsorship-related, but this percentage almost doubled between April and November 2002. The number and complexity of these requests has placed severe constraints on PWGSC's ability to respond in a timely manner.

We are developing an action plan in response to the thirteen recommendations made by the Information Commissioner. To date, three recommendations have been implemented with continuing work to determine the best ways in which to address the remaining recommendations. Additional information on this work and the results expected from the department's action plan will be provided in the 2004-05 *Report on Plans and Priorities*.



Annex A — Consolidated Reporting

In this section, we provide performance information on our involvement in government-wide initiatives such as Government On-Line, Procurement and Contracting, Materiel Management, Sustainable Development, Modern Comptrollership and Major Crown Projects.

Government On-Line

The goal of the Government On-Line (GOL) initiative is to use information and communications technology to provide Canadians with improved services, anytime, anywhere and in either official language. PWGSC's support for this goal involves two broad initiatives: putting many PWGSC services on-line and establishing the government-wide electronic infrastructure needed to connect Canadians with on-line services from all federal departments and agencies. Completion of both initiatives is scheduled for 2005.

In 2002-03, PWGSC received \$4.2 million in central GOL funding from Treasury Board for 5 of 21 on-line service projects in progress: Government of Canada Marketplace; Pay Web Development; Web Content Management; Selling to Government/Tenders; and the GOL Procurement Office. An additional \$1.97 million was allocated to these projects from internal PWGSC budgets. The remaining 16 projects are in various stages of completion but need funding to continue development.

PWGSC received a further \$96.5 million in central funding for the electronic infrastructure initiative known as the Secure Channel, which it manages jointly with Treasury Board.

The highlights of our progress in putting PWGSC services on-line in 2002-03 are described below:

PWGSC's **Government of Canada Marketplace** will provide authorized government users access to an electronic catalogue, where they can browse, search, compare and order commonly used products and services. Treasury Board Preliminary Project Approval was obtained in December 2002. By the end of March 2003, a Request for Proposal to solicit private sector interest in developing the application had been created.

Electronic Payments is a government-wide service for the electronic acceptance of payments and the secure storage of payment-related information. Two projects to develop requirements definitions for the service were completed in 2002-03. A third, to test the functionality of the new departmental pay application, was initiated as a pilot project with Industry Canada. Although the overall e-Payments project will not receive further central funding after 2002-03, it will continue with funding from the department.

The **Pay Web Development** project will provide public service employees and retired Members of Parliament with access to compensation services through a secure government Internet infrastructure. An application, giving on-line access to an electronic pay stub, was developed during 2002-03 and will be implemented once security facilities are established to protect users' privacy.

The **Web Content Management for Gateways and Clusters** project is an automated methodology for keeping the contents of Government of Canada Web sites up to date. During 2002-03, common information standards and guidelines for the system were produced through government-wide consultation. A Request for Proposal should be released early in 2003-04 to develop an automated database by fiscal year-end.

In addition to putting its own services on-line, PWGSC is working with a private sector consortium to implement electronic infrastructure facilities. Collectively known as the "Secure Channel," these facilities are essential to enable convenient, electronic and secure access by Canadians to federal government services.

A major goal for the **Secure Channel Project** in 2002-03 was to develop, test and implement a mechanism for Canadians to register and obtain secure access to government programs. This facility, known as a "Certificate Authority," is now the largest in the world. It was implemented ahead of schedule for some user departments. Its use will be extended to other departments as their applications are made accessible through the Secure Channel.

We also developed a facility which automatically routes transactions between service consumers and service providers; created an environment to test new infrastructure facilities before they are installed; established an operations centre to help the network handle the projected increase in transaction volume; and implemented a client support service to provide technical assistance for all user departments. The Client Service Centre became fully operational on July 1, 2003.

The establishment of these services permitted the project to achieve its key 2002-03 objective of putting new departmental applications on-line. Canada Customs and Revenue Agency launched its Address Change On-Line (ACO) application in September 2002. PWGSC proceeded with implementing its Payments application. And, finally, Human Resources Development Canada (HRDC) was able to proceed with the deployment of its Web Record of Employment (ROE), an application that enables employers to complete the transaction on-line.

Public accountability on the department's plans and progress is provided by regular updates by PWGSC to the PWGSC section of the GOL Public Report Web site:

(<http://www.pwgsc.gc.ca/gol/publicReports/index-e.html>).

Procurement and Contracting

PWGSC acquires goods, services and construction on behalf of the departments and agencies of the Government of Canada.

Our framework of procurement procedures and policies fosters the cost-effective and efficient delivery of contracting services to government, while respecting the legislative obligations, including those related to national and international trade agreements.

In 2002-03, over 60,000 contractual documents (a total value of \$11.4 billion) were processed. This represented an increase in value of about \$1 billion from 2001-02.

Original contracts, excluding amendments, accounted for approximately 38,800 documents valued at \$8.69 billion. Of these, 76% were awarded through competitive processes, an increase of 12.5% from 2001-02. Of the remainder, 11% used the Advanced Contract Award Notice (ACAN) and 13% were non-competitive.

The Department of National Defence continues to be our largest client, accounting for about 35% of business volume and 46% of contracting services. Seventy-two percent of the documents processed for 92% of the value were contracted for PWGSC's top clients. During the fiscal year, 77.7% of the contracts (28% of dollar value) were awarded in less than three months, a decrease from 81% the previous year. This number increases to 87.4% awarded in less than six months.

In 2002-03, several audit reports and related action plans were completed on procurement-related activities. These may be reviewed at <http://www.pwgsc.gc.ca/arb/text/toc-e.html>.

Material Management

PWGSC conducted a movable capital and controllable assets inventory in 2001, and all the data were validated by departmental responsibility centres. This initiative ensured that all the capital assets opening balances were accurate as required by the Financial Information Strategy.

- The asset inventory consisted of the following actions: A policy for the management of capital and controllable assets was introduced and implemented.
- A physical inventory of all capital and controllable assets was undertaken.
- All the data were entered in the Assets Management System (Automated Materiel Management Information System - AMMIS).

- Reports on assets were generated from AMMIS and the data were validated by responsibility centres.

The opening balances for PWGSC's capital assets have been completed and the amortization has been calculated up to March 31, 2003. The following is a breakdown of controllable and capital assets:

- capital assets (\$10,000.00 and greater)
4,946 assets for a total of \$7,471,562,592.07
- controllable assets (\$1,000 to \$9,999.00)
35,317 assets for a total of \$58,173,343.35

The assessment is based on a physical inventory of all departmental capital assets (i.e. buildings, fleet, equipment and systems). The data captured during the inventory include the information on the life-cycle costs of all departmental assets.

All assets and financial information on departmental capital and controllable assets are presently recorded in the departmental assets inventory system. The next steps are to identify the mission critical assets, conduct risk assessments and develop a plan for life-cycle, mission critical assets before March 31, 2004.

Sustainable Development

During fiscal year 2002-03, PWGSC continued to implement the commitments made in our Sustainable Development Strategy 2000, tabled in Parliament in February 2001. Implementation on those commitments began in fiscal year 2001-02, and continued this fiscal year. The strategy contains commitments relating to three goals:

- greening PWGSC operations as a custodian and provider of facilities and common-use office space to federal departments;
- greening PWGSC services to federal departments and agencies as a common service agent; and
- greening PWGSC's internal operations.

Implementation of the targets over the year has been steady, although there have been instances where progress has not been as effective as we would have liked. In the *PWGSC Report on Plans and Priorities* for 2003-04, Parliament was notified of the modified targets for seven targets that had either been scheduled to be completed by March 31, 2003, or where interim steps had been expected to have been completed by that time, but which were not achieved as expected. Modifications to their respective target dates were extended to reflect the additional work required to achieve completion.

For the most part, targets identified in the Sustainable Development Strategy remain departmental priorities as originally written. However, monitoring has indicated that revision is required in the case of the following targets:

Original Target	New Target	Reason for Modification
By March 31, 2004, deliver due diligence and topic-specific training to all applicable PWGSC Real Property Services personnel.	By March 31, 2006, deliver due diligence and topic-specific training to all applicable PWGSC Real Property Services personnel.	Competing demands for scarce resources have meant that the training identified cannot be delivered by the original target date.
By October 31, 2003, provide green procurement training to all PWGSC personnel with internal purchasing responsibility.	By June 2004, either provide green procurement training for all PWGSC Acquisition Cardholders or register for them for green procurement training in 2004-05. Further, all PWGSC personnel with internal purchasing responsibility, other than cardholders, will be identified and trained through the departmental Management Orientation Program, an ongoing process.	To better serve its clients, PWGSC has undergone major organizational restructuring. As a result of restructuring, the target date for the large number of employees who require this training had to be deferred.

Specific plans are being prepared to focus corrective attention where it is needed. As an example, in fiscal year 2003-04, funding has been confirmed to complete the assessment of all PWGSC sites for contamination and to develop plans for remediation or risk management where contamination has been identified.

Weaknesses in data gathering have also been identified. Experience gained has led to smarter target development, improved management processes and enhanced results-monitoring systems. PWGSC is well positioned to build on its successes and learn from its shortcomings, as it moves ahead with the development of its updated Sustainable Development Strategy, scheduled to be tabled in Parliament in December 2003.

Implementation and monitoring of all commitments included in the Sustainable Development Strategy 2000 will continue throughout the coming fiscal year and beyond. With the increased focus on climate change and on the Kyoto Protocol, we are committed to meeting our obligations for greenhouse gas emission reduction and augmenting the greening of our services to clients and our operations.

More performance details can be found in a separate document, the *PWGSC Sustainable Development Performance Report*. This report is available on the Internet at <http://www.pwgsc.gc.ca/sd-env/text/performance-report-e.html>.

Fuel Storage Tanks

As required under the Canadian Environmental Protection Act (CEPA), Part IV, Registration of Storage Tank Systems for Petroleum Products and Allied Petroleum Products on Federal Lands Regulations, this report provides the information set out in Schedule II of the aforementioned regulation, updated to March 31, 2003.

As of March 31, 2003, the status of fuel storage tanks on federal lands under the custodianship of PWGSC is as follows:

Tanks	Tanks registered	Tanks in compliance	Tanks not in compliance
Aboveground	29	14	15
Underground	72	55	17

Notes:

- Inventory of tanks registered has increased as a result of additional properties transferred to the department and tanks that had not been identified.
- Tanks that were reported as non-compliant in last year's report have all been either replaced, upgraded or removed, or approval has been obtained from Environment Canada to manage the tanks in place.
- For the current inventory of non-compliant tanks, plans to upgrade are being completed.

Modern Comptrollership

In October 2002, we assessed our management practices. Results of this assessment are available on-line at <http://www.pwgsc.gc.ca/mmpa/text/index-e.html>. In response to the findings of the assessment, we released a detailed action plan in March 2003. This plan is organized around the seven elements of Modern Comptrollership and identifies specific actions, responsibilities, timelines and resource estimates. It is available on-line at <http://www.pwgsc.gc.ca/mmpa/2003/text/index-e.html>.

Progress made in 2002-03 in the seven areas of the Modern Comptrollership is summarized below:

Integrated Performance Information: Some progress was made in this area, including the development and beginning of the implementation of a cost management framework. This will provide managers with key information for decision-making purposes.

Strategic Leadership: As mentioned in Section II of this report, the department undertook a comprehensive assessment of its financial situation in 2002-03. This assessment concluded that we are facing unsustainable financial pressures resulting from the impact of Program Review decisions, the complex financial structure of the department, and policies related to revolving that limit the department's flexibility to manage business fluctuation. The assessment provides a list of unfunded pressures, identifies the stewardship efforts the department has made to manage these pressures and proposes a phased approach to deal with them.

To transform the business to better serve our clients, the Deputy Minister announced a new organizational structure for the department on November 12, 2002. This transformation will support a new service delivery model—one based on providing integrated, seamless service to our clients.

Integrated Risk Management: A departmental risk policy was published in June 2002. The policy supports the development of improved organization-wide risk management practices. PWGSC also developed a half-day training program and e-learning tool, which is now available on the TBS Web site. Furthermore, as part of developing an organization-wide approach to managing risk, we are establishing a corporate risk profile to identify key risks that could significantly influence the achievement of business objectives. This risk profile will serve as a basis for developing an action plan in 2003-04.

Rigorous Stewardship: We are addressing issues identified in the review of the Sponsorship Program. We have implemented a Quality Assurance Program to assess managerial performance in exercising spending and contracting authorities, to ensure compliance with financial training standards, to certify the maintenance of delegation forms and to follow up on financial management issues identified in audit reports.

Shared Values and Ethics: The department's values and ethics initiative builds on the Human Resources Modernization Reform and the Public Service Code of Values and Ethics. Our Ethics Leadership Team has been expanded and rejuvenated to give managers true horizontal representation and support. We are moving beyond ethical awareness by providing the support and tools that managers need to personally conduct ethics orientation and establish ethical expectations with employees. We continued to emphasize ethical consciousness while reorienting our focus toward ethical decision-making and action.

Motivated People: Sixty-eight percent of PWGSC employees participated in the 2002 Public Service Employee Survey. As mentioned in the Operational Support Business Line section, the department conducted a comparative analysis between the 1999 and 2002 surveys, which demonstrated positive results overall. This analysis has been communicated to both employees and unions. Action plans are being finalized and will be implemented in the near future.

The Management Renewal and Development Program continues to be implemented. The department also launched the Managers' Community Network during the reporting period to build and support a community of managers in PWGSC. The network promotes the interests of PWGSC management. It also serves as a forum to exchange information on topics of interest to management; share best practices and inform management of tools and resources at their disposal; act as an advocate for change; and identify and communicate the needs and challenges of PWGSC management.

Clear Accountability: Good comptrollership is the responsibility of every manager at PWGSC. As such, we included Modern Comptrollership in all senior executive performance agreements.

Major Crown Projects

This section provides information on six Major Crown Projects: the Federal Judicial Building, the Bank Street Building, the Library of Parliament, the Wellington Building, the Secure Channel Project and the Shared Travel Services Initiative.

Project Name: Federal Judicial Building

Project Phase: Project Definition

1. Overview

The construction of a new Crown-owned facility of approximately 24,000 useable square metres to accommodate all of the National Capital Area operations of the Federal Court of Appeal, the Court Martial Appeal Court, the Federal Court, the Tax Court of Canada and the Courts Administration Service (with the exception of some off-site document storage in Gatineau, Quebec) will provide an allowance for projected growth in these entities to the end of the year 2015. It will be located on the northwest corner of Lyon and Sparks Streets, Ottawa, adjacent to the Supreme Court of Canada Building. Total project costs are not to exceed \$140 million (current year dollars, excluding GST) plus an allowance of \$11 million for Parliamentary Precinct parking facilities.

2. Lead and Participating Departments

- a. Sponsoring Departments: Public Works and Government Services Canada and Department of Justice (joint)
- b. Contracting Authority: Public Works and Government Services Canada
- c. Participating Department: Courts Administration Service

3. Prime Contractor and Major Sub-Contractors

NORR Limited Architect and Engineers, Toronto, Ontario

4. Major Milestones

Effective Project Approval - October 2003

Construction Start - Spring 2004

Construction Completion - Late 2007/early 2008

5. Progress Report and Explanation of Variances

A building design concept has been developed which meets the Courts operational requirements and responds to the design guidance given by the National Capital Commission Advisory Committee on Planning, Design and Realty.

The actual amount expended in fiscal year 2002-03 was \$2.7 million. As we were unable to profile the remaining \$2.9 million of funding, these funds were lapsed. This variance resulted from a longer than expected process for finalizing the design, hence delaying submission for Effective Project Approval. Because this is a design-to-cost project in a highly visible location, great care was necessary to develop a design concept acceptable to all key stakeholders. The estimated total for this project is \$151 million (\$140 million for the building and \$11 million for parliamentary parking). The building design will be adjusted if necessary to remain within this estimate to the end of design development and substantive estimates.

6. Industrial Benefits

Multi-million dollar contracts will be awarded for building construction.

Project Name: Bank Street Building (New Parliamentary Precinct Building)
Project Phase: Project Definition**1. Overview**

The construction of 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, support spaces and a 300-car underground parking garage. This building was identified as a priority in the Long Term Vision and Plan for the Parliamentary Precinct and is required to permit parliamentary functions to be located within the Parliamentary Precinct and the vacating of other parliamentary buildings that are badly in need of renovations. The current cost estimate is \$275.8 million and the planned start of construction is 2005.

2. Lead and Participating Departments

- a. Sponsoring Department: Public Works and Government Services Canada
- b. Contracting Authority: Public Works and Government Services Canada
- c. Participating Departments: House of Commons, Senate of Canada

3. Prime Contractor and Major Sub-Contractors

No prime contractor under contract at this time.

4. Major Milestones

Consultant Contract Award - November/December 2003

Effective Project Approval - November/December 2004

Construction Start - Spring 2005

Construction Completion - Late 2008/early 2009

5. Progress Report and Explanation of Variances

There is a variance of \$6.1 million in expenditures from those planned for 2002-03 to the actuals for 2002-03. This decrease in expenditures was due to an extensive delay of about nine months, due mainly to the need to secure the necessary funding for the project before initiating the consultant selection process. The necessary funds were approved in September 2002.

The current cost estimate is \$275.8 million (current dollars). This is an increase of \$78 million from the \$197.8 million (constant 2001 dollars). The increase is attributed as follows: a) \$32.7-million conversion from constant to current dollars and b) \$45.3 million for improved estimates, program changes and inclusion of additional risk factors.

6. Industrial Benefits

Multi-million dollar contracts will be awarded for building construction, information technology systems, multimedia systems, furniture and other equipment.

Project Name: Conservation, Rehabilitation and Upgrade of the Library of Parliament**Project Phase:** Project Implementation**1. Overview**

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 one in the 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 current cost estimate is \$112.7 million.

2. Lead and Participating Departments

- a) Sponsoring Department: Public Works and Government Services Canada
- b) Contracting Authority: Public Works and Government Services Canada
- c) Participating Departments: Library of Parliament, House of Commons

3. Prime Contractor and Major Sub-Contractors**Main Library:**

- Thomas Fuller Construction Co. (1958) Limited, Ottawa
(General Contractor, Main Library, Parliament Hill, Ottawa)
- Sub-contractors (major only)
 - Dibco Underground LTD, Bolton, Ontario (Excavation)
 - Carleton Ironworks & Simcon (Ironwork)
 - Comstock, Burlington, Ontario (Mechanical)
 - Soheil Mosun Limited, Toronto, Ontario (Windows)
 - Heather & Little LTD, Toronto, Ontario (Roofing)
 - Colonial Building Restoration, Scarborough, Ontario (Masonry)

Swing Spaces:

- Ed Brunet et Associés, Gatineau, Québec
(General Contractor for 125 Sparks Street, Ottawa)
- Les Constructions Ferclau Inc., Le Gardeur, Québec
(General contractor for 45 Sacré-Coeur, Gatineau, Québec)

4. Major Milestones

Pre-Planning Start - June 1995
Preliminary Project Approval - June 1998
Effective Project Approval - December 1999
Swing Space Construction - February 1999 to December 2001
Revised Effective Project Approval - January 2002
Main Library Construction Start - March 11 2002
Target Main Library Completion - June 2005
Target for Library to Move Back - Date: Summer 2005

5. Progress Report and Explanation of Variances

The swing space locations are complete and operational. The swing space projects have been completed on budget. The main library construction started March 2002. The forecast total cost has increased from \$78.6 to \$112.7 million (\$30.7 million of this increase is solely due to the tender results for the main library coming in much higher than expected. It is now part of the approved budget. \$3.4 million is for a potential shortage). Consideration of options for dealing with the increase resulted in a delay in awarding the tender, which consequently delayed the start of construction by six months. Nevertheless, expenditures for fiscal year 2002-03 remained close to the forecast. Forecasts for future years have been increased to reflect the new estimate and the project will finish one year later than expected.

6. Industrial Benefits

Multi-million dollar contracts have been awarded for architectural design and conservation expertise, and for all aspects of construction in heritage buildings. Canadian expertise in conservation and adaptation of heritage structures to modern use is being furthered. Smaller contracts for informatics and security updating have yet to be awarded.

Project Name: Wellington Building Renovation Project
Project Phase: Project Definition**1. Overview**

The Wellington Building is located at 180 Wellington Street, across from Parliament Hill. It is a six-storey structure built in 1925 by Metropolitan Life Insurance Company. The House of Commons has been the major tenant since it was expropriated by the Crown in 1973. Renovations are required for health and safety reasons, to replace obsolete building systems and to meet building code requirements. The planned start of construction is August 2006, with completion in January 2010. The building will be completely vacated during the renovations. The current cost estimate is \$148.8 million.

2. Lead and Participating Departments

- a. Sponsoring Departments: Public Works and Government Services Canada
- b. Contracting Authority: Public Works and Government Services Canada
- c. Participating Departments: House of Commons

3. Prime Contractor and Major Sub-Contractors

No prime contractor is under contract at this time.

4. Major Milestones

Functional Program Completion - January 2004
Consultant Contract Award - August 2004
Effective Project Approval - April 2005
Construction Start - August 2006
Construction Completion - January 2010

5. Progress Report and Explanation of Variances

The variance in expenditures between those planned for 2002-03 and the actuals for 2002-03 is \$6.0 million. This decrease in expenditures was due to an extensive delay in securing resources for the project team. The major impact was on the preparation of the functional program, but this has since been resolved.

The current cost estimate is \$148.8 million (current dollars). This is an increase of \$23 million over the \$125.8 million estimate (2001 constant dollars). The increase is due to:

- (i) \$19.2-million conversion from constant to current dollars; and
- (ii) \$3.8-million allowance to cover potential risk associated with projects in the Parliamentary Precinct (e.g., disruptions, delays and increased security).

6. Industrial Benefits

A multi-million dollar general contract will be awarded for building construction, information technology systems, multimedia systems, furniture and other equipment. The number of available jobs will be determined after the award of the general construction contract.

Project Name: Secure Channel Project
Project Phase: Field Trial**1. Overview**

The Secure Channel is the centerpiece of Canada's common infrastructure that supports the Government On-Line (GOL) initiative by providing citizens and businesses with secure, private, high-speed access to the federal government's on-line services and information. The Secure Channel provides network services for all federal departments. Secure Channel's enhanced security and privacy services include, but are not limited to access, authentication, confidentiality, authorization, connectivity, inter-communication, data integrity, non-repudiation, brokering, Public Key Infrastructure (PKI) and basic Privilege Management Infrastructure (PMI) services.

The Secure Channel Project is a joint initiative between PWGSC and Chief Information Officer Branch, Treasury Board Secretariat (CIOB/TBS), launched in the fall of 1998. The project is currently in the development and implementation stage, known as the "Field Trial" phase. PWGSC is responsible for developing and managing the technical components of the infrastructure, while TBS is responsible for the planning of GOL initiatives and architectural and functional requirements.

2. Lead and Participating Departments

- a. Sponsoring Departments: Treasury Board Secretariat
- b. Contracting Authority: Public Works and Government Services Canada
- c. Participating Departments:
 - Canada Customs and Revenue Agency
 - Human Resource Development Canada
 - Public Works and Government Services Canada

3. Prime Contractor and Major Sub-Contractors

The Prime Contractor is BCE Nexxia Inc.

4. Major Milestones

RFP Closing - December 2000

Head Start Contract Award - May 2001

Design and Integration Contract Award - June 2001

Design-Integration Phase Completion - May 2002

Field Trial Phase Start - May 2002

Field Trial Phase Completion - September 2003

Implementation Phase Start - October 2003

Sustainable Operations Start - October 2004

Sustainable Operations Completion - September 2010

5. Progress Report and Explanation of Variances

There is no variance between the planned expenditures for 2002-03 and the actuals for 2002-03. The current cost estimate up until the end of the Field Trial phase (September 2003) is \$216 million.

6. Industrial Benefits

Regional and industrial benefits do not apply to solicitations that are covered by trade agreements. The Secure Channel is one such solicitation. There is a Senior Project Advisory Committee decision on file dated June 2000. The Secure Channel Request for Proposal was advertised as stating that the North American Free Trade Agreement, World Trade Agreement-Agreement on Government Procurement and Agreement on Internal Trade apply.

Project Name: Shared Travel Services Initiative (STSI)
(Formerly Government Travel Modernization Initiative - GTMI)
Project Phase: Project Definition

1. Overview

The STSI project is a \$ 275 million initiative. The planned start date is October 1, 2003 for a seven-year term with option to extend for up to an additional two-year term. The solution will provide fully functional, comprehensive and seamlessly integrated “employee-friendly” travel services to government employees. Travel services include the following services:

- Full services travel agency
- On-line reservation service
- Travel expense claim service
- Travel credit card service
- Traveller’s reimbursement service
- Business intelligence service
- Portal service
- Employee Travellers Service Network

2. Lead and Participating Departments

a. Sponsoring Departments:

Treasury Board Secretariat and
Public Works and Government Services Canada,
Acquisition Program Branch

b. Contracting Authority:

Public Works and Government Services Canada,
Operations Branch

c. Participating Departments:

Atlantic Canada Opportunity Agency
Department of Foreign Affairs and International Trade
Health Canada
Indian and Northern Affairs Canada
National Energy Board
Public Service Commission
Public Works and Government Services Canada
Royal Canadian Mounted Police
Statistics Canada
Veterans Affairs Canada

3. Prime Contractor and Major Sub-Contractors

The Prime Contractor is Accenture Inc. The three major sub-contractors are: American Express, Bell Nexia and Concur Technologies Inc.

4. Major Milestones

There are two major milestones:

- (i) Lite Stage (one-year trial stage)
- (ii) Robust Stage (seven-year initiative with option to extend for up to two years)

(i) Lite stage

The Lite Stage is essentially a one-year pilot of the electronic requirement portion of the solution and will be deployed in 10 vanguard departments and agencies. The result of the evaluation of the Lite stage will provide a basis for decisions regarding subsequent developments.

(ii) Robust stage

The solution during the Robust stage will provide increased functional and operational robustness, enhanced functional completeness and tighter integration between the functional components of the electronic travel services portfolio, as well as complete electronic data feed with the financial systems in participating departments and agencies.

The Robust stage is the actual full deployment and operational stage of the solution. The contractor will make ready, deploy and operate the solution in participating departments and agencies, whose number may extend to some 122 departments and agencies.

5. Progress Report and Explanation of Variances

No contract awarded yet.

6. Industrial Benefits

The STSI is considered one of the Human Resource Modernization initiatives. The following are some of the anticipated benefits of the STSI:

- To provide the IM/IT industry (American Express, Bell Nexia, Concur Technologies Inc.) with the opportunity to demonstrate their ability to champion and deploy a state-of-the-art end-to-end travel solution.
- To allow for cost effective travel arrangements and ensure that the industry (small and large companies) receive fair opportunity to compete for a share of the travel market.

Alternative Service Delivery (ASD)

Name of ASD Initiative: Alternative Forms of Delivery (AFD) in Property Management and Project Delivery Services

Start Date: May 1998

PWGSC is planning for AFD renewal and new procurement to be effective April 1, 2005.

Results Achieved

The Department reported to TBS in May 2003 on the results of an independent evaluation of the AFD initiative in February 2003. This evaluation concluded that:

- AFD is good public policy, is cost effective and represents value for money. The initiative has achieved an estimated annual cost avoidance of \$12 million or \$5 per square metre of managed space compared to in-house managed inventory;
- AFD has been effective in achieving program objectives. Tenant surveys report a high degree of satisfaction—92.2% for AFD and 91.3% for in-house managed facilities;
- The Crown's investment in real property is managed effectively. Asset integrity and condition is being preserved; critical government policies have been respected and applied vigorously;
- AFD has allowed the department to move to a more strategic approach to property management and focus on its core mandate as the government's strategic advisor for real property—this shift is supported by the change in employee demographics within the Real Property Services Program;
- AFD has inspired leading edge tools relating to tenant satisfaction, quality management and performance measurement systems, service call coordination and follow up, and improved measures for determining asset integrity;
- AFD should be renewed and expanded within a framework of continuous improvement.
- The department is committed to the ongoing measurement and reporting on the performance of initiatives against the key indicators of cost, service to clients, asset integrity and the public interest.

E-links

Treasury Board Alternative Service Delivery Web site:

<http://www.tbs-sct.gc.ca/asd-dmps>

Public Service and Government Services Canada Alternative Form of Delivery Web site:

<http://www.pwgsc.gc.ca/afd>



Annex B — Financial Performance

Financial Performance Overview

The following explains the significant changes between planned spending, total authorities and actual spending in the department for 2002-03.

(in millions of dollars)

PLANNED SPENDING	\$2,223.3
Acquisition of Skyline Campus	96.9
Government On-Line	94.4
Accommodation Costs	80.3
Collective Bargaining	31.1
	\$2,526.0
TOTAL AUTHORITIES	
Conversion Factor	(48.7)
Capital Lapse	(28.2)
Operating Budget Lapse	(22.8)
Separately Controlled Budget Lapse	(1.7)
Other Adjustments	(1.7)
	\$2,422.9
ACTUAL SPENDING	

In 2002-03 the department managed, within its approved spending authorities, to deliver quality services and pursue efficiencies in all its operations.

The capital lapse is primarily due to project slippage and seasonal delays.

The operating budget lapse is primarily related to deferred projects to be completed in 2003-04 and fell below the maximum carry forward permitted.

The separately controlled lapses include close to \$49 million related to the annual remittance to the Consolidated Revenue Fund of the conversion factor for employee benefits and health care costs.

Financial Table 1: Authorities for 2002-03

(in millions of dollars)

Vote	Program	2002-03		
		Planned Spending	Total Authorities	Actual
	Government Services			
1	Operating expenditures	1,735.7	1,988.9	1,915.7
5	Capital expenditures	428.8	462.2	434.0
10	Grants and Contributions	8.1	5.2	4.6
(S)	Minister of Public Works and Government Services - Salary and motor car allowance	0.1	0.1	0.1
(S)	Contribution to employee benefit plans	64.4	76.4	76.4
(S)	Real Property Services Revolving Fund	-	-	-
(S)	Real Property Disposition Revolving Fund	(16.6)	(16.6)	(12.3)
(S)	Optional Services Revolving Fund	(0.1)	(0.1)	1.1
(S)	Telecommunications and Informatics Common Services Revolving Fund	-	-	(1.0)
(S)	Consulting and Audit Canada Revolving Fund	(1.1)	(1.1)	(0.3)
(S)	Translation Bureau Revolving Fund	4.0	4.0	(2.0)
(S)	Payments to municipalities and other taxing authorities	-	2.0	2.0
(S)	Refunds of amounts credited to revenue in previous years	-	4.4	4.4
(S)	Spending of proceeds from the disposal of surplus Crown assets	-	0.6	0.2
DEPARTMENT TOTAL		2,223.3	2,526.0	2,422.9

Totals may not add up due to rounding.

(S) = Statutory

Note:

(1) Queens Quay West Land Corporation (QQWLC) responsibilities, under the Crown Corporations Program, along with Corporate Implementation Group responsibilities were transferred to Transport Canada effective April 1, 2002 and should be reported by Transport Canada in their Departmental Performance Report.

Financial Table 2: Departmental Planned Versus Actual Spending by Business Line

(in millions of dollars)

PROGRAM						Less:	
Business Line	FTEs	Operating	Capital	Grants and	Total Gross	Responsible	Total Net
Service Line				Contributions	Expenditures	Revenues	Expenditures
GOVERNMENT SERVICES							
Real Property Services							
<i>Federal Accommodation and Holdings</i>	3,049	1,534.7	428.8	8.1	1,971.6	259.6	1,712.0
	3,362	1,750.2	434.0	3.4	2,187.7	432.4	1,755.3
<i>Services</i>							
- Real Property Services Revolving Fund	1,481	776.4	-	-	776.4	776.4	-
	1,472	826.6	-	-	826.6	826.6	-
- Real Property Disposition Revolving Fund	-	3.8	-	-	3.8	20.4	(16.6)
	-	5.6	-	-	5.6	17.9	(12.3)
Total Real Property Services	4,530	2,314.8	428.8	8.1	2,751.8	1,056.4	1,695.4
	4,834	2,582.4	434.0	3.4	3,019.9	1,276.9	1,743.0
Supply Operations Service							
- Vote	1,610	142.0	-	-	142.0	27.4	114.6
	1,886	177.5	-	-	177.5	44.2	133.2
- Optional Services Revolving Fund	90	116.2	-	-	116.2	116.3	(0.1)
	85	100.3	-	-	100.3	99.1	1.1
Total Supply Operations Service	1,700	258.2	-	-	258.2	143.7	114.5
	1,971	277.7	-	-	277.7	143.3	134.4
Receiver General							
	463	118.2	-	-	118.2	19.5	98.7
	426	120.4	-	-	120.4	20.9	99.5
Public Service Compensation							
	806	51.5	-	-	51.5	24.3	27.2
	859	75.1	-	-	75.1	41.8	33.4
Telecommunications and Informatics							
Common Services (TICS)							
- Vote	35	48.0	-	-	48.0	28.5	19.5
	118	147.4	-	-	147.4	42.5	104.9
- TICS Revolving Fund	223	104.2	-	-	104.2	104.2	-
	174	114.6	-	-	114.6	115.6	(1.0)
Total TICS	258	152.2	-	-	152.2	132.7	19.5
	292	262.0	-	-	262.0	158.1	103.9
Consulting and Audit Canada							
	400	97.9	-	-	97.9	99.0	(1.1)
	400	119.1	-	-	119.1	119.5	(0.3)

Financial Table 2: Departmental Planned Versus Actual Spending by Business Line (cont'd)

(in millions of dollars)

PROGRAM Business Line Service Line	FTEs	Operating	Capital	Grants and Contributions	Total Gross Expenditures	Less:	
						Responsible Revenues	Total Net Expenditures
GOVERNMENT SERVICES							
Translation Bureau							
- Vote	-	42.9	-	-	42.9	-	42.9
	-	49.6	-	-	49.6	-	49.6
- Translation Bureau Revolving Fund	1,566	176.2	-	-	176.2	172.2	4.0
	1,624	196.5	-	-	196.5	198.5	(2.0)
Total Translation Bureau	1,566	219.1	-	-	219.1	172.2	46.9
	1,624	246.2	-	-	246.2	198.5	47.6
Operational Support							
<i>IM/IT - Departmental Operations</i>	1,281	207.3	-	-	207.3	64.2	143.1
	1,296	237.0	-	-	237.0	74.7	162.4
<i>Corporate Management</i>	1,450	111.3	-	-	111.3	32.2	79.1
	1,568	155.3	-	3.2	158.5	59.4	99.1
Total Operational Support	2,731	318.6	-	-	318.6	96.4	222.2
	2,864	392.4	-	3.2	395.5	134.1	261.5
TOTAL DEPARTMENT	12,454	3,530.5	428.8	8.1	3,967.4	1,744.1	2,223.3
	<i>12,454</i>	<i>4,065.3</i>	<i>462.2</i>	<i>7.2</i>	<i>4,534.7</i>	<i>2,008.8</i>	<i>2,526.0</i>
	13,270	4,075.3	434.0	6.6	4,515.9	2,093.1	2,422.9
Elimination of intra-departmental transactions		(297.3)			(297.3)	(297.3)	-
	13,270	3,778.0	434.0	6.6	4,218.6	1,795.7	2,422.9
Other Revenues and Expenditures							
Non-Responsible Revenues							25.1
							<i>24.8</i>
							124.4
Cost of Services Provided by Other Departments							33.6
							<i>33.6</i>
							47.8
NET COST OF THE PROGRAM							2,231.7
							<i>2,534.8</i>
							2,346.3

Totals may not add up due to rounding.

Regular characters denote the planned spending for 2002-03.

Numbers in italics denote Total Authorities for 2002-03.

Bold numbers denote actual expenditures/revenues in 2002-03.

Note:

(1) Queens Quay West Land Corporation (QQWLC) responsibilities, under the Crown Corporations Program, along with Corporate Implementation Group Branch responsibilities were transferred to Transport Canada effective April 1, 2002 and should be reported by Transport Canada in its Departmental Performance Report.

Financial Table 3: Historical Comparison of Total Planned Spending to Actual Spending

(in millions of dollars)

PROGRAM Business Line Service Line	Actual 2000-01	Actual 2001-02	2002-03		Actual
			Planned Spending	Total Authorities	
GOVERNMENT SERVICES					
Real Property Services					
Federal Accommodation and Holdings Services	1,472.6	1,499.1	1,712.0	1,850.3	1,755.3
Real Property Services Revolving Fund	(1.3)	(9.5)	-	-	-
Real Property Disposition Revolving Fund	0.3	(10.7)	(16.6)	(16.6)	(12.3)
	1,471.5	1,478.9	1,695.4	1,833.7	1,743.0
Supply Operations Service					
Vote	115.8	130.3	114.6	128.7	133.2
Optional Services Revolving Fund	2.4	4.6	(0.1)	(0.1)	1.1
	118.2	134.9	114.5	128.6	134.4
Receiver General					
	100.3	90.8	98.7	101.0	99.5
Public Service Compensation					
	28.9	30.3	27.2	36.8	33.4
Telecommunications and Informatics					
Common Services (TICS)					
Vote	-	73.9	19.5	102.5	104.9
TICS Revolving Fund	(8.8)	(2.2)	-	-	(1.0)
	(8.8)	71.8	19.5	102.5	103.9
Consulting and Audit Canada (CAC)					
CAC Revolving Fund	(3.1)	(1.4)	(1.1)	(1.1)	(0.3)
Translation Bureau					
Vote	41.5	47.5	42.9	49.6	49.6
Translation Bureau Revolving Fund	(7.4)	2.7	4.0	4.0	(2.0)
	34.1	50.1	46.9	53.6	47.6
Operational Support					
IM/IT - Departmental Operations	162.4	175.5	143.1	154.0	162.4
Corporate Management	95.3	96.1	79.1	116.8	99.1
	257.7	271.6	222.2	270.8	261.5
TOTAL DEPARTMENT	1,998.7	2,127.0	2,223.3	2,526.0	2,422.9

Totals may not add up due to rounding.

Note:

(1) Queens Quay West Land Corporation (QQWLC) responsibilities, under the Crown Corporations Program, along with Corporate Implementation Group Branch responsibilities were transferred to Transport Canada effective April 1, 2002 and should be reported by Transport Canada in its Departmental Performance Report.

Financial Table 4: Revenues by Business Line

(in millions of dollars)

PROGRAM Business Line <i>Service Line</i>	Actual 2000-01	Actual 2001-02	2002-03		
			Planned Revenues	Total Authorities	Actual
GOVERNMENT SERVICES					
Respendable Revenues					
Real Property Services					
<i>Federal Accommodation and Holdings</i>					
Rentals and Concessions	346.8	406.5	259.6	436.5	432.4
<i>Services</i>					
Real Property Services Revolving Fund					
Recoveries of disbursements on behalf of clients	571.5	663.2	629.4	629.4	671.9
Fee revenues from real property related common services	133.1	159.2	147.0	147.0	154.7
	704.6	822.4	776.4	776.4	826.6
Real Property Disposition Revolving Fund					
Sales of real properties	1.5	14.6	20.4	20.4	17.9
	706.1	837.0	796.8	796.8	844.5
	1,052.9	1,243.5	1,056.4	1,233.3	1,276.9
Supply Operations Service					
Vote					
Major Crown Projects	15.9	18.4	13.7	17.1	17.1
Acquisitions	13.0	17.8	8.2	19.7	19.7
Canadian General Standards Board	2.3	2.3	2.5	2.2	2.2
Seized Property Management	-	5.3	3.1	5.2	5.2
Others	3.9	0.3	-	-	-
	35.0	44.0	27.4	44.2	44.2
Optional Services Revolving Fund					
Traffic and Vaccine	64.9	79.8	97.7	97.7	82.8
Crown Assets Distribution	4.8	2.8	8.8	8.8	4.7
Locally Shared Support Services	6.5	6.8	7.2	7.2	7.2
Software Brokerage / Benchmarking	9.6	6.8	2.7	2.7	4.5
	85.7	96.3	116.3	116.3	99.1
	120.7	140.3	143.7	160.6	143.3
Receiver General					
Payments Services	28.9	23.3	19.5	19.8	19.8
Pension Fund	1.2	1.3	-	1.1	1.1
	30.1	24.5	19.5	20.9	20.9
Public Service Compensation					
Compensation Services	4.6	3.6	24.3	2.7	3.5
Personnel Application	0.2	0.1	-	-	-
Pension Fund	30.5	36.3	-	38.2	38.2
	35.3	40.0	24.3	41.0	41.8

Financial Table 4: Revenues by Business Line (cont'd)

(in millions of dollars)

PROGRAM Business Line Service Line	Actual 2000-01	Actual 2001-02	2002-03		Actual
			Planned Revenues	Total Authorities	
GOVERNMENT SERVICES					
Respendable Revenues					
Telecommunications and Informatics Common Services (TICS)					
Vote					
Telecommunication Revenue	-	36.0	28.5	42.5	42.5
TICS Revolving Fund					
Telecommunication Revenue	125.1	131.9	104.2	104.2	115.6
	125.1	167.9	132.7	146.7	158.1
Consulting and Audit Canada					
Consulting and Audit Services	113.1	116.3	99.0	99.0	119.5
Translation Bureau					
Revolving Fund					
Translation Services	153.2	164.8	168.4	168.4	193.8
Interpretation Services	3.0	3.5	3.2	3.2	4.0
Terminology Services	0.6	0.9	0.6	0.6	0.8
	156.9	169.3	172.2	172.2	198.5
Operational Support					
IM/IT Departmental Operations					
IM/IT Services	77.5	76.7	64.2	73.1	72.2
Internal Recoveries and Others	-	2.4	-	2.4	2.4
	77.5	79.1	64.2	75.6	74.7
Corporate Management					
Ministerial Regional Offices	2.1	2.4	2.6	5.1	5.1
Internal Recoveries and Others	39.9	42.5	29.6	54.4	54.3
	42.1	44.9	32.2	59.5	59.4
	119.6	124.0	96.4	135.1	134.1
Total Respendable Revenues	1,753.7	2,025.8	1,744.0	2,008.8	2,093.0

Financial Table 4: Revenues by Business Line (cont'd)

(in millions of dollars)

PROGRAM Business Line <i>Service Line</i>	Actual 2000-01	Actual 2001-02	2002-03		Actual
			Planned Revenues	Total Authorities	
GOVERNMENT SERVICES					
Non-Respendable Revenues					
Rentals and Concessions	4.9	(0.1)	-	-	(0.6)
Docks	5.1	6.0	5.1	4.8	-
Refund of Previous Year's Expenditures	10.1	9.5	-	-	12.0
Adjustment to Payable at Year End	24.2	18.2	-	-	19.8
Canada Post Corporation: Dividends	18.9	-	-	-	-
Canada Lands Company: Dividends	(0.2)	-	-	-	-
Proceeds from Disposal of Surplus Crown Assets	0.4	0.4	-	-	0.2
Consolidated Revenue Fund Revenues	1.3	-	-	-	-
Miscellaneous Non-tax Revenues					
Donation to the Crown	0.1	0.1	-	-	0.1
Seized Properties	10.2	5.1	-	-	-
Services of a regulatory nature	2.5	5.1	-	-	5.3
Rental, licenses and permits	10.6	47.9	-	-	48.6
Sales of real estate	3.5	-	-	-	9.5
Other fees and charges	-	0.7	-	-	(0.7)
Sundries	27.7	29.4	20.0	20.0	30.2
Total Non-Respendable Revenues	119.3	99.1	25.1	24.8	124.4
DEPARTMENT TOTAL	1,873.1	2,124.9	1,769.1	2,033.6	2,217.4

Totals may not add up due to rounding.

Notes:

(1) Queens Quay West Land Corporation (QQWLC) responsibilities, under the Crown Corporations Program, along with Corporate Implementation Group Branch responsibilities were transferred to Transport Canada effective April 1, 2002 and should be reported by Transport Canada in its Departmental Performance Report.

(2) 2001-02 Non-Respendable Revenues figures have been restated to reflect the Public Accounts.

Financial Table 5: Statutory Payments by Business Line

(in millions of dollars)

PROGRAM Business Line	Actual 2000-01	Actual 2001-02	2002-03		
			Planned Spending	Total Authorities	Actual
GOVERNMENT SERVICES					
Real Property Services	3.8	9.7	2.4	8.9	8.8
Supply Operations Service	18.6	19.1	17.8	21.6	21.5
Receiver General	4.9	4.0	5.5	4.3	4.3
Public Service Compensation	7.1	7.1	6.7	7.9	7.9
Telecommunications and Informatics Common Services	-	1.4	0.7	1.5	1.5
Consulting and Audit Canada	-	-	-	-	-
Translation Bureau	-	-	-	-	-
Operational Support	32.1	28.8	31.5	38.8	39.0
Total Statutory Payments	66.5	70.1	64.5	83.1	83.0

Totals may not add up due to rounding.

Note:

(1) Includes contributions to employee benefits plans, Minister's salary and car allowance, proceeds received during the year, refunds of amounts credited to revenues in previous years, private sector collection agency fees, court awards and payments to municipalities and other taxing authorities.

Financial Table 6: Transfer Payments by Business Line

(in millions of dollars)

PROGRAM Business Line	Actual 2000-01	Actual 2001-02	2002-03		
			Planned Spending	Total Authorities	Actual
GOVERNMENT SERVICES					
Real Property Services					
GRANTS					
Grants in Kind to the Royal Society of Canada	0.16	0.08	0.08	0.08	0.08
Municipalities and Other Taxing Authorities ^(Note 1)	0.91	6.43	-	1.97	1.97
	1.07	6.51	0.08	2.05	2.05
CONTRIBUTIONS					
Canadian Standards Association	0.01	0.01	0.01	0.01	0.01
Hudson Bay Port Company	0.98	0.79	-	-	-
Argentia Management Authority	-	3.50	8.02	2.00	1.37
	0.99	4.30	8.03	2.01	1.38
Operational Support					
GRANT					
Downsview Park (World Youth Day)	-	0.28	3.17	3.17	3.17
Total Transfer Payments	2.06	11.08	11.29	7.23	6.60

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.

Financial Table 7: Resource Requirements by Organization and Business Line for 2002-03

(in millions of dollars)

PROGRAM	BRANCH											Total
	Offices of the		Supply	Government	Telecommu- nications and	Consulting						
	Minister and Deputy Minister	Real Property Services	Operations Service	Operational Service	Informatics Common Services	Audit Canada	Translation Bureau	Human Resources	Audit and Ethics	Communi- cations	Legal Services	
GOVERNMENT SERVICES												
Real Property Services	-	1,695.4	-	-	-	-	-	-	-	-	-	1,695.4
	-	1,743.0	-	-	-	-	-	-	-	-	-	1,743.0
Supply Operations Service	-	-	114.5	-	-	-	-	-	-	-	-	114.5
	-	-	134.4	-	-	-	-	-	-	-	-	134.4
Receiver General	-	-	-	98.7	-	-	-	-	-	-	-	98.7
	-	-	-	99.5	-	-	-	-	-	-	-	99.5
Public Service Compensation	-	-	-	27.2	-	-	-	-	-	-	-	27.2
	-	-	-	33.4	-	-	-	-	-	-	-	33.4
Telecommunications and Informatics Common Services	-	-	-	-	19.5	-	-	-	-	-	-	19.5
	-	-	-	-	103.9	-	-	-	-	-	-	103.9
Consulting and Audit Canada	-	-	-	-	-	(1.1)	-	-	-	-	-	(1.1)
	-	-	-	-	-	(0.3)	-	-	-	-	-	(0.3)
Translation Bureau	-	-	-	-	-	-	46.9	-	-	-	-	46.9
	-	-	-	-	-	-	47.6	-	-	-	-	47.6
Operational Support	4.8	18.7	0.1	26.8	143.1	-	-	14.3	5.9	7.1	1.4	222.2
	4.9	17.7	0.1	37.0	162.4	-	-	24.1	7.0	6.9	1.5	261.5
TOTAL DEPARTMENT	4.8	1,714.0	114.6	152.7	162.7	(1.1)	46.9	14.3	5.9	7.1	1.4	2,223.3
	4.9	1,760.7	134.5	169.8	266.3	(0.3)	47.6	24.1	7.0	6.9	1.5	2,422.9

Totals may not add up due to rounding.

Regular characters denote the planned spending.

Bold numbers denote actual expenditures/revenues in 2002-03.

Note:

(1) Queens Quay West Land Corporation (QQWLC) responsibilities, under the Crown Corporations Program, along with Corporate Implementation Group Branch responsibilities were transferred to Transport Canada effective April 1, 2002 and should be reported by Transport Canada in its Departmental Performance Report.

Financial Table 8: Capital Projects by Business Line

(in millions of dollars)

Business Line	Current		Actual 2001-02	2002-03	
	Estimated	Actual		Planned	Actual
	Total	2000-01	Spending		
Real Property Services					
NEWFOUNDLAND					
Argentia - Environmental remediation	70.8	13.2	7.8	6.8	7.7
NEW BRUNSWICK					
St. George - GOCB - Construction	4.8	-	-	3.7	0.1
Bathurst - Nicholas Denys - Building upgrade	6.8	0.3	1.0	3.5	2.8
QUEBEC					
Ville St-Laurent - 3155 Côte-de-Liesse - Renovation	29.5	7.8	1.9	2.3	1.2
Montréal - 305 René Lévesque - Renovation	22.7	3.6	2.0	3.5	2.5
Rigaud - Collège des Douanes - Renovation	8.0	-	5.9	1.9	1.6
Montréal - 740 Bélair - Construction	44.5	0.1	1.3	8.6	4.0
Montréal - 200 René-Lévesque - Renovation	15.9	-	0.1	1.6	0.2
Montréal - Vieux-Port - Restoration of the wharf wall	2.0	-	1.3	1.1	0.6
ONTARIO					
St-Catharines - GOCB - Renovations	8.0	0.3	2.9	1.5	2.0
Toronto - GOCB Joseph Shepard - Base building/HVAC	3.5	-	-	1.5	-
Toronto - GOCB Arthur Meighan - Base building/INAC fit-up	5.1	-	1.5	1.6	2.7
Burlington - Burlington Bridge - Re-investment program	4.6	-	-	1.4	4.1
Scarborough - GOCB 200 Town Centre - HVAC modifications	3.8	-	0.2	2.8	3.4
NATIONAL CAPITAL REGION (QUEBEC)					
Gatineau - Laurier-Taché Garage - Renovation	63.0	5.5	3.3	7.5	2.1
NATIONAL CAPITAL REGION (ONTARIO)					
Ottawa - Sir John Carling - Renovation/Addition	80.0	-	-	1.8	1.0
Ottawa - New Federal Court - New Construction	151.0	-	0.9	8.7	2.7
Ottawa - Ottawa City Hall - Purchase and Fit-up	86.3	36.1	36.2	8.6	1.8
Ottawa - Tunney's Pasture - Renovation of the laboratory	2.4	0.3	0.2	1.6	0.7
Ottawa - Lester B. Pearson - Federal Building Initiative	5.8	1.5	1.8	0.3	0.7
Ottawa - West Memorial Building - Elevator Access Upgrade	2.2	-	0.1	2.1	-
Ottawa - CBC facility (250 Lanark Ave.)	7.5	-	-	-	7.5
Ottawa - Skyline Complex-acq. & occupancy plan	96.9	-	-	-	91.1

Financial Table 8: Capital Projects by Business Line (cont'd)

(in millions of dollars)

Business Line	Current		Actual 2001-02	2002-03	
	Estimated Total	Actual 2000-01		Planned Spending	Actual
Real Property Services					
PARLIAMENTARY PRECINCT					
Ottawa - Library of Parliament (LOP) - Renovation	113.0	10.0	11.6	18.0	18.4
Ottawa - Campus wide - BCC	25.1	8.6	3.7	3.6	2.4
Ottawa - Bank Street Building - New building	275.8	-	1.3	9.0	2.9
Ottawa - Wellington Building - Renovation	148.8	-	0.2	6.0	-
Ottawa - La Promenade - Renovation	52.1	-	0.3	6.0	0.7
WESTERN					
Winnipeg - 269 Main Street - Multiple project	5.6	0.4	0.8	2.5	2.2
Yellowknife - GOCB - New GOCB	25.0	-	2.2	6.8	1.2
Régina - New GOCB - New construction	28.6	-	2.3	10.0	0.3
BRITISH COLUMBIA					
Northwest Highway - Reconstruction	586.1	14.0	14.1	26.0	15.5
Surrey - Tax Data Centre - Renovation	23.9	0.1	0.8	9.0	0.2
Vancouver - 401 Burrard - Purchase	72.9	0.4	0.9	55.0	58.1
Vancouver - Downtown Vancouver - CCRA Downtown	19.7	0.1	0.2	16.2	1.0
Total Capital Projects Spending	2,101.5	102.3	106.8	240.5	243.4

Totals may not add up due to rounding.

Notes:

- (1) This table includes Major Capital Projects with estimated total project costs in excess of \$1 million.
(2) GOCB stands for Government of Canada Building.

Financial Table 9: Loans, Investments and Advances

(in millions of dollars)

PROGRAM	As of March 31		
	2001	2002	2003
GOVERNMENT SERVICES			
Seized Property Working Capital Account	1.8	5.5	7.6
OTHER			
Miscellaneous accountable imprest and standing advances ^(Note 1)	17.1	20.6	20.5
Total Loans, Investments and Advances ^(Notes 2 and 3)	18.9	26.1	28.2

Totals may not add up due to rounding.

Notes:

- (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.
(2) Further details on the above loans, investments and advances can be found in Volume 1 of the Public Accounts.
(3) Royal Canadian Mint and Queens Quay West Land Corporation have been transferred to Transport Canada. They should now be reported in Transport Canada's Departmental Performance Report.

Financial Table 10: Real Property Services Revolving Fund

Statement of Operations

(in millions of dollars)

	2002-03				
	Actual	Actual	Planned	Total	Actual
	2000-01	2001-02	Spending	Authorities	
Revenues	133.1	159.2	147.0	147.0	154.7
Expenses	132.6	160.3	147.0	147.0	157.6
Surplus (Deficit) ^(Note 1)	0.5	(1.1)	-	-	(2.9)

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)

	2002-03				
	Actual	Actual	Planned	Total	Actual
	2000-01	2001-02	Spending	Authorities	
Operating Activities					
(Surplus) Deficit	(0.5)	1.1	-	-	2.9
Less items not requiring use of funds:					
Provision for employee termination benefits	1.3	4.0	-	-	(0.3)
Sub-total	(1.8)	(2.9)	-	-	3.2
Working capital change	3.3	(6.6)	-	-	(9.8)
Net financial resources (provided by) used in operating activities	1.5	(9.5)	-	-	(6.6)
Recovery of net draw down authority used ^(Note 2)	-	-	-	-	6.6
Investing Activities					
Capital Assets:					
Disposals / Adjustments	(2.8)	-	-	-	-
Net financial resources (provided by) used in investing activities	(2.8)	-	-	-	-
Authority (provided) used during the year	(1.3)	(9.5)	-	-	-
Net authority (provided by) used at the start of year	99.0	97.7	-	-	-
Write-off of authority used ^(Note 3)	-	(88.2)	-	-	-
Net authority (provided by) used at the end of year	97.7	-	-	-	-
Authority limit	450.0	450.0	150.0	150.0	150.0
Reduction in authority limit ^(Note 3)	-	(300.0)	-	-	-
Revised authority limit	450.0	150.0	150.0	150.0	150.0
Unused authority carried forward	352.3	150.0	150.0	150.0	150.0

Totals may not add up due to rounding.

Notes:

(1) Recoverable disbursements on behalf of clients are not included in Revenues and Expenses (2000-01: \$572M; 2001-02: \$663M; 2002-03: \$681.6M).

(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 in 2002-03 is \$6.6 million.

(3) Effective March 31, 2002, the authority limit was reduced from \$450M to \$150M. Furthermore, the write-off of the authority used as of March 31, 2002 was approved up to \$97.7million.

Financial Table 11: Real Property Disposition Revolving Fund

Statement of Operations

(in millions of dollars)

			2002-03		
	Actual	Actual	Planned	Total	
	2000-01	2001-02	Spending	Authorities	Actual
Revenues	21.5	15.7	20.4	20.4	14.6
Expenses	6.0	3.2	3.8	3.8	3.3
Surplus (Deficit)	15.5	12.5	16.6	16.6	11.2

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)

			2002-03		
	Actual	Actual	Planned	Total	
	2000-01	2001-02	Spending	Authorities	Actual
Operating Activities					
(Surplus) Deficit	(15.5)	(12.5)	(16.6)	(16.6)	(11.2)
Working capital change	0.3	1.8	-	-	(1.0)
Authority (provided) used during the year	(15.2)	(10.7)	(16.6)	(16.6)	(12.3)
Payment to the Consolidated Revenue Fund	15.5	12.5	16.7	16.7	11.2
Net authority (provided by) used at the start of year	(1.9)	(1.7)	(1.6)	(1.6)	0.1
Net authority (provided by) used at the end of year	(1.7)	0.1	(1.5)	(1.5)	(0.9)
Authority limit	5.0	5.0	5.0	5.0	5.0
Unused authority carried forward	6.7	4.9	6.5	6.5	5.9

Totals may not add up due to rounding.

Financial Table 12: Optional Services Revolving Fund

Statement of Operations

(in millions of dollars)

	2002-03				
	Actual	Actual	Planned	Total	Actual
	2000-01	2001-02	Spending	Authorities	
Revenues	99.5	108.3	116.3	116.3	100.2
Expenses	102.0	114.5	116.2	116.2	99.6
Surplus (Deficit)	(2.5)	(6.2)	0.1	0.1	0.6

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)

	2002-03				
	Actual	Actual	Planned	Total	Actual
	2000-01	2001-02	Spending	Authorities	
Operating Activities					
(Surplus) Deficit	2.5	6.2	(0.1)	(0.1)	(0.6)
Less items not requiring use of funds:					
Amortization	0.1	0.1	-	-	-
Loss on disposal of capital assets	0.2	-	-	-	-
Provision for employee termination benefits	0.1	0.2	-	-	-
Sub-total	2.1	5.9	(0.1)	(0.1)	(0.6)
Working capital change	1.7	-	-	-	0.9
Payments on and change in other assets and liabilities	-	(3.0)	-	-	-
Net financial resources (provided by) used in operating activities	3.8	2.9	(0.1)	(0.1)	0.3
Investing Activities					
Capital Assets:					
Net acquisitions	-	4.4	-	-	0.8
Net financial resources (provided by) used in investing activities	-	4.4	-	-	0.8
Authority (provided) used during the year	3.8	7.3	(0.1)	(0.1)	1.1
Net authority (provided by) used at the start of year	15.2	19.0	4.2	4.2	3.6
Write-off of authority used ^(Note 1)	-	(22.7)	-	-	-
Net authority (provided by) used at the end of year	19.0	3.6	4.1	4.1	4.7
Authority limit	200.0	200.0	35.0	35.0	35.0
Reduction in authority limit ^(Note 1)	-	(165.0)	-	-	-
Revised authority limit	200.0	35.0	35.0	35.0	35.0
Unused authority carried forward	181.0	31.4	30.9	30.9	30.3

Totals may not add up due to rounding.

Note:

(1) Effective March 31, 2002, the authority limit was reduced from \$200 million to \$35 million. Furthermore, the write-off of the authority used as of March 31, 2002 was approved up to \$22.7 million.

Financial Table 13: Telecommunications and Informatics Common Services Revolving Fund

Statement of Operations

(in millions of dollars)

	Actual 2000-01	Actual 2001-02	2002-03		
			Planned	Total	Actual
			Spending	Authorities	
Revenues	124.4	131.8	104.2	104.2	115.5
Expenses	118.1	129.9	104.2	104.2	114.7
Surplus (Deficit)	6.3	1.9	-	-	0.7

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 2000-01	Actual 2001-02	2002-03		
			Planned	Total	Actual
			Spending	Authorities	
Operating Activities					
(Surplus) Deficit	(6.3)	(1.9)	-	-	(0.7)
Less items not requiring use of funds:					
Amortization	0.3	0.2	0.1	0.1	0.2
Gain on disposal of capital assets	(0.1)	-	-	-	-
Provision for employee termination benefits	-	0.3	-	-	0.1
Sub-total	(6.5)	(2.4)	(0.1)	(0.1)	(1.0)
Working capital change	(2.4)	0.1	(0.1)	(0.1)	(0.4)
Net financial resources (provided by) used in operating activities	(8.9)	(2.3)	(0.2)	(0.2)	(1.4)
Investing Activities					
Capital Assets:					
Net acquisitions	0.1	0.1	0.2	0.2	0.4
Net financial resources (provided by) used in investing activities	0.1	0.1	0.2	0.2	0.4
Authority (provided) used during the year	(8.8)	(2.2)	-	-	(1.0)
Net authority (provided by) used at the start of year	(4.7)	(13.6)	(13.6)	(13.6)	(15.8)
Net authority (provided by) used at the end of year	(13.6)	(15.8)	(13.6)	(13.6)	(16.8)
Authority limit	45.0	45.0	20.0	20.0	20.0
Reduction in authority limit ^(Note 1)	-	(25.0)	-	-	-
Revised authority limit	45.0	20.0	20.0	20.0	20.0
Unused authority carried forward	58.6	35.8	33.6	33.6	36.8

Totals may not add up due to rounding.

Note:

(1) Effective March 31, 2002, the authority limit was reduced from \$45 million to \$20 million.

Financial Table 14: Consulting and Audit Canada Revolving Fund

Statement of Operations

(in millions of dollars)

	Actual 2000-01	Actual 2001-02	2002-03		
			Planned	Total	Actual
			Spending	Authorities	
Revenues	112.8	116.8	99.0	99.0	119.1
Expenses	109.5	115.5	98.4	98.4	119.3
Surplus (Deficit)	3.4	1.3	0.6	0.6	(0.2)

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

(millions of dollars)

	Actual 2000-01	Actual 2001-02	2002-03		
			Planned	Total	Actual
			Spending	Authorities	
Operating Activities					
(Surplus) Deficit	(3.4)	(1.3)	(0.6)	(0.6)	0.2
Less items not requiring use of funds:					
Amortization	-	-	0.1	0.1	0.1
Provision for employee termination benefits	0.5	0.4	0.3	0.3	0.6
Sub-total	(3.9)	(1.7)	(1.0)	(1.0)	(0.6)
Working capital change	0.7	0.1	(0.2)	(0.2)	(0.4)
Net financial resources (provided by) used in operating activities	(3.1)	(1.6)	(1.2)	(1.2)	(1.0)
Investing Activities					
Capital Assets:					
Net acquisitions	-	0.2	0.1	0.1	0.6
Net financial resources (provided by) used in investing activities	-	0.2	0.1	0.1	0.6
Authority (provided) used during the year	(3.1)	(1.4)	(1.1)	(1.1)	(0.3)
Reimbursement of employee termination benefits	(0.2)	(0.3)	-	(0.2)	(0.2)
Net authority (provided by) used at the start of year	4.0	0.7	(0.6)	(0.6)	(1.0)
Net authority (provided by) used at the end of year	0.7	(1.0)	(1.7)	(1.9)	(1.5)
Authority limit	25.1	25.1	20.0	20.0	20.0
Reduction in authority limit ^(Note 1)	-	(5.1)	-	-	-
Revised authority limit	25.1	20.0	20.0	20.0	20.0
Unused authority carried forward	24.4	21.0	21.7	21.9	21.5

Totals may not add up due to rounding.

Note:

(1) Effective March 31, 2002, the authority limit was reduced from \$25.1 million to \$20 million.

Financial Table 15: Translation Bureau Revolving Fund

Statement of Operations

(in millions of dollars)

	Actual 2000-01	Actual 2001-02	2002-03		Actual
			Planned	Total	
			Spending	Authorities	
Revenues	157.2	169.3	172.2	172.2	198.6
Expenses	152.1	170.8	174.2	174.2	197.9
Surplus (Deficit)	5.1	(1.5)	(2.0)	(2.0)	0.6

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 2000-01	Actual 2001-02	2002-03		Actual
			Planned	Total	
			Spending	Authorities	
Operating Activities					
(Surplus) Deficit	(5.1)	1.5	2.0	2.0	(0.6)
Less items not requiring use of funds:					
Amortization	0.1	0.2	1.2	1.2	0.9
Provision for employee termination benefits	1.8	1.9	0.6	0.6	1.5
Sub-total	(6.9)	(0.6)	0.2	0.2	(3.0)
Working capital change	(0.8)	(0.3)	(0.8)	(0.8)	(0.5)
Net financial resources (provided by) used in operating activities	(7.7)	(0.9)	(0.6)	(0.6)	(3.5)
Investing Activities					
Capital assets:					
Net acquisitions	0.3	3.6	4.6	4.6	1.5
Net financial resources (provided by) used in investing activities	0.3	3.6	4.6	4.6	1.5
Authority (provided) used during the year	(7.4)	2.7	4.0	4.0	(2.0)
Reimbursement of employee termination benefits	(0.4)	(0.5)	-	(0.6)	(0.6)
Net authority (provided by) used at the start of year	(11.0)	(18.8)	(16.0)	(16.0)	(16.6)
Net authority (provided by) used at the end of year	(18.8)	(16.6)	(12.0)	(12.6)	(19.2)
Authority limit	75.0	75.0	10.0	10.0	10.0
Reduction in authority limit ^(Note 1)	-	(65.0)	-	-	-
Revised authority limit	75.0	10.0	10.0	10.0	10.0
Unused authority carried forward	93.8	26.6	22.0	22.6	29.2

Totals may not add up due to rounding.

Note :

(1) Effective March 31, 2002, the authority limit was reduced from \$75 million to \$10 million.

Financial Table 16: 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.

Financial Table 17: Contingent Liabilities*(in millions of dollars)*

	As of March 31		
	2001	2002	2003
Total Claims Outstanding	265.2	359.2	363.9

Notes:

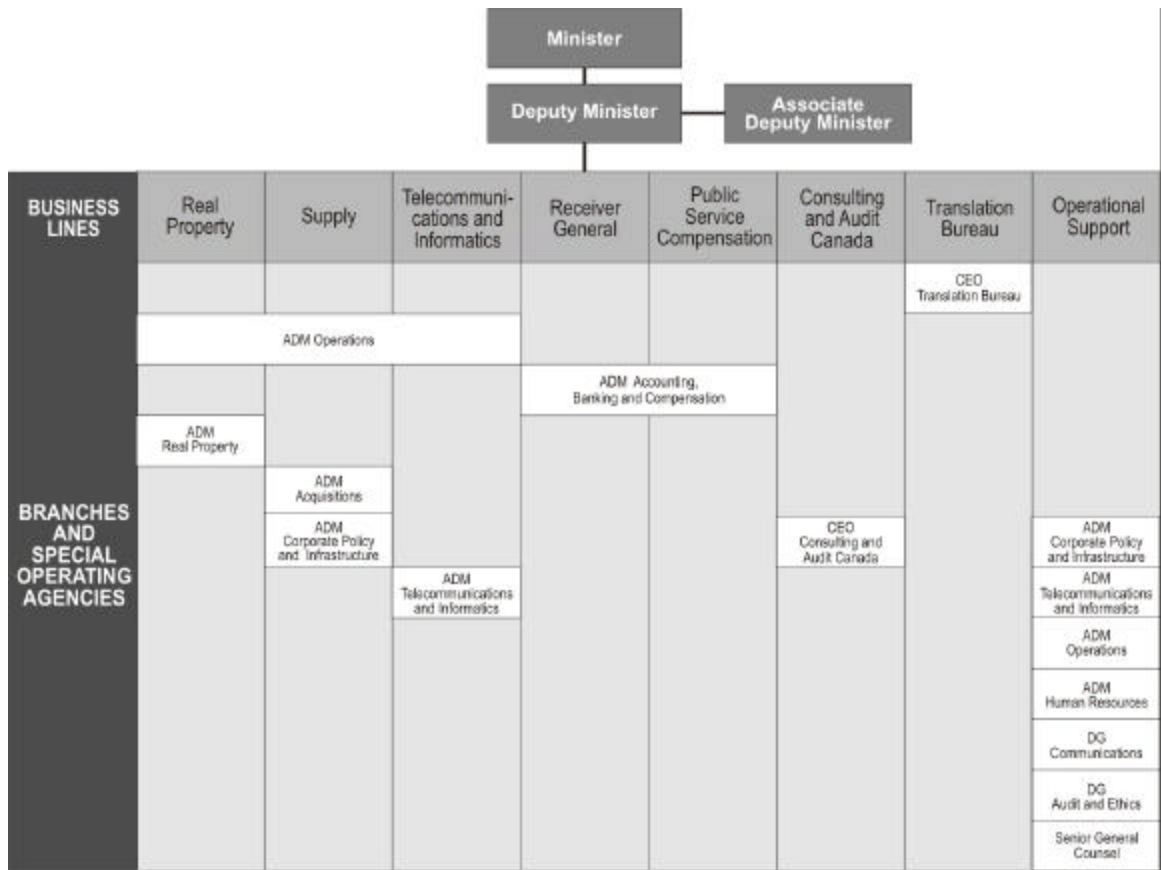
(1) These contingent amounts arise from approximately 100 cases of pending litigation related to contract disputes, damages to property or personal injuries.

(2) While these cases are in various stages of litigation, it is not the policy of the department to comment on their expected outcomes. They must, however, be recognized as potential liabilities against the Crown and are therefore presented for information purposes only.



Annex C – Other Information

PWGSC Organization Chart (as of July 2003)



For Further Information

Janet Thorsteinson

Director General
Corporate Policy and Planning Sector
Corporate Policy and Infrastructure Branch
(819) 956-1711

Myra Conway

Director General
Finance Sector
Accounting, Banking and Compensation Branch
(819) 956-8474

Internet Sites

Consulting and Audit Canada: <http://www.cac.gc.ca>
Government of Canada: <http://www.canada.gc.ca>
Public Service Compensation: <http://www.pwgsc.gc.ca/compensation>
Public Works and Government Services Canada: <http://www.pwgsc.gc.ca>
Real Property Services: <http://www.pwgsc.gc.ca/rps>
Receiver General: <http://www.pwgsc.gc.ca/recgen>
Supply Operations Service: <http://www.pwgsc.gc.ca/sos>
Telecommunications and Informatics Common Services: <http://www.pwgsc.gc.ca/gtis>
Translation Bureau: <http://www.translationbureau.gc.ca>

Other Related Sites

Compensation Service Standards: <http://www.pwgsc.gc.ca/compensation/service/serv-servicelevels2002-e.html>
Completed Internal Audits and Evaluations: <http://www.pwgsc.gc.ca/aeb/text/toc-e.html>
Contracts Canada: <http://www.contractsCanada.gc.ca>
Government On-Line Public Report: <http://www.pwgsc.gc.ca/gol/publicReports/index-e.html>
Modern Comptrollership in Action: <http://www.pwgsc.gc.ca/mmpa/2003/text/index-e.html>
Modern Management Practices Assessment: <http://www.pwgsc.gc.ca/mmpa/text/index-e.html>
PWGSC Alternative Form of Delivery: <http://www.pwgsc.gc.ca/afd>
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
PWGSC Sustainable Development Performance Report: <http://www.pwgsc.gc.ca/sd-env/text/performance-report-e.html>.