

# IT Modernization

## Issue

Many of VAC's IT systems including the Client Services Delivery Network (CSDN), which supports payment processing for all VAC programs and application processing for most of VAC's programs, require modernization due to:

- Outdated technology
- Lack of developer support
- Burdensome user experience
- Gaps in reporting functionality
- The inability to update to current accessibility standards

## Context

The Department recognizes that full IT modernization is a large and complex effort and has proposed that the work be completed in two phases. Funding has been allocated through the budget 2022 process for the initial phase which will:

- Include technical upgrades and modernization of our existing applications hosted on GCCase. This work has been completed.
- Result in an overall system with more flexibility to enable new Veteran programs, allowing them to be added more quickly and maintained more easily.
- Position the Department to continue its investments in automation, innovation, and improved client experiences
- Develop a modernization roadmap for remaining CSDN components to inform phase 2.

## Key Updates

- Modernizing this technology will provide decision-makers with a more streamlined and accessible process, enhancing VAC's ability to process veteran applications in a timely manner.
- Work on IT Modernization began in April 2023 and several milestones have already been achieved including the migration of a suite of applications to a modern platform in the cloud. A modernized Clothing and Attendance Allowance process went live in early 2025.
- By 2026, a significant portion of functions in legacy systems will be transitioned to modern technology, with an approach established for the modernization of the remaining systems in phase 2.

- This initiative (Phase 1) represents an investment of \$32.4 million from April 2023 to March 2026

IT Modernization Phase 2 is expected to begin April 1, 2026, and is expected to be complete March 31, 2028. This phase will focus on:

- Implementing the recommendations that came from the Phase 1 Payment Processing analysis
- Continue to migrate prioritized programs and benefits out of CSDN to VAC's modernized architecture

This phase is currently not funded and will require a B26 ask.

- As we improve our system technology it opens greater opportunity for automation and AI
- There are significant opportunities to look at more holistic automation in our processes, including disability and wait time reduction
- We have been working at automation in piecemeal, however have made good progress in some areas
- The automation we have done has created a base in technology and knowledge to create more larger and holistic solutions
- We have seen larger transformational asks go forward in the GOC, as well as indication from MINO that greater automation would be welcome to help with wait time reduction and service excellence asks.

We would recommend that if we are looking for greater automation and transformational approaches, there may be an opportunity to integrate with our Phase 2 asks and approach.