



# **STANDING COMMITTEE ON PUBLIC ACCOUNTS**

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## STANDING COMMITTEE ON PUBLIC ACCOUNTS

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Regina Rosemont

Mr. Michael Chisholm, Deputy Chair  
Cut Knife-Turtleford

Ms. Pat Atkinson  
Saskatoon Nutana

Mr. Dan D'Autremont  
Cannington

Mr. Warren Michelson  
Moose Jaw North

Ms. Laura Ross  
Regina Qu'Appelle Valley

Mr. Lyle Stewart  
Thunder Creek

[The committee met at 10:00.]

**The Chair:** — Well welcome, committee members, to the Standing Committee on Public Accounts for consideration of the Provincial Auditor's report of 2009 volume 3 that's been deemed referred to this committee. We'll be looking at two aspects specifically, two chapters — chapter 5, Enterprise and Innovation programs and chapter 11, Highways and Infrastructure.

For those individuals that are tuning in at home — we know that the ratings go up when the Public Accounts go on — we would urge those many, many, many viewers from across Saskatchewan to tune in at [www.auditor.sk.ca](http://www.auditor.sk.ca) to be able to view the reports that we'll be analyzing here today.

I'd like to introduce our Provincial Auditor — for a period of time, I guess. We'll have one more meeting with our retiring auditor, who's certainly served us well. And we'll have an opportunity at the next meeting to pass some remarks on that fashion, but I welcome Mr. Fred Wendel. And maybe, Mr. Wendel, if you can introduce your staff here today.

**Mr. Wendel:** — Sure, Mr. Chair. Right next to me is Judy Ferguson. She'll be leading our presentations this morning. And over on the other side is Kim Lowe. She's at all of our meetings, and she's our liaison with this committee to make sure we have the right people here when we need them.

**The Chair:** — Thank you, Mr. Wendel. Also with us here today is Terry Paton, Provincial Comptroller. We thank Mr. Paton for his attendance. And Mr. Chris Bayda, executive director with the financial management branch, thank you for your attendance.

Now before we get to consideration of chapter 5 . . . And sorry, we have just a bit of a procedural item here. We have of course our auditor is retiring and has his notice that at the end of this month he will no longer be our Provincial Auditor. By way of the Act, we have the assistant auditor, Brian Atkinson, that's been appointed by the auditor and certainly will, I believe, has the confidence of this committee to fulfill in that capacity.

But what we need to start looking at is the process to permanently replace and fill the position of Provincial Auditor. So I'm wondering if maybe to get that process started if we might want to look at maybe some of the past practice of doing so, some of the best practice. I would certainly entertain discussion or a motion to look at that.

**Mr. Chisholm:** — Mr. Chair, I have a motion that I'd like to bring forward. I'll read it:

That the Committee Clerk report to the Public Accounts Committee steering committee on a recommended selection process for the position of Provincial Auditor that includes a review of past procedures and best practices.

**The Chair:** — We have a motion moved by Deputy Chair, Mr. Chisholm. Do we have a seconder? All in favour?

**Some Hon. Members:** — Agreed.

**The Chair:** — So moved.

### Enterprise and Innovation Programs

**The Chair:** — Moving along to the chapter in question here today, Enterprise and Innovation programs. It's a pleasure to welcome Chris Dekker, interim CEO [chief executive officer] of Enterprise Saskatchewan and Denise Haas, the CFO [chief financial officer] of Enterprise Saskatchewan. Thank you for coming before the committee here today.

I think I will turn to the auditor to make a presentation as it relates to this chapter of this report, and then we'll turn it back to you for discussion. Mr. Wendel.

**Mr. Wendel:** — I think I'll have Ms. Ferguson present the chapter.

**The Chair:** — Very good.

**Ms. Ferguson:** — Thank you, Mr. Chair and members, officials. Good morning here.

In chapter 5 — and we're actually on pages 69 to 74 of the report; it's a short chapter here — we report the results of our 2009 audit of the Minister of Enterprise and Innovations programs.

As noted on page 71, the government has assigned three programs to the Minister of Enterprise and Innovation. They are the Small Business Loans Association program, the ethanol grant program, the labour-sponsored venture capital corporation program.

The governance structure of these programs is somewhat unusual in that the minister does not have a ministry or agency to administer these programs. Rather the minister has entered into an agreement with Enterprise Saskatchewan and the Ministry of Finance. This agreement makes them jointly responsible for the delivery of these programs on behalf of the minister. And if you look on page 71, it actually has a brief summary of the responsibilities of each party.

We found that these programs for the year ended March 31st, 2009, had adequate controls to safeguard public resources and comply with governing authorities with one exception related to the labour-sponsored venture capital corporation program.

That program's designed to encourage individuals to invest in businesses that often have difficulty raising capital by other means. Individuals who invest in companies that invest in qualifying businesses receive a provincial tax credit up to \$1,000 each year. The Act calls these companies labour-sponsored venture capital corporations, or LSVCC is the acronym we use in the report.

In 2008-09 Enterprise Saskatchewan issued \$11.6 million of provincial tax credits under this program. In essence what that means is the government collected \$11.6 million less in provincial income taxes. The program's Act and regulations

sets out conditions that the LSVCCs must meet to qualify for this program. Under the agreement with the minister, Enterprise Saskatchewan is responsible to issue provincial tax credits and to make certain that the LSVCCs qualify for this program initially and on an ongoing basis. Individuals are only eligible for provincial tax credits if their investment is made to a qualifying LSVCC.

As noted on pages 72 to 74, we found Enterprise Saskatchewan did not do enough to make sure that these corporations continued to comply with the Act, that is invest in qualifying businesses under the program. To determine whether or not LSVCCs continue to qualify, we expected Enterprise Saskatchewan to verify the accuracy of unaudited information collected from these corporations. We also expected it to use a risk-based approach to determine which corporations to audit and when. Such an approach would both deter and identify non-compliance with the Act. Without such an approach, Enterprise Saskatchewan runs the risk of issuing provincial income tax credits to individuals for investments that do not qualify under the Act.

On page 74 we make one new recommendation. We recommend that the Enterprise Saskatchewan develop and carry out a risk-based program to verify labour-sponsored venture capital corporations compliance with *The Labour-sponsored Venture Capital Corporations Act*.

That concludes my presentation, and we'd be pleased to respond to questions. Thank you.

**The Chair:** — Thank you, Ms. Ferguson. Maybe I can turn it to . . . for a response from Mr. Dekker on behalf of Enterprise Saskatchewan.

**Mr. Dekker:** — Thank you to the Chair and to the committee members. My comments will be relatively brief. Enterprise Saskatchewan does indeed take our program management responsibilities, as was noted by the auditor's office very seriously, and obviously took to the recommendations of the auditor as indicated on page 74 to heart, and have indeed developed that risk-based assessment process which has been completed. And it is now in place and in fact have already completed a first audit in that regard. That was done in the '09 and '10 fiscal year of one of our major LSVCC clients. And further to that, we have added additional funds to our budget in 2010 and '11 to ensure that this process continues into future years.

If you have any questions, we'd be happy to answer them. I have the very capable CFO, Denise Haas, here who would help me in that regard.

**The Chair:** — Thank you, Mr. Dekker. And I realized that I was remiss in not recognizing the committee members around the table here this morning. So I'd like to, just by way of introduction and recognition, Mr. Chisholm, Deputy Chair, is with us here this morning. Mr. Stewart is here with us this morning. Mr. D'Autremont is here. Ms. Ross, Mr. Michelson, and Ms. Atkinson are here this morning.

So Mr. Dekker's made his response, and I guess I look to the committee for questions. Mr. Chisholm.

**Mr. Chisholm:** — Is it my understanding there's actually two operating, working venture capital funds available for Saskatchewan residents to invest in? Or is there more than that? There's two listed in the stock . . .

**Mr. Dekker:** — Two types or two companies?

**Mr. Chisholm:** — Two companies. Golden Opportunities and I forget . . .

**Mr. Dekker:** — SaskWorks would be the other.

**Mr. Chisholm:** — SaskWorks. Is that correct?

**Mr. Dekker:** — And then there's some federal . . .

**Mr. Chisholm:** — Right.

**Mr. Dekker:** — That's correct. Yes.

**Mr. Chisholm:** — Okay.

**Ms. Ferguson:** — There's actually more than two companies though. There's two types of companies and that's two of one type.

**Mr. Chisholm:** — Could somebody explain what other ones are out there?

**Mr. Dekker:** — Yes, certainly. There are seven employee funds, two provincial pool funds, and one national pool fund. Denise, do you want to explain the difference between those three?

**Ms. Haas:** — Sure I will. The provincial pool funds are the ones that you've just alluded to, the Golden Opportunities and the SaskWorks Growth Fund. And those ones are registered provincially. They raise their money only within the province, and they invest their money only within the province. And they receive, the investors in Saskatchewan, receive tax credits for investing in that.

Then there's what we call a nationally registered pool fund, which is GrowthWorks and it's registered under the federal legislation. So it can raise money in various provinces in the country. And it can invest money raised in various provinces. However the money that they raise or any of the monies that they raise from Saskatchewan residents, that must be invested into Saskatchewan businesses or held . . . the balance held in Saskatchewan bonds or something like that. So the money raised here still is invested here, but it's governed under the federal legislation.

Then the third type is what we call the employee investment funds, and they're essentially used for employees who want to invest in their employer company, you know. So one example would be, say, West Wind. They're an employee-owned company, and this is the vehicle that they use to do that. And there are seven of those. There's 34 of them in total, but there's seven of them that are active and still raising money. Does that answer your question?

**Mr. Chisholm:** — Thank you very much. I've got one

supplementary question. This is just a . . . What is the deadline for issuing the T1Cs or T2Cs or whatever it is you call the receipt that you need for filing your income tax?

**Ms. Haas:** — We try and issue them within a few days of receipt. We get the information from the actual funds electronically. So by far the majority of them are done by, say, the second or the third week in March. But if there are difficulties at the fund level for whatever reason that they might have, if they have issues with the purchase or something wasn't filled out properly or whatever, we would get that information from them later and then it would be issued later.

**Mr. Chisholm:** — My experience has been later rather than earlier just on an annual basis. So maybe it's my people that are doing my stuff. But anyway that's always a problem when filing tax returns. That seems to be the one thing you're waiting for.

**The Chair:** — Mr. D'Autremont go ahead.

**Mr. D'Autremont:** — Thank you. A question. Your answer was that there are 34 of these companies out there but only seven are active. Does that mean that the other 27 could start up operations at any point in time? Or for some reason are they not allowed to recommence operations?

**Ms. Haas:** — Some of them were employee buyouts and they've completed the buyout. So it doesn't mean that in the future they wouldn't be able to. It's just they've completed the buyout. Others, the companies may have shut down. Like the 34 is a program-to-date number. Others might be that the owner of the corporation was wanting employee investment up to a certain level of the corporation, and they may have achieved that level. So there's varying reasons why only seven are raising money now.

**Mr. D'Autremont:** — If they were to re-enter the market, how do they have to notify you? Do they have to inform you that they're now raising money again or if they've achieved their outlying goal of a certain percentage of employee ownership or whatever the program was that they were participating in? If they want to re-initiate, how do they go about doing that? Do they have to inform you?

**Ms. Haas:** — They would have to advise us and make sure that their registration is current and that everything is in place so that they can qualify or their investors can qualify for the tax credits under the program. Yes.

[10:15]

**Mr. D'Autremont:** — Okay. Thank you. The auditor notes that some of these have been in operation for more than five years and have never been operated — so that was 2005 or before 2005 — and that some have not been audited at all in the last nine years. So that goes back to at least 2001. Is there any plans to move forward and commence auditing some or all?

**Ms. Haas:** — Yes. As Chris had explained, we did one audit this year on the major, one of the major provincial funds. And we have added \$80,000 actually into the budget of that program in order to commence audits on a regular basis into the future.

So yes, that is the plan.

**Mr. D'Autremont:** — So was it fiscal constraints since 2001 that have caused the lack of auditing?

**Ms. Haas:** — Yes. The budgets were stripped several years ago, and that was one of the things that was taken.

**Mr. D'Autremont:** — Okay.

**Ms. Haas:** — But I mean, having said that, we do acknowledge what the Provincial Auditor has said.

**Mr. D'Autremont:** — Okay. Thank you.

**The Chair:** — Mr. Stewart.

**Mr. Stewart:** — Thank you, Mr. Chair. Just one short question. I think GrowthWorks is the federally licensed LSVCC. Are they becoming any more active in the province than they have been in the past? I know they haven't done a lot in the province in past years.

**Ms. Haas:** — Yes. Because the playing field was levelled for them last year, they raised a little more money this year, but it was just a few hundred thousand. So in discussions with them, I would say they were disappointed in that, and I think they are re-looking into their operations and to what extent that they're going to operate further in the province in future years.

**Mr. Stewart:** — Now if I may, one more. But they're still interested in trying to be more aggressive in the province and . . .

**Ms. Haas:** — Yes. I think they're revisiting that.

**Mr. Stewart:** — Yes. Okay. Thank you.

**The Chair:** — Just to verify with Enterprise Saskatchewan here today, what you've presented is that there is a system that you've developed to in fact comply with the recommendation that's in place. Is it the belief and understanding that compliance is now in place with the recommendation that's on the table?

**Mr. Dekker:** — That is correct. Yes.

**The Chair:** — Without any further questions, I might seek a motion from the committee as it relates to concurring with it and compliance.

**Mr. Chisholm:** — I would move that we concur with the recommendation and note compliance.

**The Chair:** — So it's moved by Mr. Chisholm that we note . . . that we concur and note that we concur and note compliance. All in favour?

**Some Hon. Members:** — Agreed.

**The Chair:** — So moved. It is agreed that this committee concur with recommendation no. 1 of chapter no. 5 of the Provincial Auditor's 2009 volume 3 report and note

compliance.

Without any further business before us here today, I would simply entertain any closing remarks from Enterprise Saskatchewan. Mr. Dekker.

**Mr. Dekker:** — I would just like to thank the Chair and the committee members for this discussion. And we will continue our responsibilities in managing these programs and look forward to future relations with the auditor's office and the new auditor, and again thank the committee.

**The Chair:** — Thank you, Mr. Dekker. We will convene shortly with Highways and Infrastructure. We could get them in a little bit earlier here. I'm not sure if they're in the hallway or not. We can check. Maybe we'll take a five-minute break here.

[The committee recessed for a period of time.]

### Highways and Infrastructure

**The Chair:** — Thank you, committee members. We'll now reconvene the Standing Committee on Public Accounts. Specifically we'll turn our attention to chapter 11 of the 2009 *Report of the Provincial Auditor* volume 3.

With us here before the committee, we have Deputy Minister Rob Penny. I'll maybe ask him to introduce his officials to this committee. We thank them for coming before us and we'll ask for the Provincial Auditor to make his report and your subsequent response. So Mr. Penny.

**Mr. Penny:** — Thank you very much. To my immediate right is Ted Stobbs, the assistant deputy minister of corporate services division, and to my left is Bryan Peacock who is the director of information management office within our ministry.

**The Chair:** — Thank you, Mr. Penny. I'll turn it over to our Provincial Auditor.

**Mr. Wendel:** — Thank you, Mr. Chair. I'll have Ms. Ferguson present the presentation.

**Ms. Ferguson:** — Thank you, Mr. Chair, members, officials. In chapter 11 — we're on pages 247 to 252 — we report the results of our 2009 audits of the Ministry of Highways and Infrastructure and its Transportation Partnerships Fund. We make two new recommendations and provide an update on one previous recommendation.

As noted on pages 250 and 251, while we found that the ministry has processes for ensuring only authorized staff have access to its computerized system and data, it did not follow its procedures to remove the access of former employees promptly. This exposes Highways to the risk of inappropriate access to confidential information. On page 251 we make one new recommendation: we recommend the Ministry of Highways and Transportation follow its established procedures for removing user access to its computer systems and data.

Moving on, since our 2006 report volume 3, we've recommended Highways prepare a written and tested and approved business continuity plan. Your committee has agreed

with this recommendation. During 2008-09, Highways worked on developing this plan. As noted on page 251, Highways has told us it has completed the work on this plan after March 31st, 2009. We are currently assessing the adequacy of Highways's work in our '09-10 audit and will report the results of our assessment in a future report.

Finally as noted on page 252, we report concerns with the adequacy of Highways's service level agreement with the information services office, ITO [Information Technology Office]. The second of the two areas raised in the previous chapter is the service level agreement with ITO. In our 2006 report volume 3, we recommended Highways complete a service level agreement with ITO. The agreement Highways signed during 2008-09 doesn't adequately address the disaster recovery and security of Highways's information systems. This exposes Highways to the risk of systems and data not being available if a disaster occurs, and the risk that its data may not be secure.

On page 262 we make a second new recommendation. We recommend that Highways and Infrastructure sign an adequate service agreement with ITO that addresses the ministry's disaster recovery and security needs over its computer systems.

That concludes our presentation and we'd welcome any questions. Thank you.

**The Chair:** — Thank you. I'll turn it over to Deputy Minister Penny.

**Mr. Penny:** — Thank you very much. I appreciate the opportunity to address the committee today. The ministry understands and takes seriously its obligation to manage public funds and safeguard provincial assets. We have a strong track record in managing the public purse. Ensuring appropriate protocols and procedures are in place, however, is an exercise in continual process improvement.

We appreciate the input of the Provincial Auditor in our ongoing endeavours to enhance the management of risks to public assets. The auditor notes that the ministry complies with authorities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing. The auditor also notes that adequate rules and procedures to safeguard public resources and comply with authorities governing our activities are in place.

As you've heard, the auditor did make two recommendations to strengthen these rules and procedures. The auditor notes that we need to ensure that we follow our established procedures for removing user access to its computer system and data.

The ministry concurs with this recommendation and has taken the following actions. The ministry has enhanced the procedures by updating the forms filled out when employees leave the ministry to specifically require sign off that network and email access has been removed for the employee leaving. Additionally, the ministry has communicated to managers responsible for filling out these forms on the processes to be completed for timely access removal. We have also reviewed these new processes and timelines for removal with the ITO and the Office of the Provincial Auditor to ensure that they are

appropriate.

Finally, the auditor comments that we sign an adequate agreement with the ITO that addresses the ministry disaster recovery and security needs over its computer systems. The ministry has taken steps to act on this recommendation. The ministry's ITO service level agreement does have a section covering disaster recovery planning and reporting. The most critical information system the ministry operates is the highway hotline, which provides road condition information. This system is provided by a third party supplier and our agreement with that supplier provides for verifiable disaster recovery and security.

ITO is also now providing updates that verify to the ministry that they are completing the application and data backups as per our service level agreement.

To conclude, I reiterate that the ministry welcomes the constructive input of the auditor, welcomes their recommendations, and is already addressed, our ministry is actively addressing the recommendation he has made or they have made in volume 3. Thank you.

**The Chair:** — Thank you, Deputy Minister Penny. I look to committee members with questions. Ms. Atkinson.

**Ms. Atkinson:** — I guess I'm trying to understand what type of, what the violation was in terms of the procedure when employees leave the Ministry of Highways and Transportation. Were there several employees — former employees — were there some? Can we have a little description of what caused this recommendation to come forward, the events leading up to this recommendation?

**Mr. Stobbs:** — My understanding is that we had procedures in place, but what we needed was a little bit more rigour around those procedures. So we would have for example a person leave and the instructions to the manager was, you need to remove them from the network and from the email accounts with no time limits.

So now what we've done is actually on the form that they fill out when an employee does leave, there's a check mark and the manager has to sign off that the network access and the email access has been removed. So it's just a little bit more rigour to that process.

**Ms. Atkinson:** — So there wasn't any actual evidence that former employees were accessing Highways's computer network?

**Mr. Stobbs:** — No, there wasn't.

**Ms. Atkinson:** — Okay. So it was a procedure and not an actual event that led to this recommendation?

**Mr. Stobbs:** — That's right.

**Ms. Atkinson:** — Okay. Thank you.

**The Chair:** — Was there any specific events that were in violation of this procedure that was in place, recognizing now

that you've put forward systems as well the rigour to make sure that that access is protected? Was there circumstances where this was violated or was it simply an opportunity that it could have been violated?

**Mr. Stobbs:** — It was more the risk. I don't believe, I'm not of knowledge that anybody violated that access. So it's more the risk that there would be a violation of it. And we've taken the proper steps to mitigate that risk.

**The Chair:** — Ms. Ferguson.

**Ms. Ferguson:** — Basically when we looked, there was actually former employees that still had access in the audit, and so that's why the risk, you know. So it is really a communication to make sure that the staff are following what they are supposed to do and removing it promptly.

**The Chair:** — With no further . . . Sorry. Mr. Chisholm looks like he's moving towards either a motion or a question.

**Mr. Chisholm:** — I would move that we concur with the recommendation and note compliance.

[10:30]

**The Chair:** — Okay. All in favour?

**Some Hon. Members:** — Agreed.

**The Chair:** — So moved. It's agreed that this committee concur with recommendation no. 1 of chapter no. 11 of the Provincial Auditor's 2009 volume 3 report and note compliance. Thank you, Mr. Chisholm.

Moving along to the second recommendation, fielding questions from the committee members. Ms. Atkinson.

**Ms. Atkinson:** — So Highways is now a part of ITO in terms of information technology. And the recommendation from the auditor is that there needs to be an adequate agreement between ITO and the ministry to deal with disaster recovery, and then of course security. And my recollection is that isn't just a problem for Highways and Transportation, but there are other ministries that had the same type of problem, if I'm correct. And I'm just wondering whether or not adequate procedures are in place now with ITO and whether the security needs have been addressed.

**Mr. Penny:** — I apologize, I wasn't the deputy minister then. So to what was happening at that point of time and how we recovered it . . . so that's why I want to confer and use my officials here to answer some of the specific questions.

**The Chair:** — Before your officials get ready, let me just welcome to our committee here today the parliamentary program for public servants. They're here I believe for the day within the legislature. And they're going to be within the Assembly here today, and certainly they get the opportunity to sit in on committee here this morning. And just by way of mention, this is the Standing Committee on Public Accounts. We're reviewing the Provincial Auditor's report volume 3 from 2009.

And it is a pleasure to have you before us today as the civil service and civil servants play such an important role in the administration of programs and government. And in many ways, I guess here today, we're scrutinizing that work. And we don't do so in this committee from a policy field perspective, we do so as looking at programs from an efficiency and an economy perspective as it relates to those government programs. And we do so as an after-the-fact audit.

So that's the nature of our work here today. And right now we're focusing on questions as it relates to Highways and Infrastructure, and specifically a recommendation that's been put forward as it relates to making sure that the service agreement with ITO recognizes and protects Highways and Infrastructure and Saskatchewan people in the event of a potential disaster. So just to bring you up to speed where we're at here today. Thank you for joining us, and thank you for the work that each of you do.

**Mr. Peacock:** — That was correct in terms of the disaster recovery. It is among most ministries. This is in terms of the service level agreements. So we began to work with ITO knowing that it is a general issue, general concern. And from our information, it's our understanding that ITO has contracted with a third party for a disaster recovery plan. In addition the ITO has released an RFQ [request for quotation] to enter into an agreement with two service providers for the operation of two data centres that will include a disaster recovery backup site within the province. So it's generally recognized this is an issue that has to be addressed among all ministries and the ITO.

**Ms. Atkinson:** — So when do you . . . So given that this is an issue for all ministries, so it's an issue across government, when are these backup sites going to be in place in order to do data recovery if there should be a disaster? And when do you think that there will be an adequate agreement between ITO and the Ministry of Highways and Infrastructure to address the recommendation of the Provincial Auditor?

**Mr. Peacock:** — Well the backups are occurring. But it's our understanding, in terms of these two RFQs, that in this fiscal year these will be completed and the disaster recovery plans, working with the ministries, will be agreed on.

**Ms. Atkinson:** — So when we get the next Provincial Auditor's report, so that'll be, you know, a year from now or whatever . . . well no, it won't be a year from now, but it'll be a while away. Do you expect that this issue will be addressed? Will the Provincial Auditor be able to report that there is total compliance?

**Mr. Peacock:** — Maybe not the next one, but within two years. We will have some mitigating factors in terms of following up with the disaster recovery plan for this that we internally did. But from a macro for all ministries, we're probably looking two reports.

**Ms. Atkinson:** — So does the Ministry of Highways and Infrastructure . . . So you said you have an internal recovery plan?

**Mr. Peacock:** — Through the ITO, as part of our agreement, they do do backups on a nightly, weekly basis. In terms of the

disaster recovery which the auditor would like us to strengthen, we do within our service level agreement have a section on the disaster recovery plan. The auditor would like us to strengthen that agreement with the ITO.

**Ms. Atkinson:** — Okay. Thanks.

**The Chair:** — Mr. D'Autremont.

**Mr. D'Autremont:** — Thank you. On the same issue, I believe it was Highways and Agriculture that were the first ministries to participate with ITO in, I believe it was, 2004. So from that time onward, are you utilizing the same disaster recovery, or has it been improving over the years? Or what's happened there? Because this is obviously . . . If it's a problem today, then it must have been a problem six years ago as well.

**Mr. Peacock:** — That's true. We had an internal disaster recovery plan before it sort of emerged out of Highways and Agriculture. And given it was more concentrated in terms of our server location, it was all internal as opposed to an off-site server location. It's sort of become a bigger issue.

**The Chair:** — Further questions from committee? Without further questions, I would seek motion from the committee. I think we've certainly heard work towards compliance, certainly not compliance at this point. Mr. Michelson.

**Mr. Michelson:** — I move that we concur with the recommendation and note progress.

**The Chair:** — All in favour.

**Some Hon. Members:** — Agreed.

**The Chair:** — That's agreed. So it's agreed that this committee concur with recommendation no. 2 of chapter 11 of the Provincial Auditor's 2009 volume 3 report and note progress towards compliance.

With the two recommendations being discussed and covered at this point in time, that completes our work on this item. I would simply open it up to Deputy Minister Penny for any closing remarks he'd like to offer.

**Mr. Penny:** — No. I have nothing really more to offer. Just thank you to the committee for hearing us. And good, challenging questions and appreciate the opportunity.

**The Chair:** — Thank you, Mr. Penny, for your attendance and to your officials. I think at this point in time that concludes our agenda here today, and I would certainly welcome a motion of adjournment. Mr. Stewart.

**Mr. Stewart:** — I so move.

**The Chair:** — All in favour.

**Some Hon. Members:** — Agreed.

**The Chair:** — So moved.

[The committee adjourned at 10:38.]