



“When You Talk - We Listen!”



MANITOBA PUBLIC UTILITIES BOARD

Re: MANITOBA PUBLIC INSURANCE CORPORATION (MPI)
2025/2026 GENERAL RATE APPLICATION
HEARING

Before Board Panel:

- Irene Hamilton, KC - Panel Chairperson
- Rober Gabor, KC - Board Chair
- Susan Nemec - Board Member
- George Bass, KC - Board Member
- Patrick Ireland - Board Member

HELD AT:

Public Utilities Board
400, 330 Portage Ave.
Winnipeg, Manitoba
October 30, 2024
Pages 1748 to 1909
Day 8

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1 --- Upon commencing at 8:58 a.m.

2

3 PANEL CHAIRPERSON: Good morning,
4 everyone. This morning, we will have the MPI IT, IT
5 Benchmarking and Value Assurance Panel.

6 Mr. Guerra, would you please introduce
7 your Panel. And then we'll have them sworn.

8 MR. ANTHONY GUERRA: Yes. Good
9 morning, Madam Chair. And before you we have our IT,
10 IT Benchmarking and Value Assurance Panel.

11 In the front row we have our Vice-
12 president and Chief Information Technology Officer Roy
13 Hart, our Vice-president and Chief Financial Officer
14 Ryan Koloski, our Director of Cyber Security and
15 Enterprise Architecture Shawn Campbell, our Director
16 of Strategic Sourcing and Vendor Management Chad Muir,
17 our Director of Major Program Delivery Jen St.
18 Laurent, and our Manager of Project Accounting and
19 Value Assurance Lynn Onofreychuk.

20 In the backrow we have our Manager of
21 Project Management Officer Curtis McFadden (phonetic),
22 our Enterprise value assurance lead Rhonda Von Dohren,
23 our Enterprise value assurance specialist Guneet
24 Jassal, and our manager of business architecture
25 Madison Roney, as well as Ms. Jatana, of course.

1 And I'll ask that the witnesses be
2 sworn or affirmed, please.

3

4 IT, IT BENCHMARKING AND VALUE ASSURANCE PANEL:

5

6 LYNNE ONOFREYCHUK, Affirmed

7 SHAWN CAMPBELL, Affirmed

8 ROY HART, Sworn

9 JENNIFER ST. LAURENT, Sworn

10 CHAD MUIR, Sworn

11 RYAN KOLOSKI, previously Sworn

12

13 EXAMINATION-IN-CHIEF BY MR. ANTHONY GUERRA:

14 MR. ANTHONY GUERRA: Anthony Guerra,

15 for the record. Okay, that sounds better. Ms.

16 Schubert, if you can pull up MPI Exhibit number 65,

17 please.

18 Mr. Hart, before you, you have the
19 information and technology presentation. Do you see
20 that, sir?

21 MR. ROY HART: Yes, I do.

22 MR. ANTHONY GUERRA: And this is a
23 presentation that you prepared with the benefit of
24 your team, as well?

25 MR. ROY HART: Yes, that's correct.

1 MR. ANTHONY GUERRA: And this would
2 assist you in providing evidence to the Public
3 Utilities Board this morning?

4 MR. ROY HART: Yes, it will.

5 MR. ANTHONY GUERRA: Okay. I'll ask
6 that you and your team take the members through the
7 contents of this presentation, please.

8 MR. ROY HART: Okay. Thank you. So,
9 we -- Roy Hart speaking. We have already introduced
10 the Panel members. So, I'm Roy Hart, Vice-president
11 and Chief Information and Technology Officer.

12 I joined MPI just about a year ago, in
13 November 2023, so shortly after the last Public
14 Utility Board hearing.

15 I've spent about thirty-five (35) years
16 in Enterprise IT, including sixteen (16) years with
17 the Federal Government, a similar amount of time
18 between the provincial governments in Ontario and
19 Alberta, and higher education, as well, and a couple
20 of years with a major cloud service provider.

21 Throughout my career I've been engaged
22 on large projects and lead teams in complex business
23 and technical environments. I'm excited about the
24 future at MPI and grateful for the excellent and
25 committed team that I've joined. Go to the next

1 slide.

2 So, on our agenda for today, I'll speak
3 to the IT division restructuring and touch on some of
4 the actions we've taken over this past year.

5 Mr. Shawn Campbell will then speak to
6 our IT strategy and roadmap, including re-establishing
7 a multiyear roadmap.

8 Mr. Chad Muir will speak to our IT
9 staffing and external labour and IT benchmarking
10 results.

11 Ms. Jen St. Laurent will speak to some
12 significant changes on how we manage projects,
13 specifically focused on major program delivery.

14 And finally, Mr. Ryan Koloski will
15 speak to value assurance.

16 So, based on operational needs,
17 information from the EY report, Gartner assessment,
18 and other reviews, we restructured the IT division to
19 broaden cyber security capabilities, improve team
20 alignment, and clarify responsibilities.

21 We have combined cyber security and
22 Enterprise architecture to take a security-by-design
23 approach and create an internal policy and procedure
24 oversight capability.

25 We have combined infrastructure and

1 security operations, taking a security centered
2 approach to infrastructure operations and
3 consolidating technology operations responsibilities
4 under one (1) leader.

5 We've consolidated project management
6 into a single portfolio that is also responsible for
7 our operational planning. We have created a focus on
8 integration and automation in the software development
9 team.

10 We have moved testing and quality
11 assurance along with application support and user
12 support into a single team.

13 We've strengthened data and analytics
14 with a forward-looking addition of artificial
15 intelligence. And I will point out that the
16 artificial intelligence component is quite nascent at
17 this point.

18 We've strengthened our ability to
19 deliver on major programs by creating a dedicated
20 capability in this area with a focus on NOVA
21 initially, but other future major programs as they
22 arise. Go to the next slide.

23 So, turning our attention to how MPI
24 information and technology is assessed, you know, as
25 part of my interview process for this role, I was

1 asked what my views were with respect to various
2 assessments, including those provided through the
3 Public Utility (sic) Board's process.

4 And so, my response at that time was
5 that they seemed reasonable views given what I had
6 read in other sources and what I have seen in my
7 career.

8 So, upon assuming the role, I further
9 reviewed the variety of reports and assessments that
10 had been done, many of them aligning to the same or
11 similar conclusions.

12 Over the past year, we've taken several
13 actions to improve how IT operates, including how we
14 manage major programs. And you'll hear more about
15 that shortly. Next slide.

16 So, today, I'm -- I'm going to comment
17 on Mr. Scott Greenlay -- okay. I'll start again on
18 that part. So today, I will comment on Mr. Scott
19 Greenlay's report, as submitted during last year's
20 Public Utility (sic) Board process.

21 The report highlights many observations
22 in other assessments and is grouped along five (5)
23 themes: pause, derisk and rescope, reframing of MPI,
24 improving process, IT spending, and cybersecurity.

25 I'm sharing this today in advance of

1 the NOVA panel as the report is a combination of
2 commentary on NOVA as a program and on IT in general.

3 So, I'm pleased to share that,
4 materially, we've taken action on the majority of
5 areas where the report focussed. We'll speak more in
6 depth to the NOVA-specific areas at the NOVA panel
7 tomorrow, but offer the following today.

8 NOVA is broken into smaller components
9 and structured more as a program with sub-projects
10 than a monolithic project. All projects are
11 prioritized based on a variety of factors, including
12 contractual and business benefits, et cetera.

13 We work hard to source the skills and
14 experience needed for our operational and project-
15 related work, and for the most part have contracting
16 mechanisms in place.

17 We've made progress on governance and
18 continue to make improvements. And we've improved our
19 focus on requirements and have vendor delivery
20 monitoring actively in place. We have -- if we can go
21 to the next slide, please.

22 So, we have completed the Gartner
23 benchmark, and as you'll hear later this morning, we
24 sit between private insurers and the public sector
25 from a spend perspective. We can go to the next

1 slide, and -- and we can keep moving here. Sorry.

2 And cybersecurity is an area of focus
3 for our Corporation and involves not just spending on
4 projects -- we can move to the next slide, please --
5 but also education, business process change, and
6 structural adjustments. So as mentioned earlier, to
7 improve our position against hostile actors. These
8 improvements also increase our ability to obtain and
9 retain cybersecurity insurance.

10 And with that, I will ask Shawn
11 Campbell to speak to our IT strategy efforts,
12 including re-establishing our multi-year roadmap.

13 MR. SHAWN CAMPBELL: Thank you. Shawn
14 Campbell speaking. Move to the next slide, please.

15 So, before you we present the IT
16 strategy that MPI brought forward this year. So, this
17 strategy is centred around MPI's stabilization
18 direction, and how does the IT group align itself to
19 support the near-term changes that Mr. Hart was just
20 talking about, as well as the long-term changes that
21 are coming -- or that we see coming through the five
22 (5) year Corporate Strategy that was presented or
23 discussed earlier in the -- the hearings.

24 With this, mind -- or with this mindset
25 in place, we took a look at what is IT's primary

1 purpose. It's primary purpose is to support the
2 business. We are there to support the technology so
3 that the business is successful.

4 With that in mind, we spend 70 percent
5 of our time supporting those systems, ensuring that we
6 have stable systems in place as best as possible; that
7 the business capabilities that the business has
8 identified are in place; that we bring about the
9 change that our -- is required to support the business
10 as it grows, and support major initiatives, such as
11 NOVA.

12 That may ask the question about, Well,
13 what's the other 30 percent for. This relates back to
14 what Mr. Hart was talking about with reorganization,
15 ensuring that we have proper in place; ensuring that
16 we have proper checks and balances in place; ensuring
17 that we put in good guidance around cyber security,
18 infrastructure, and the overall operation of IT.

19 Some of our key accomplishments this
20 year circle around our role of an employment
21 capability. This has just started to show up in some
22 of our service centres around helping customers
23 understand what their appointment structure looks
24 like, how long is their wait time going to be as they
25 enter into the service centre.

1 Other parts are more technically
2 focused, such as -- boring stuff, such as our public
3 website pushed into the model platform which customers
4 wouldn't see, but from an IT point of view, helps us
5 to reduce our risk and improve our security
6 positioning on how we manage that -- that website.

7 In addition to that, we move forward
8 with acquiring call centre software to enable our call
9 centre group to ensure that they remain viable. That
10 we put in place a program to address our technology
11 debt, or it's also referred to as our technology risk.

12 And lastly, as Mr. Hart talked about,
13 reviewing our delivery process and restricting how we
14 do deliveries so that we can be more effective on our
15 programs and projects. Next slide, please.

16 MR. ANTHONY GUERRA: Actually, sorry,
17 before we leave this slide, Mr. Campbell, I'm just
18 drawn to the -- the second bullet point on the far
19 right-hand side. Actually, sorry, it's the second
20 bullet point in the second series of bullet points
21 saying, "Five (5) year Enterprise architecture roadmap
22 initial drafts completed."

23 Do you see that, sir?

24 MR. SHAWN CAMPBELL: Yes.

25 MR. ANTHONY GUERRA: And I know that

1 you weren't present for the discussion we had
2 yesterday, but Mr. Hart was.

3 And, Mr. Hart, you'll recall there was
4 some discussion about that roadmap and -- and why that
5 has not been presented to the PUB in the context of
6 this Rate Application.

7 Do you recall that?

8 MR. ROY HART: Roy Hart speaking.
9 Yes, I am.

10 MR. ANTHONY GUERRA: Did you want to
11 elaborate as to the rationale for MPI not presenting
12 that to the Public Utilities Board this year?

13 MR. ROY HART: So, the -- the roadmap
14 itself is in a very draft form; has not been yet
15 discussed with our Board of Directors to obtain their
16 feedback.

17 There's a couple of components to that,
18 the technology view, which Mr. Campbell will speak to
19 in -- in a few moments, around the technology roadmap,
20 so an assessment of our technology requirements from a
21 technical debt management perspective.

22 And then there is the corporation need
23 which Mr. Campbell just spoke to a moment ago about in
24 terms of how the corporate strategy shapes out. So,
25 all of that combined together will form a corporate IT

1 strategy that has not yet been completed; we're in the
2 early stages.

3 It has not been done for approximately
4 five (5) years inside the Corporation, to the best of
5 my knowledge, and we've started doing it this year.

6 MR. ANTHONY GUERRA: Okay. And
7 before we leave this slide, the bullet point above it
8 reads, "IT strategy development underway."

9 Do you see that?

10 MR. ROY HART: Yes, I do.

11 MR. ANTHONY GUERRA: And -- and
12 yesterday, we heard evidence from Ms. Jatana about the
13 interplay between the multiyear corporate strategy and
14 the IT strategy.

15 And in terms of the current
16 development, would it be fair to say that the IT
17 strategy development will be influenced by the
18 multiyear corporate strategy?

19 MR. ROY HART: Yes, of course. The IT
20 strategy is driven by the corporate strategy
21 primarily, and secondarily by the binding contracts
22 and such measures with respect to technology that we
23 operate and maintain.

24 MR. ANTHONY GUERRA: And -- and would
25 it be fair to say that the development will also be

1 influenced by any changes that are made to the
2 multiyear corporate strategy between now and when it
3 is finalized and approved by our Board?

4 MR. ROY HART: Oh, yes, most
5 certainly.

6 MR. ANTHONY GUERRA: Okay. Thank you.
7 Please continue.

8 MR. SHAWN CAMPBELL: Thank you. Shawn
9 Campbell speaking. So, on this slide here we talk
10 about establishing our five (5) IT strategy and our
11 annual IT operating plan which aligns to what Mr. Hart
12 and Mr. Guerra were talking about.

13 So, establishing our learn -- long-term
14 IT strategy and our annual operating plan is critical
15 for IT to be successful in supporting the business and
16 ensuring that we provide value to the business.

17 Our first steps is to ensure that we
18 understand the corporate strategy which has just
19 recently been solidified. From that, we now begin to
20 take a look at our next steps. This is the forming of
21 the IT strategy. We need to understand what are the
22 impacts that the corporate strategy is bringing to IT,
23 what technology is missing, what technology do we need
24 to upscale or improve on, what type of process changes
25 are required, how do we support the business achieve

1 their long-term goals.

2 In order to do that, we start to look
3 at long-term objectives of the Corporation. We look
4 to create our target architecture. And then we weave
5 that all together into a strategy plan for the
6 information and technology group to help support the
7 long-term growth of the corporate strategy.

8 The final step of that is when that
9 strategy is established, we look to break it up into
10 near-term and long-term goals. The near-term goals
11 become part of our annual operating plan for the IT
12 division.

13 This helps us to set budget, to
14 understand what projects we're going to be running,
15 and helps us to set both risk mitigation goals, plans,
16 and strategies as well as delivery plans and outcomes.
17 Next slide, please.

18 One (1) key aspect of this --

19 MR. ROY HART: I -- I would just like
20 to -- Roy Hart speaking. I would like to take a
21 moment to clarify one (1) of Mr. Campbell's comments
22 with respect to the state of the corporate strategy.
23 We do acknowledge that it's still in the early stages
24 and in the development process and has not been yet
25 fully finalized.

1 It was just a misspeaking with respect
2 to the state of that strategy. I just wanted to
3 clarify that.

4 MR. SHAWN CAMPBELL: Thank you for
5 that clarification.

6 One (1) of the key components of
7 setting up the IT strategy and understanding what our
8 long-term goals are is understanding what is the
9 Enterprise architecture roadmap. And what this
10 represents is how are we attacking -- attacking or
11 tackling our technology debt or technology risk.

12 Those are two (2) key aspects. You can
13 talk about debt as in choices that were made that were
14 short-term -- or short-sighted or short-term goals but
15 long-term pain, how do we address that.

16 This would be things like accepting
17 software into production with known defects. Those
18 defects have to be addressed, so that causes
19 additional risk or debt into the -- the production
20 framework for IT.

21 Other things that are -- need to be
22 accounted for is around cyber security. We are
23 responsible for 1.6 million records that are of high
24 value to bad actors. So, we have to ensure that we
25 have the proper controls in place.

1 It is our responsibility to protect
2 that information for all Manitobans as we provide one
3 (1) of the two (2) key factors for proving your
4 identity through a driver's licence; the other one
5 being a passport, which the government of Canada
6 controls.

7 Out of this establishing of the -- the
8 technology roadmap, or the Enterprise architecture
9 roadmap, some of the key tools that we use is
10 something called 'application portfolio management'.

11 And what that is, is where you
12 establish a registry of all the applications we
13 leverage inside of the Corporation. You perform a
14 risk assessment against those applications;
15 understanding where are your pain points, what parts
16 of that need to be addressed sooner versus later.

17 One (1) critical component of this is
18 when is the contract end date for any of the software
19 that you purchased because you can't change or replace
20 that software on a dime. You have to plan for that.

21 Some of our larger platforms are coming
22 to end of life on their contracts. And because that
23 contract is now at its end of term, we now need to go
24 back to market. In order to do that, there is a
25 runway of work that has to be achieved before that

1 contract end date so that MPI does not end up in an
2 untenable situation with unsupported software or in a
3 situation where the licence fees are exorbitant.

4 With this, right now, we are at the
5 state of looking at -- or we've established the
6 application inventory. We've also established the --
7 the application portfolio management and done that
8 initial risk assessments.

9 There are -- as we go through it, that
10 will mature, and we'll keep adding more risks to it to
11 ensure that we get a broader coverage of risk on all
12 of our applications. But the first focus was on
13 contracts and on cybersecurity.

14 Now that we have that in place, we are
15 looking to organize a roadmap around this, and this
16 was I believe referred to earlier around our IT
17 technology roadmap.

18 That roadmap is in its initial states.
19 It has not been approved yet within the Corporation.
20 It is being vetted as to what is right for the company
21 with regards to how much can we take on and what risk
22 are we willing to live with in order to move forward
23 versus just blatantly take it all on, which is not an
24 appropriate approach.

25 Once we've done that, we will create

1 estimations, business cases to ensure that proper
2 project life cycle is adhered to, and then we would
3 move into a delivery cycle for that.

4 That -- and with that, that will wrap
5 up what we need to do from a core piece in order to
6 help establish our overall IT strategy.

7 And with that, I'll turn it over to Mr.
8 Muir to talk about our external labour and IT
9 benchmarking.

10 MR. CHAD MUIR: Great. Thank you,
11 Shawn. So, in relation to a lot of the work that
12 Shawn's talking about for the stabilization and the
13 five (5) year strategy, MPI has a program in place for
14 -- for what we call contingent labour or external
15 labour to assist and make sure that we've got access
16 to the right skills, the right experience at the right
17 time.

18 And so, we continue to maintain this
19 program. In 2019, MPI went to market for a Request
20 For Standing Offer. It was a five (5) year term with
21 one (1) optional five (5) year renewal. So MPI has
22 executed the five (5) year renewal at this stage.

23 We ensure that we're really watching
24 our spend on external labour; that we're -- that we're
25 able to get the resources and able to flex up as

1 required for operational experience or project
2 experience, and then flex down when those resources
3 aren't required.

4 So compared to last year, there was a
5 decrease from March 31st, 2023 to '24, from a hundred
6 and eighteen (118) back down to one-o-eight (108), and
7 then this year in September of 2024, we decreased to
8 sixty (60) from sixty-eight (68) which was the -- the
9 resources that we had when we submitted in June.

10 So, we're really watching those
11 resources and making sure, like I say, we've got the
12 right resources at the right time. But we are able to
13 watch our expenditures to make sure that we're not
14 over-spending on our external labour. Next slide,
15 please.

16 MPI continues to work with Gartner on
17 an annual basis for benchmarking and IT maturity. So
18 last year, through the Public Utility Board Order, it
19 was requested that MPI include a second peer group
20 which was dedicated towards private sector. So, we
21 are continuing to report on both the insurance and the
22 private sector peer groups.

23 There is no clear alignment between the
24 two (2) or one (1) peer group that is beneficial for
25 all different categories. So, at this point, MPI is

1 not saying that will align to one peer group over the
2 other. We're really taking a look at the highest
3 standard and trying to make sure that we continue to
4 move towards that standard.

5 If we look at our spend as a -- as a
6 percentage of expenditures, you can see that MPI is
7 very far below what the private sector peer group
8 would be. And so, it would be irresponsible to think
9 that we had the ability to increase our spend just
10 because of this peer group.

11 So, we want to maintain our spend
12 closer to the peer group of the insurance to make sure
13 that, again, we're being very responsible with the --
14 with our spend.

15 If we take a look at a different way of
16 taking a look at our IT spend and take a look at the
17 percentage of spend towards -- as Enterprise
18 employees, we can see that, in this case, it's -- the
19 public sector benchmark is lower, right? So, we want
20 to make sure that we're kind of focussing on where we
21 need to be to make sure that we're spending money
22 wisely.

23 And then when we take a look at those
24 middle two (2) sections of why our spend is higher as
25 a percentage per employee, the last portion of the

1 information is important in terms of where MPI is.

2 So, when we take a look at peer groups,
3 it's, you know, like size, the basic of the industry,
4 but we don't have insight in terms of what is that
5 organization doing in terms of large projects with the
6 exception of we can take a look at what we call run
7 versus change. So, how much of our focus is being
8 spent on business as usual versus focussed on making
9 change and improving the business.

10 So, we can see that, when we include
11 NOVA, that MPI is below the run rate for both public
12 sector and insurance, and our change is higher than
13 both of those peer groups. So, we're focussed right
14 now, in terms of where MPI is, on more change than our
15 peer groups is currently. Next slide, please.

16 Gartner provides in the report many
17 different ways of looking at the -- the data around IT
18 maturity. And so, there's recommendations, and then
19 we can get into further detail of different
20 recommendations by the different areas of IT.

21 But for the purpose of today, we're
22 taking a look at the recommendations from last year
23 and -- and where we're at. So, of the five (5)
24 recommendations, MPI -- MPI through the report,
25 Gartner has validated that we are on track to moving

1 forward with the recommendations that they made in
2 last year's report.

3 So, we're very pleased with that, that
4 this is not a report or an exercise we take just to
5 satisfy the Public Utility Board, but something that
6 we take a look at to make sure that we use that data
7 and that insight to improve the organization.

8 As well, on the second -- on the right-
9 hand side, we talk about the -- the idea around
10 stabilizing IT. And so, we're -- from Gartner's
11 perspective, we're getting measure -- measurable
12 results in that area, so we're moving forward in terms
13 of Gartner's recommendations. Next slide, please.

14 From this year's report, there are
15 three (3) main categories. Again, there's different
16 ways of looking at it, but from a high-level
17 perspective, there are three (3) recommendations that
18 they made, and MPI is currently making progress in all
19 three (3) of those areas.

20 The first recommendation is to continue
21 to improve the level of adoption in impactful Agile
22 development methodology. So as Mr. Hart referred to
23 prior, we have reorganized IT structure and we've got
24 an area that's focussed on major programs

25 And so that is taking a look at how we

1 use the Agile methodology, how we use Waterfall, and
2 how we make sure that we're using the proper
3 methodology at the right time. So, we're definitely
4 moving forward on that recommendation.

5 The second recommendation around the
6 Enterprise architecture portfolio management and
7 strategy inputs, Mr. Campbell spoke to that previously
8 in terms of our stabilization strategy as well as our
9 five (5) year strategy that's being developed. And it
10 is taking into account all of these different areas
11 that Gartner has contemplated in their report.

12 And lastly, to improve the
13 infrastructure and the agility for automation. So MPI
14 has been moving towards a cloud strategy, and we're
15 currently working on a project to migrate the data
16 from the IBM data centre, which is managed by Kindrel
17 (phonetic) to a cloud data centre and get the services
18 around that. So, we are moving towards improving our
19 infrastructure agility through the benefits of cloud.

20 And with that, I'll turn it over to Ms.
21 St. Laurent.

22 MS. JENNIFER ST. LAURENT: Good
23 morning, everyone. Jennifer St. Laurent, the director
24 of major programs. I joined MPI in June and have
25 accountability for the major program space, including

1 NOVA.

2 The -- I want to focus on today around
3 some of the pivots that we've made in terms of our
4 practices and adopting best practices based on some of
5 the elements that Chad covered for the Gartner
6 recommendations, as well as what is occurring in the -
7 - in the industry today.

8 So, we have acknowledged that there is
9 tremendous value in using a hybrid approach,
10 especially for complex programs and projects. I
11 personally have project management professional
12 designation and as well Scaled Agile Framework
13 designations.

14 I see value in elements of each of the
15 different approaches, and I'm seeking to bring that
16 value in how we are working on complex programs at
17 MPI.

18 As part of our stabilization, we are
19 working to introduce traditional Waterfall metrics and
20 methodology, along with Agile delivery, recognizing
21 where are the important elements for each of those
22 different methodologies within the work that we --
23 that we do in IT.

24 So, a few of the key tenets: We need
25 to ensure that there is improved visibility across the

1 programs, understanding what the health is of the
2 various elements of software delivery, as well as the
3 overall components of the program.

4 We are introducing more effective
5 tools. We're actually managing what is happening
6 within the programs for the dependencies, the
7 integrations, understanding what the relations are --
8 relationships are in the complex work that we do
9 undertake.

10 The other pieces we are acknowledging;
11 the importance of adhering to standard methodologies.
12 So, we have acknowledged that we are adhering to
13 Project Management Institute, which is world
14 recognized, as well as the Scaled Agile Framework,
15 which is another world recognized leading framework
16 for Agile methodology.

17 Hybrid approach tailors our delivery
18 based on maximizing those benefits of each method
19 within the context of the particular initiatives. So,
20 there's elements that are important depending on what
21 type of program and what -- what type of project we're
22 working on, so.

23 And this does align to what is
24 recognized by PMI as an appropriate approach for
25 optimal delivery.

1 Some of the elements for Waterfall
2 projects that we are reintroducing is around more
3 strict governance and control around the introduction
4 of the new assets and capabilities to MPI, so the
5 health transparency, the audibility, and significant
6 increase in financial governance and awareness.

7 Agile product teams also have
8 positives. They excel at efficiently delivering value
9 with longstanding product-based teams that are really
10 focused on understanding the technology that they are
11 accountable for.

12 They use more simple funding models.
13 And there's a way that we can incorporate that within
14 the broader context.

15 They excel at change management, risk
16 production, and speed of delivery through having these
17 longstanding teams rather than having teams that are
18 sort of, you know, in and out -- in and out of
19 programs. Next slide, please.

20 We are also, you know, furthering with
21 the tenet of, you know, being a learning organization,
22 which is a really strong principle of Agile. We have
23 acknowledged that there are improvements areas that
24 can be made on multiple fronts.

25 We have undertaken a project management

1 practices audit and have identified, and followed up,
2 and made significant progress on all seventeen (17)
3 observations within the audit.

4 So, some examples of the resolutions
5 that we have done. We have formally recognized a
6 project management office as a corporate function,
7 reorganizing that to centralize our project management
8 functions and support stability, having standard
9 tooling, standard frameworks that can be used across
10 the organization.

11 We've rolled out a project control log
12 to govern the Project (INDISCERNIBLE) the deliverables
13 and the phases. So, what does this mean? Things like
14 a resource plan. Things like a test plan, ensuring
15 that there's a project charter, ensuring that there is
16 an accountable individual for the outcomes of that
17 particular project. So, all of these types of things,
18 ensuring that those are standard elements that are
19 there for each initiative.

20 And we've identified which ones are the
21 core elements as well as which ones are the --
22 dependent on the complexity of the particular
23 initiative.

24 We have also implemented Microsoft
25 Project, which is industry world recognized top tool

1 for Waterfall projects, and that enables our work
2 breakdown structures and better metrics for the
3 projects that we undertake.

4 We've established detailed red, amber,
5 green criteria, so really this is just like
6 stoplights, is -- are all streams go, is the Project
7 having good health, green; Amber, you know, yellow,
8 what are the cautionary elements associated to that
9 particular Project; and red, when is there significant
10 attention required, whether that be from the Project
11 sponsor perspective in -- in terms of some change
12 management issues, resourcing issues, schedule issues,
13 any -- any number of those -- of those fronts,
14 including financial.

15 We are adhering to ensuring that the
16 Project managers are updating their content on a
17 weekly basis, ensuring that there's appropriate
18 communications.

19 We've also done extensive work to align
20 our processes with our key internal Project partners,
21 such as value management, so recognizing that we
22 shouldn't be undertaking projects if they don't have
23 value for the organization.

24 Project accounting, of course, so also
25 a financial experience, you know, recognizing that we

1 need to ensure that we are capitalizing, expensing,
2 you know, elements of the program appropriately and,
3 you know, itemizing what we've achieved on those
4 various projects, and also with quality assurance, so
5 ensuring that we are delivering quality and
6 deliverables for our customers.

7 Example of this one, linking back to
8 the earlier comments on project control log. So, if
9 you have a test plan, have we ensured that at least 80
10 percent or higher of the test cases are passing
11 successfully for the Project to be in green status and
12 ensuring that we are delivering something successful.

13 If there are any severity 1, severity
14 2, meaning really bad defects, we are not going to
15 production. We can't be putting that in front of our
16 customers, so putting more rigour around those types
17 of standard processes in place.

18 The last piece is around establishing
19 our clear resource and financial coordination of our
20 roles and reporting within the PMO. So, identifying
21 what are the key types of roles that are required on
22 projects, how do we make sure that those individuals
23 are assigned and that they are actively working on the
24 Project at the times that they are required, and
25 acknowledging when there are resource gaps, what are

1 those resource gaps, and how do we best mitigate those
2 resource gaps, or if we are delaying starts to
3 projects using resource management as well as
4 financial planning management for making better
5 decisions. Next slide, please.

6 So, the elements I just spoke to
7 really, you know, talk to our -- our increase for
8 transparency and accountability across the
9 organization because really, if we have a better
10 understanding of what's happening and we have clear
11 accountability of how to take action on those
12 particular items, it will absolutely make us more
13 successful.

14 We have introduced an executive level
15 dashboard that includes new reporting in each of these
16 different elements. So, we've identified and worked
17 to understand from Scaled Agile Framework, that
18 leading methodology I touched on earlier, what are the
19 key Agile metrics.

20 So, these are items around, you know,
21 speed of team delivery, so velocity would be one (1),
22 how much work can the team reasonably accomplish. And
23 we measure these to understand what is their work
24 capacity, so similar to an assembly line idea.

25 You know, it makes it a little bit

1 simple, but -- but it's a similar concept; so, what
2 have you done previously, what are you going to be
3 able to actually achieve going forward.

4 The next part is around the program
5 increment predictability measure. So, when a team is
6 identifying a certain amount of work, have they
7 actually been able to achieve that in past practice
8 because that is an -- an indicator of future -- a
9 future ability to deliver.

10 The next one was around weekly project
11 status updates. So, my PMO prime is here -- here with
12 me and will attest that we have reviews with the
13 project managers on a weekly basis to ensure that the
14 project management status reports are updated and that
15 there is clear escalation when there are issues that
16 are going back up to the project sponsors.

17 The last element here is improving our
18 internal financial forecasting, so understanding
19 earlier when there are spend issues with a particular
20 project, and, of course, those can be both underspend
21 as well as overspend; are you trending according to
22 what you identified for the overall project spend
23 requirements, and what is your need for either
24 additional contingency or additional spend earlier
25 versus later, and how can we do a better job of

1 indicating where those needs are around the process.

2 So, I acknowledge that these are all
3 areas that we are seeking to continuously improve upon
4 and are also, you know, looking to action the various
5 inputs that we've received across Gartner and -- and
6 keeping in mind with what is happening in the
7 industry.

8 Thank you. That concludes my
9 component. And I will now hand to Value Assurance.

10 MR. RYAN KOLASKI: Ryan Kolaski. Good
11 morning. I have a very brief update on MPI's Value
12 Assurance Team and our recent activities.

13 In May of this year, the Value
14 Assurance Team pivoted to reside within the finance
15 directorate; as part of this change, we have right
16 size and realigned the team.

17 The vision of the prior leadership was
18 to build out a team that was aligned to a very large-
19 scale transformation of an organization. The current
20 vision is more level set to the expected pace and
21 capability of the organization.

22 The team is smaller and focused on
23 initiatives specifically that are in excess of five
24 hundred thousand dollars (\$500,000). The Value
25 Assurance Team has been paired with Project -- with

1 accounting because there's a nice symbiotic
2 relationship that exists between the two (2)
3 departments.

4 It is led by Lynne Onofreychuk, who is
5 to my right. Lynne will report in to the Director of
6 FP&A, financial planning & analysis. Overall, it's a
7 better fit for the value and aligns with our Strategy
8 Stability plan that we will soon be executing on.
9 Next slide, please.

10 Just wanted to take a moment and
11 provide some macroenvironment context. In general,
12 overall, on-premise solutions are shifting to software
13 as a service. MPI is not immune to that general mac -
14 - macro trend.

15 What will happen is we will see our
16 capital projects slowly compress and our operating
17 expenses will -- will grow over time as this natural
18 transition happens.

19 So, you'll see that impact on our
20 capital master summary which lists projects. But as
21 we move forward, you'll see a lot more on the
22 operational side than you will on the capital
23 reporting side.

24 Thank you. That concludes my update.

25 MR. ANTHONY GUERRA: Thank you. And,

1 Ms. Schubert, can I actually ask you to go back to
2 slide number 19, please.

3 And just -- just a question here. We
4 had heard evidence from this panel on the -- the
5 different peer groups that MPI now measures itself
6 against. And, Mr. Hart, this will -- this will be a
7 question for yourself.

8 In terms of -- in terms of how MPI sees
9 its -- its targets, is -- is the evidence that MPI
10 will -- will pick and choose between each peer group
11 and determine the highest standard to achieve.

12 Is that what we're hearing?

13 MR. ROY HART: Roy Hart speaking. No,
14 that's not the approach that we're taking necessarily.
15 I could expand further if --

16 MR. ANTHONY GUERRA: Please.

17 MR. ROY HART: -- you'd like. So, we
18 take this as an input to consider what our targets
19 should be, along with other inputs like our corporate
20 strategy, what our targets are with respect to the
21 work that Mr. Campbell spoke about, assessing our
22 technology debt and risk, looking at the skills that
23 we need within the organization, which skills should
24 we acquire from external to the organization, and so
25 forth.

1 So, there's many factors to consider.
2 This is one (1) input into setting targets.

3 MR. ANTHONY GUERRA: Great. Thank
4 you. I have no further questions for the panel.

5 PANEL CHAIRPERSON: Thank you.
6 Mr. Andres...?

7 MR. TODD ANDRES: Thank you, Madam
8 Chair. And I do have another matter just in terms of
9 correcting the record. This is the undertaking that
10 just won't go away.

11 There was an undertaking read into the
12 record yesterday again, and in order just to try to
13 keep the record somewhat consistent, we are going to
14 ask that the undertaking read at line (sic) 1674 of
15 the October 29 transcript be labelled as Undertaking
16 Number 30 so that, subject to any comments from anyone
17 else in the room, I believe resolves that issue.

18 MR. ANTHONY GUERRA: No issues from
19 our end.

20 MR. TODD ANDRES: Thank you.

21

22 --- UNDERTAKING NO. 30: For each of the last five
23 years, 2019 to 2023, MPI provide a
24 chart comparing the DSR level with
25 the actuarial discounts in each

1 year, as well as the dollar
2 difference and the number of clients
3 within each separate DSR level.

4

5 MR. TODD ANDRES: Thank you, Madam
6 Chair.

7

8 CROSS-EXAMINATION BY MR. TODD ANDRES:

9 MR. TODD ANDRES: Ms. Schubert, if we
10 can scroll back to slide number 14 of the
11 presentation, and there were some comments made about
12 the five (5) year Enterprise architecture roadmap and
13 some comments that initial drafts were completed.

14 Is that correct?

15 MR. ROY HART: Yes, that's correct.

16 MR. TODD ANDRES: And we heard a bit
17 about this yesterday. Can you describe I guess
18 briefly where this sits now?

19 MR. ROY HART: Yes, I can. So, what
20 we've done is we've taken an inventory of our -- our
21 technology landscape. We've taken a first pass at
22 what are the critical aspects that need to be dealt
23 with from a contract point of view, and with that, we
24 created an initial draft of what those projects may
25 look like.

1 All of this has to still be vetted with
2 the board and the executive, and then also has to be
3 right set with the capacity of the organization to
4 take on change, taking into account Project NOVA and
5 the overall corporate strategy.

6 MR. TODD ANDRES: Thank you. And are
7 there any -- and again, speaking at a very high level,
8 are there any key findings or recommendations that you
9 can share at this time?

10 MR. ROY HART: Not at this time as
11 nothing's been approved.

12 MR. TODD ANDRES: Ms. Schubert, if you
13 can scroll ahead by one (1) slide. There we are.

14 So, if we're looking at this and -- and
15 if -- if I'm reading this correctly, it's a left-to-
16 right process. So, we have phase 1, phase 2, phase 3.

17 In phase 1, it says, "Set corporate
18 objectives and create strategic plan." And just by
19 way of clarification, when you're talking about
20 setting corporate objectives and creating a strategic
21 plan, is that -- I assume that what that's referring
22 to is the five (5) year corporate strategy rather than
23 the IT strategy.

24 Is that correct?

25 MR. SHAWN CAMPBELL: Shawn here. Yes,

1 that is correct. If you take a look at the bottom of
2 the slide, there are actual titles. I guess they
3 should have been moved up for more clarity.

4 The corporate strategy on the bottom is
5 -- is the -- the left-most phase 1 component. Setting
6 up the corporate strategy is -- is key for us to be
7 able to build from. Otherwise, what will happen is it
8 will cause rework as corporate strategy solidifies.

9 MR. TODD ANDRES: Thank you. And if
10 I'm reading this correctly, and then so if I
11 understand correctly, we sit basically under the phase
12 2 stage. So, we're at phase 2. Corporate strategy's
13 been established, and so we're now in the phase of
14 aligning IT objective, creating IT strategic plan, and
15 creating target architecture?

16 MR. ROY HART: Roy Hart. I'll speak
17 to this first, and then Shawn can add -- Mr. Campbell
18 can add to it.

19 So, this is the view of the overall
20 approach to creating a five (5) year IT strategy and
21 annual IT operating plan. This is our first year
22 going through this in many, many years, as I mentioned
23 earlier.

24 There is nothing precluding us from
25 starting to build parts of -- parts of this with the

1 acceptance that some of the things, like as inputs,
2 like the Strategic Plan, are not yet fully available
3 to us. But we can start to outline, we can start to
4 do the technical assessment work, and so forth that's
5 required to create an IT strategy and an annual
6 operating plan.

7 Very important that we have an annual
8 operating plan so it sets clear direction for our
9 staff and sets clear, well, objectives for the year in
10 terms of what we're going to accomplish. It's not
11 something that we've had in recent time.

12

13 (BRIEF PAUSE)

14

15 MR. TODD ANDRES: Thank you. So then
16 this will continue to be iterative for the next five
17 (5) years then?

18 MR. ROY HART: Roy Hart speaking.
19 Yes, that's correct.

20 MR. TODD ANDRES: Thank you for that.
21 Ms. Schubert, could you please pull up -- I guess it's
22 Part 5 in the GRA, IT 6.3. The title is 'Connecting
23 MPI's Strategy to Execution'. Right. And it's the
24 second paragraph on the -- page 557 of the PDF. There
25 it is:

1 "For fiscal year 2024/2025, the MPI
2 executive committee determined that
3 a year dedicated to stabilizing the
4 Corporation would establish a strong
5 foundation upon which to build a
6 multi-year corporate strategy."

7 You see that?

8 MR. ROY HART: Roy Hart. Yes.

9 MR. TODD ANDRES: Thank you. And can
10 you comment on the factors leading for -- or leading
11 to the need for a year to stabilize the Corporation?

12 MR. ROY HART: I'm sorry. Could you
13 repeat that question?

14 MR. TODD ANDRES: Just wondering if
15 you can expand on the -- the factors that led to the
16 need for a year to stabilize.

17

18 (BRIEF PAUSE)

19

20 MR. ROY HART: So, you know, I would -
21 - Roy Hart speaking. I -- I would start by saying
22 that IT, being an integral part of the Corporation as
23 aligned to our corporate strategies, we have a
24 stabilization strategy.

25 The reason for having a stabilization

1 strategy as -- as outlined in -- pretty clearly in
2 the document.

3 I will add we have taken measures to
4 look at what work do we need to do. We've spoken
5 about that here briefly in terms of creating an
6 overall strategy, and an angle operating plan, and
7 that sort of work.

8 We've also curtailed any projects that
9 were not really going to deliver value in the near-
10 term and focus on the -- the true priorities this
11 year, allow us time to get restructured, as I spoke
12 about earlier, as a division and -- and really build a
13 plan for going forward.

14 And that's what the stabilization
15 strategy is all about.

16

17 (BRIEF PAUSE)

18

19 MR. TODD ANDRES: Yeah. So, just to
20 clarify then, you're also taking a year to stabilize
21 IT, correct?

22 MR. ROY HART: Yes.

23 MR. TODD ANDRES: Thank you. And I'm
24 not sure. The -- the question I asked was about the -
25 - the factors. And I believe you directed me to the

1 IT -- or pardon me -- to the stabilization strategy,
2 but I don't know if I heard specific factors listed.

3 Did I -- did I miss that in your
4 answer?

5 MR. ROY HART: Just a moment.

6

7 (BRIEF PAUSE)

8

9 MR. SHAWN CAMPBELL: Shawn Campbell
10 speaking. So, some of the factors that we had been
11 looking at regarding -- or the IT strategy have to do
12 with the process capabilities of the -- how we deliver
13 components, how we're successful.

14 I guess taking a step back, you can --
15 you can divvy this up into the three (3) main
16 categories; people, process, and technology. So, from
17 a (INDISCERNIBLE) point of view, do we have the right
18 training and skillsets in place, and if we don't, then
19 how do we upscale the -- the -- or our staff so that
20 they can be successful in their careers.

21 And when it comes to process, what
22 processes do we have in place, what metrics do we
23 follow, how do we improve that, as Ms. St. Laurent
24 talked about. When it comes to technology, taking a
25 look at what is our technology position from a risk

1 point of view and from a debt management point of
2 view, what is the plan to deal with this as opposed to
3 just wait for the fire to show up, and then have to
4 deal it.

5 MR. TODD ANDRES: Thank you for that.
6 And so just to clarify, it was just some navel-gazing
7 into those three (3) particular areas, so to speak?

8 MR. SHAWN CAMPBELL: Navel-gazing
9 might be a light statement, but...

10 MR. TODD ANDRES: Fair enough. Thank
11 you. In MPI's view, are additional modern --
12 modernization initiatives required over and above
13 Project NOVA just in terms of IT?

14 MR. ROY HART: So, as -- as was
15 mentioned earlier, we are going through a process to
16 identify exactly when contracts come up for renewal,
17 which may necessitate going to market to acquire new
18 product, which may then cause a change to happen. And
19 this is part of being a public sector organization and
20 our requirement to source from the market when
21 contracts are up for renewal.

22 That's kind of the -- that would be --
23 I would consider it a primary driver at this point.
24 We do have secondary drivers around information
25 security and so forth, as Mr. Campbell spoke to.

1 MR. TODD ANDRES: Thank you for that.
2 And as NOVA's completion has been delayed from the
3 initial business case, what effect has that had on
4 stabilizing and progressing IT initiatives generally?

5

6 (BRIEF PAUSE)

7

8 MR. ROY HART: Roy Hart speaking.
9 Could you restate the question, please.

10 MR. TODD ANDRES: Sure. And I guess
11 just by way of clarifying, what I'm looking for is the
12 extent to which NOVA -- well, the -- the delays of
13 NOVA and the change from the initial business, what
14 impact has that had on stabilizing and progressing
15 other IT initiatives.

16 So, there are obviously initiatives
17 that you're involved in outside of Project NOVA.

18 MR. ROY HART: M-hm.

19 MR. TODD ANDRES: So, what impact has
20 the -- I guess the -- the --

21 MR. ROY HART: Well, so we have taken
22 a wholistic view in terms of all of the different
23 projects that we have been executing. As I mentioned,
24 we prioritized that work.

25 In terms of impact on other projects,

1 you know, there -- there's not a -- I wouldn't say
2 there's a direct impact on other projects with the
3 exception of the fact that we've added in more
4 controls and more capabilities to manage projects, as
5 Ms. St. Laurent spoke to a little bit earlier.

6 And this really is part of our
7 stabilization plan overall. You know, it reduces
8 chaos and confusion in the organization by reducing
9 the number of initiatives.

10 You know, I think originally there
11 might have been two hundred and fifteen (215), and now
12 we have thirty (30). And so, that enables us to
13 deliver our multiyear strategy.

14 So, that's how I would look at this
15 right now today as we work through -- and we're going
16 to speak to it more tomorrow, the NOVA program, work
17 through how we plan to deliver the NOVA program going
18 forward.

19 MR. TODD ANDRES: Thank you. And on
20 the -- on the topic of business capabilities -- sorry,
21 Ms. Schubert, could you I guess bring up -- for
22 context, we'll look at a couple of figures. This is
23 part 5 IT page 8, figure IT 1.

24

25

(BRIEF PAUSE)

1

2 MR. TODD ANDRES: And so, just below
3 IT 1 there's a paragraph that reads:

4 "The business capability model was
5 developed using the just-enough/
6 just-in-time principle of building
7 and was, therefore, refined largely
8 around Project NOVA impacted
9 capabilities."

10 And I -- I note that MPI has also noted
11 that the development of the business capability model
12 was affected by the labour interruption, leadership
13 changes, and prioritized initiative delivery, correct?

14 MR. ROY HART: Roy Hart. Yes, that's
15 correct.

16 MR. TODD ANDRES: Thank you. And what
17 is the relationship between the business capability
18 model and IT strategy?

19

20 (BRIEF PAUSE)

21

22 MR. ROY HART: Roy Hart speaking. So,
23 you know, this is, you know, part of our overall
24 business architecture which allows us to translate
25 business requirements effectively into technology

1 inputs.

2 It's important that we do this properly
3 and correctly and as expansive and detailed as
4 possible to a point of diminishing returns so that we
5 can effectively execute on software delivery, right.

6 So, there's only so far you need to go
7 in order to have enough information to continue.

8 MR. TODD ANDRES: And does MPI have a
9 revised timeline for completing the business
10 capability model?

11 MR. ROY HART: I'm sorry, I'm having a
12 hard time hearing.

13 MR. TODD ANDRES: Oh. I'll speak
14 closer to the microphone.

15 Does MPI have a revised timeline for
16 completing the business capability model?

17

18 (BRIEF PAUSE)

19

20 MR. ROY HART: Roy Hart speaking.
21 Thank you for your patience there. I needed to
22 confirm the -- the status as of currently.

23 So, for the NOVA program, this work has
24 been fully decomposed for everything that's within
25 scope to NOVA, so there is no further impact to NOVA.

1

2

(BRIEF PAUSE)

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MR. TODD ANDRES: Sorry. So just to clarify, is there a revised time line for completing the business capability model? Is -- is the answer 'no'?

8

9

MR. ROY HART: The answer is it's been completed.

10

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MR. TODD ANDRES: It's been completed.

MR. ROY HART: Yes.

MR. TODD ANDRES: Okay.

MR. ROY HART: Sorry. To add to that, in scope of what's in NOVA specifically, okay, not the entire Corporation, but NOVA specifically, which was I believe the nature of your question.

MR. TODD ANDRES: Okay. And so, then what -- then I guess the -- the question is: Is there a revised time line for completing the business capability model for the Corporation?

MR. ROY HART: I will confer, and I anticipated that as the next question.

MR. TODD ANDRES: Thank you.

(BRIEF PAUSE)

1

2 MR. ROY HART: Roy Hart speaking. So,
3 you know, there is no time line to do this across the
4 entire Corporation. It's not something that we would
5 necessarily go and do if it wasn't required.

6 So, we do it as required for the
7 projects as they come about. We do it at a high level
8 across the entire Corporation, and then dive deep as
9 needed.

10

11 (BRIEF PAUSE)

12

13 MR. TODD ANDRES: So -- so I -- I take
14 it then there are several -- I mean, obviously there
15 was one for NOVA. You say that's complete.

16 So, there are a number of different
17 business capability models for the different
18 initiatives?

19 MR. ROY HART: We have one (1)
20 business capability model, and we decompose the
21 impacted business areas as needed. So, there is one
22 (1) model and it keeps getting expanded over time as -
23 - as needed, and revised and edited, of course, as the
24 business changes.

25

1 (BRIEF PAUSE)

2

3 MR. TODD ANDRES: Ms. Schubert, if you
4 could pull up PUB IR MPI-1-110A. It's Figure 1 we're
5 looking at.

6 And so, looking at this, this is --
7 well, you know, might as well scroll up to the
8 question itself. My apologies, Ms. Schubert.

9 So, question A is:

10 "Please file [and I think it
11 should be] an updated figure which
12 includes the following for each
13 line."

14 So, it's a number of costs incurred for
15 year-to-date employee, internal labour, year-to-date
16 external contractor labour -- labour, remaining costs
17 for employee, internal labour, remaining costs for
18 external contractor labour, forecasted cost for
19 employee, internal labour, forecasted cost of external
20 and contractor labour.

21 And so ,then if we go down to the
22 figure was filed in response, this relates to fiscal
23 year 2023/2024, 'Focus Area Summary as at February 29,
24 2024', correct?

25 MR. ROY HART: Yes.

1 MR. TODD ANDRES: And it looks like
2 the total underspend that's confirmed by this table is
3 in the bottom right-hand corner of the table, line 10,
4 total, and that's \$18.5 million, correct?

5 MR. ROY HART: Yes, that's correct.

6 MR. TODD ANDRES: Thank you. And if
7 we look at the columns 'Year to Date Actual' and 'Year
8 to Date Actual Internal Labour', so -- sorry, 'Year to
9 Date Actual Internal' and then 'Year to Date Actual
10 Internal' (sic), the majority of the year-to-date
11 spend has been attributed to external labour, correct?

12 MR. ROY HART: Yes.

13 MR. TODD ANDRES: Thank you. And, Ms.
14 Schubert, if we can go to -- it's Part 5, Information
15 Technology, page 14, Figure IT-4.

16

17 (BRIEF PAUSE)

18

19 MR. TODD ANDRES: Right. And if we
20 look at the paragraph following Figure 4 -- pardon me,
21 Figure IT-4 -- it says:

22 "The \$18.5 million forecast --
23 forecasted underspend is attributed
24 to the impact of the strike,
25 including operational backlogs,

1 leadership changes, and a subsequent
2 shift in priorities, i.e., corporate
3 strategy."

4 Correct?

5 MR. ROY HART: Yes.

6 MR. TODD ANDRES: And it's fair to say
7 that the progress of the IT initiatives in 2023 and
8 2024 was significantly impeded as a result of the work
9 stoppage, correct?

10 MR. ROY HART: Yes, that would be
11 fair.

12 MR. TODD ANDRES: Thank you. And then
13 further down on the same page, MPI has indicated that:
14 "Sixteen (16) projects [that's the
15 next paragraph] initially approved
16 for the 2023/2024 fiscal year will
17 continue into the 2024/2025 fiscal
18 year."

19 And so, then if we examine the 'Focus
20 Area' column, the sixteen (16) projects appear to
21 cover eighteen (18) (sic) focus areas. If we can
22 scroll back up, Ms. Schubert.

23

24 (BRIEF PAUSE)

25

1 MR. TODD ANDRES: And, sorry, and just
2 the -- in -- in that paragraph I was reading from, the
3 sixteen (16) projects which cover eight (8) areas,
4 they represent about \$4.5 million -- pardon me, \$4.75
5 million, correct?

6

7 (BRIEF PAUSE)

8

9 MR. TODD ANDRES: Pardon me, \$4.6
10 million.

11 MS. JENNIFER ST. LAURENT: Sorry.
12 Could I get clarification? 'Cause I think you've
13 asked two (2) different questions --

14 MR. TODD ANDRES: Sure.

15 MS. JENNIFER ST. LAURENT: -- on a
16 number of focus areas then a following question.

17

18 (BRIEF PAUSE)

19

20 MR. TODD ANDRES: You're right. So,
21 in -- in an earlier document, the -- it had been
22 labelled \$4.6 million, but it was updated to \$4.75
23 million, correct?

24 MS. JENNIFER ST. LAURENT: Correct.

25 MR. TODD ANDRES: And -- and that's in

1 respect to the sixteen (16) projects, correct?

2 MS. JENNIFER ST. LAURENT: Right,
3 within nine (9) focus areas.

4 MR. TODD ANDRES: Right. Understood.
5 Thank you.

6

7 (BRIEF PAUSE)

8

9 MR. TODD ANDRES: So, Ms. Schubert, if
10 we can scroll to PUB/MPI-1-110, and that'll be your
11 response B. Thank you.

12 So, this table represents the sixteen
13 (16) projects that are going to continue into the
14 2024/2025 fiscal year from 2023 and 2024, correct?

15 MS. JENNIFER ST. LAURENT: Correct.

16 MR. TODD ANDRES: And examining the
17 'Focus Area' column, the sixteen (16) projects cover
18 off eight (8) different focus areas, correct?

19 MS. JENNIFER ST. LAURENT: Correct.

20 MR. TODD ANDRES: Will any of the
21 sixteen (16) projects not be completed in fiscal year
22 2024/2025?

23

24 (BRIEF PAUSE)

25

1 MR. SHAWN CAMPBELL: Mr. Campbell
2 speaking. So, of those projects, yeah, there would be
3 a couple that will bleed into the next fiscal year,
4 yes.

5 MR. TODD ANDRES: Are you able to
6 identify those?

7 MR. SHAWN CAMPBELL: The one in
8 particular that jumps out is cloud migration is
9 looking to complete in the May timeframe of next year.
10 One moment, please. And the Taxi Telematics Program
11 as well is looking to -- to push into the next fiscal
12 year.

13 MR. TODD ANDRES: Thank you. And, Ms.
14 Schubert, if you can scroll onto response 'D'.

15 And so, MPI summarized the underspend.
16 It's effectively impacted -- pardon me -- affected
17 three (3) IT objectives, including Cloud Adoption
18 Program, data management practice, maturity, and then
19 delays in delivering on-key initiatives, such as
20 Enterprise content management, correct?

21 MR. SHAWN CAMPBELL: That is correct.

22 MR. TODD ANDRES: So, in addition to
23 deferring the completion of the sixteen (16) projects,
24 as well as the effect on delivering on IT objectives,
25 Project NOVA was also affected in 2023/2024, correct?

1

2

(BRIEF PAUSE)

3

4

MR. TODD ANDRES: Sure. So, in
5 addition to the deferral of the completion of the
6 sixteen (16) projects and the impact on delivering IT
7 objectives, so the things that we just discussed a
8 moment ago, Project NOVA progress was also affected in
9 2023 and '24, correct?

10

MS. JENNIFER ST. LAURENT: My
11 understanding is, no, it would not have been affected
12 because the -- the progress was delayed otherwise.
13 Like, there was work underway for R2 at that time, not
14 active work underway for R3 that would have resulted
15 in a critical path delay.

16

MR. TODD ANDRES: So -- so, regardless
17 of the factors listed, NOVA would have been delayed in
18 2023/2024 in any event.

19

Is that correct?

20

MS. JENNIFER ST. LAURENT: Apologies,
21 I wasn't here at that time.

22

MR. SHAWN CAMPBELL: Shawn speaking.
23 So, what happened in '23/'24 -- that was the -- okay.
24 There were impacts to the Release 2 portion of Program
25 NOVA due to the factors that we talked about.

1 Those factors have been mitigated and
2 the impacts to R3, if this is where this is leading
3 to, were minimized because the R3 program itself had
4 not taken full flight at that point in time.

5 So, the -- the impacts that you're
6 talking about had to do with when we released our
7 Release 2 Program, which was the International
8 Registration Program.

9 MR. TODD ANDRES: Understood. So, I
10 guess from all of this, to tie a ribbon on it, we can
11 conclude that fiscal year '23/'24 does not represent a
12 typical year of IT delivery.

13 Is that fair?

14 MR. SHAWN CAMPBELL: So, '23/'24 does
15 not represent typical IT project delivery for the
16 Corporation. Many factors, as outlined, impacted IT
17 program delivery, but it is not typical and not
18 representative of past performance, and certainly not
19 representative of what will be future performance.

20 MR. TODD ANDRES: Thank you for that.
21 Ms. Schubert, if we could move ahead to -- it's CAC IR
22 2-12. And it's the response to 'B'.

23 This is dealing with untendered
24 agreements. And I believe there was a comment made
25 moments ago just about the need to ensure that things

1 are tended and they're run through a competitive
2 process.

3 But the table -- if we scroll down to
4 the next page, we start at 'B'. And then there are a
5 number of contracts listed there.

6 This table represents a list of
7 untendered agreements for fiscal year '23/'24,
8 correct?

9 MR. CHAD MUIR: Chad Muir here. Yes,
10 that's correct.

11 MR. TODD ANDRES: Thank you for that.
12 And can you summarize the reasons as to what would
13 cause MPI to proceed with contracts that are not
14 tendered or subject to a competitive process?

15 MR. CHAD MUIR: There are a number of
16 areas that that would fall into. We've got on that
17 penultimate column there. So, software maintenance
18 renewal is -- is one (1) of the main reasons where we
19 own the current software.

20 And the support for that software's
21 only provided by the developer of that software. So,
22 in the case of Micro Focus, they are the only
23 providers of maintenance of support. Same with things
24 like Adobe.

25 The other one would be for the reason

1 of emergency or urgency, so where there is a
2 requirement for services, such as Continuity 2.

3 So, that platform was originally
4 acquired for a business continuity unit during the
5 labor interruption for urgency; that was -- that
6 platform was used and expanded to include
7 communication to our customers. So, that would be
8 another area that that would fall into.

9 All of these -- we have two (2)
10 processes currently. So, one is a longstanding
11 process within MPI. So, based on signing authority,
12 if we are going to waive tenders under procurement
13 law, we have a waive of tender approved by the
14 appropriate authority.

15 The second processor that we have
16 currently is because of the Order of Council -- Order
17 in Council from the government of Manitoba, any
18 contract that's going to be extended or materially
19 changed beyond fifty thousand dollars (\$50,000)
20 requires government approval, as well.

21 So, we made sure that for all of these
22 contracts we had both processes finalized, completed.

23 MR. TODD ANDRES: And sorry, just so I
24 understand correctly and making sure I understand the
25 response.

1 So, anything that was fifty thousand
2 dollars (\$50,000) or greater would requirement
3 government approval?

4 MR. CHAD MUIR: That is correct.

5 MR. TODD ANDRES: Okay. And so,
6 government approval was sought in respect of anything
7 on this list that we'll see that's in excess of fifty
8 thousand dollars (\$50,000)?

9 MR. CHAD MUIR: Correct.

10 MR. TODD ANDRES: Okay.

11

12 (BRIEF PAUSE)

13

14 MR. TODD ANDRES: For fiscal
15 2024/2025, are there any agreements that have been
16 untendered?

17 MR. CHAD MUIR: There have been a few
18 maintenance renewals that have been untendered and
19 approved through the appropriate authorities. Subject
20 to check, I don't believe there's other -- any
21 material contracts that have been untendered.

22 MR. TODD ANDRES: And so, are any of
23 the agreements listed in this table related to
24 services to support the delivery or progress of
25 Project NOVA?

1 And we can scroll back up.

2 MR. CHAD MUIR: If you can scroll back
3 up.

4 MR. TODD ANDRES: Sure. Thank you,
5 Ms. Schubert.

6

7 (BRIEF PAUSE)

8

9 MR. CHAD MUIR: I believe the only one
10 is Systematic Technologies that add any oversight of
11 Project NOVA.

12 MR. TODD ANDRES: Sure. And why don't
13 we just scroll through the list, Ms. Schubert, just to
14 double-check.

15

16 (BRIEF PAUSE)

17

18 MR. CHAD MUIR: Yeah, that is only
19 one.

20 MR. TODD ANDRES: You're satisfied?
21 Thank you.

22 MR. CHAD MUIR: Yeah.

23 MR. TODD ANDRES: Ms. Schubert, could
24 you please pull up CAC/MPI 1-28(e). Right.

25 And the question is:

1 "Please explain if there are any
2 corporate stretch targets or
3 negative contingencies that were
4 intended to offset cost pressures,
5 set expectations of productivity,
6 and contain operating expenses set
7 by Executive Committee for '25 --
8 well, I guess fiscal year '24/'25
9 through '26/'27 -- on an overall
10 corporate-wide basis and, if so,
11 quantify the stretch targets for
12 each year in terms of operating
13 expenses and FTEs."

14 So, now if we scroll down to the
15 response. I'll just -- I guess as a starting point,
16 can you elaborate on the stretch target for '25/'26,
17 please?

18

19 (BRIEF PAUSE)

20

21 MR. RYAN KOLASKI: Ryan Kolaski. The
22 stretch target for '25/'26 was to hold to the overall
23 corporate budget that was approved by Treasury Board.
24 So that would be our overall corporate operating
25 expenses of 408 million.

1 And then, as we moved into the GRA, we
2 were looking to pull that down. So, we were not
3 looking to advance or expand beyond that. We were
4 looking to contain our costs overall.

5 MR. TODD ANDRES: Right. And so, in
6 your opinion, might it be necessary to underfund
7 technological advancements to play -- to short-term
8 expense management?

9 MR. RYAN KOLASKI: Correct. So, if
10 you go to -- so if you think about capacity and LPM
11 planning, right, the budget that's been advanced in
12 this GRA is \$14 million. And if you look at
13 historically what has the Corporation been able to
14 execute against, that \$14 million envelope seems too
15 high.

16 So, in our Treasury Board budget that
17 will go forward in the fall, the \$14 million has been
18 pulled back to \$9 million which is a better appetite
19 in terms of capacity and runway.

20 Prior to the \$14 million in previous
21 GRAs, that number was \$24 million for LPM, and we've
22 never been able to achieve it. So, when you look at
23 historically, the Corporation set large ambition in
24 terms of projects and ability, but then we couldn't,
25 because of capacity and other constraints, manage

1 through that.

2 So, what we've done is we pulled back
3 to the fourteen (14), and then for the fall we're
4 going to pull back to nine (9), and that allows us to
5 refocus and ensure that we can execute on NOVA given
6 the scale, scope, and complexity.

7 MR. TODD ANDRES: So, I guess a
8 follow-up to that is: Would this stretch target then
9 to hold overall corporate operating budget flat to
10 2024/'25 while delivering NOVA unintentionally
11 increase or complicate MPI's current technical --
12 technological debt?

13

14 (BRIEF PAUSE)

15

16 MR. SHAWN CAMPBELL: Shawn Campbell
17 speaking. So, it's possible. There are many factors
18 that are going to play into this. The overall roadmap
19 has not been established, so understanding the actual
20 amount of change and the cost for those changes have
21 not been completed yet. And as we don't understand
22 that yet, we can't compare that to what our overall
23 corporate budget spend will be.

24 MR. TODD ANDRES: Thank you for that.
25 And so, if we look at the very last sentence in this

1 response, it says:

2 "Post-NOVA, the exception is still
3 there, will be a material spend
4 requirement to correct and manage
5 the operational risk that is
6 currently present and growing
7 outside of NOVA."

8 Correct?

9 MR. SHAWN CAMPBELL: That is correct,
10 and there's an IR that addresses that and estimates
11 that on average it's about \$11 million per year is
12 what we require from a runway based on our preliminary
13 findings related to the technology roadmap.

14 So that comment was inserted to give
15 context and colour around -- NOVA is not a start and
16 completion. This organization has a very large
17 technical envelope and that there is an ongoing need
18 to pace out that change and stay modern.

19

20 (BRIEF PAUSE)

21

22 MR. TODD ANDRES: So, I guess the
23 question is: Would you agree that the project that
24 was intended to reduce technical debt may now
25 unintentionally cause it elsewhere?

1

2

(BRIEF PAUSE)

3

4

MR. ROY HART: So, you know, the
5 concept of technical debt is something that first I'll
6 state every organization has, and everybody -- every
7 organization has it in a growing state; that is the
8 normal state of technology debt. As soon as you
9 deploy something, you incur debt; that is just part of
10 regular operations, normal business.

11

With respect to the NOVA program, the
12 NOVA program was intended to modernize a section of
13 our Enterprise systems, not every Enterprise system
14 that operates within the Corporation.

15

So, while we focus on NOVA, we do so
16 conscientiously with the understanding that, in some
17 other areas, we may be incurring additional technical
18 debt.

19

The work that Mr. Campbell spoke about
20 earlier is our attempt at getting -- getting our
21 understanding of what that looks like, what our best
22 choices are, and what risk we are prepared to accept
23 and work through is -- is exactly the work that Mr.
24 Campbell is undertaking with his team and -- and
25 others.

1 I hope that answers your questions.

2 MR. TODD ANDRES: Thank you. Yes, it
3 does.

4 Madam Chair, we're at 10:26, and I'm
5 about to move to a new area of questioning. Might
6 this be an appropriate time for the morning break?

7 PANEL CHAIRPERSON: Yeah. We'll break
8 now for the morning and come back at quarter to 11:00,
9 please.

10

11 --- Upon recessing at 10:27 a.m.

12 --- Upon resuming at 10:45 a.m.

13

14 PANEL CHAIRPERSON: Mr. Andres...?

15 MR. TODD ANDRES: Thank you, Madam
16 Chair.

17

18 CONTINUED BY MR. TODD ANDRES:

19 MR. TODD ANDRES: So, we'll look now
20 at the issue of IT benchmarking. Ms. Schubert, could
21 you please, I guess, pull up part 5, it Attachment A.

22 This is the Manitoba Public Insurance
23 Information, Technology Benchmark fiscal year
24 2022/2023 report, yes?

25 MR. CHAD MUIR: Chad here. Yes.

1 MR. TODD ANDRES: Thank you. And I
2 guess I'll be referring to this colloquially as the
3 Gartner report throughout.

4 So, you'll know that I'm referring to
5 this report, correct?

6 MR. CHAD MUIR: Yes, correct. Thank
7 you.

8 MR. TODD ANDRES: Thank you. And I
9 guess to that point, this relates to the fiscal year
10 of 2022/2023, correct?

11 MR. CHAD MUIR: That is correct.

12 MR. TODD ANDRES: Thank you. And
13 these are being produced in respect of the 2025 GRA,
14 correct?

15 MR. CHAD MUIR: That is correct.

16 MR. TODD ANDRES: Thank you. Can you
17 explain the value provided to MPI by the Gartner
18 benchmarking report?

19 MR. CHAD MUIR: The -- there's a few
20 aspects that are of -- of value. So, number 1 is a
21 check in terms of where our spend is compared to our
22 peer groups, as mentioned earlier this morning, around
23 now two (2) peer groups, the insurance peer group, as
24 well as public sector.

25 And the second area is around IT

1 maturity in the different areas of IT. And so, we can
2 take a look at a very granule view of where we want to
3 improve, where Gartner has found evidence from other
4 corporations, other like corporations, where we sit
5 compared to those organizations as well as see what's
6 coming up.

7 So, in -- in this year's questionnaire
8 and interviews, there's more of the concept of AI in
9 some of the different areas, including in procurement,
10 so we keep up with the industry trends that way.

11 MR. TODD ANDRES: Thank you. Does MPI
12 intend to engage Gartner for IT benchmarking services
13 for the 2024/2025 fiscal year?

14

15 (BRIEF PAUSE)

16

17 MR. ROY HART: Roy Hart speaking. So,
18 while the benchmarking does provide insights, we do
19 feel that doing it annually is more frequently than it
20 provides benefit for.

21 So, I would suggest that we do this
22 perhaps every two (2) to three (3) years because it is
23 so broad based, you know, making progress and having
24 demonstrable progress takes oftentimes longer than
25 just one (1) year to achieve.

1 MR. TODD ANDRES: And so, I guess the
2 answer to the question is to be determined?

3 MR. ROY HART: Roy Hart speaking.
4 Yes, to be determined.

5

6 (BRIEF PAUSE)

7

8 MR. TODD ANDRES: Ms. Schubert, could
9 you advance to page 10 of the Gartner report. Thank
10 you.

11 And so, between insurance industry
12 peers and public sector peers, is there one (1) group
13 that MPI believes is more representative of the
14 current state of IT delivery?

15 MR. CHAD MUIR: Chad, here. We
16 actually really take a look, and we think we fall in
17 both. There are aspects and characteristics of MPI
18 that fall into both peer groups, and so, there's not
19 the feeling that we fall into one more than the other.

20 MR. TODD ANDRES: Thank you. And Ms.
21 Schubert, can you please pull up part 5. I guess it's
22 still the Gartner report. Just move forward to page
23 14, please. Thank you.

24 And there are three (3) recommendations
25 that I noted were in MPI's presentation this morning.

1 Does MPI accept each of these three (3)
2 recommendations?

3 MR. CHAD MUIR: Yes, we do.

4 MR. TODD ANDRES: Thank you. And do
5 each of the three (3) recommendations remain relevant?

6 MR. CHAD MUIR: Yes, all three are
7 relevant.

8 MR. TODD ANDRES: And can you, I
9 guess, summarize for us the effect of the labour
10 interruption on the advancement of these three (3)
11 recommendations, or I guess MPI's progress towards
12 these three (3) recommendations?

13 MR. ROY HART: Roy Hart speaking. You
14 know, I -- we have not measured the impact of the
15 labour interruption against the advancements of these
16 particular initiatives, so I can't speak in any
17 empirical way to that.

18 What I can say is the attention of the
19 Corporation during and for some time post labour
20 interruption would've had some impact, but the nature
21 of that impact, it's hard to say with any certainty.

22

23 (BRIEF PAUSE)

24

25 MR. TODD ANDRES: Ms. Schubert, if you

1 could advance, please, to page 47 of the Gartner
2 report. Thank you. And then scroll down just a
3 little bit.

4 And I guess can you -- and -- and I
5 suppose, can you speak to this particular slide, Mr.
6 Muir? You familiar with it?

7 MR. CHAD MUIR: Yes, I am familiar
8 with it. So, Gartner, in this report -- this is a new
9 view that we haven't had in previous reports. So,
10 they take a tile view of where MPI is in each of the
11 IT areas, and then what our next step is if we want to
12 continue along the maturity aspect.

13 MR. TODD ANDRES: Thank you for that.
14 Mr. Schubert, if we could move forward to IR 169.
15 It's PUB IR 169. And it's question B.

16 And this relates back to the table.
17 And I guess there was an entire series or --

18 MR. CHAD MUIR: Correct.

19 MR. TODD ANDRES: -- slides following
20 page 47 talking about the IT domains. And the
21 question here was a request to please indicate for
22 each domain whereby MPI has achieved the goal target
23 and, if not yet achieved, indicate the timeline for
24 achieving the target.

25 And in response, it appears that MPI

1 has indicated that will -- it will adopt the target
2 levels for each IT domain noted in slides 47 to 71 of
3 the Gartner report, correct?

4 MR. CHAD MUIR: That is correct. And
5 this will include a five (5) year outlook and roadmap
6 to address the maturity level improvements, correct?

7 MR. CHAD MUIR: That is correct.

8 MR. TODD ANDRES: Thank you. So, in
9 other words, MPI has indicated that in -- in
10 indicating this, just curious, have these particular
11 target levels and objectives been taken into account
12 the development of the, I guess two (1) things, number
13 1, the IT roadmap, and number 2, the overall corporate
14 strategy?

15 MR. CHAD MUIR: They have been
16 taken into consideration. When we have talked
17 previously this morning about the number of projects -
18 - I'll just use this as an example.

19 So, within the procurement, one (1) of
20 the recommendations is a complete procure to pay
21 solution. So, in order for MPI to implement something
22 like that and move towards that next level of
23 maturity, that will be a project that really should
24 follow the upgrade of our current ERP solution, so we
25 can't put a timeline on that yet.

1 A lot of the other recommendations
2 really are in terms of tracking data and making
3 decisions. But for -- for the majority, over the next
4 five (5) years included in the plan, we can continue
5 to improve our maturity.

6 MR. TODD ANDRES: Sorry. And -- and
7 on the subject of maturity, are any maturity level
8 increases considered significant or transformational
9 improvements to how MPI IT delivers projects?

10 MR. CHAD MUIR: It would be
11 incremental improvements.

12 MR. TODD ANDRES: And again, I don't
13 need an empirical answer, but your impressionistic
14 answer would be fine.

15 The labour interruption during fiscal
16 year, 2023/'24 effect MPI's progress towards achieving
17 maturity improvements?

18 MR. CHAD MUIR: Yes, it did.

19 MR. TODD ANDRES: Thank you. Can you
20 describe how?

21 MR. CHAD MUIR: As Mr. Hart mentioned,
22 there were delays of -- with the staff away from the
23 office in terms of being able to move forward the
24 maturity.

25 And then when -- when the labor

1 interruption was complete, there was prioritization on
2 backlogs, and so we weren't able to really focus on
3 increasing our maturity during that work.

4 MR. TODD ANDRES: Thank you for that.
5 Ms. Schubert, if you could go back to page 44 of the
6 Gartner report.

7 And so, before us on the screen, it
8 says, "Summary of changes in level of IT maturity over
9 the past year."

10 What is MPI's understanding of the
11 information provided in this table?

12 MR. CHAD MUIR: Our understanding as -
13 - and the review of this material is that, you know,
14 there are a lot of areas where we have seen increases
15 in our level of maturity, which is, you know, very
16 reassuring. There are a few areas that we've seen a
17 decrease in maturity. I would say they're not overly
18 material.

19 The other piece of this slide is that
20 it's talking about, again, granular components of the
21 different IT areas. So, it's not a reflection of --
22 as an example, all of security risk management is
23 increasing maturity. Or if we take a look at
24 infrastructure operations, there'll be different areas
25 that increase and decrease and fluctuate over time.

1 MR. TODD ANDRES: And so, has MPI
2 committed to improving its IT delivery maturity level?

3 MR. ROY HART: Roy Hart speaking.
4 Yes. And we spoke to several measures that we're
5 taking -- that we're doing during our opening remarks
6 and during our presentation earlier today.

7 MR. TODD ANDRES: Thank you. And if
8 we focus on the right-hand side of the screen, where
9 it does talk about the largest decreases in maturity,
10 I know, Mr. Muir, you had mentioned that decreases in
11 maturity levels were not in areas that you -- and I
12 believe your response was, Were material.

13 Just wondering. As -- as a part of the
14 commitment to improving maturity level, does MPI plan
15 to improve the areas noted on the right-hand side at
16 this table?

17 MR. CHAD MUIR: Yes, we do.

18 MR. TODD ANDRES: Thank you. And so,
19 is MPI's goal to achieve the level of peer groups?

20 MR. ROY HART: I would say that -- Roy
21 Hart speaking. At this time, we have not set
22 specifically a target for each of these. That will be
23 -- that's part of the work that Mr. Campbell spoke
24 about earlier. And within that work, we will identify
25 where appropriate that we should set a target and work

1 to achieve it on a prioritized basis.

2 MR. TODD ANDRES: And so, does MPI
3 intend to allocate IT spending to increase those areas
4 noted as being subject to decreases in maturity or
5 lower in maturity level?

6 MR. ROY HART: Roy Hart speaking.
7 These areas don't all necessarily require IT spend to
8 address. Some of them are related to process. Some
9 of them are related to the reallocation of internal
10 resources and so forth using tools that we may already
11 have in place and et cetera.

12 There's really not specific to a dollar
13 spend across each of these areas.

14 MR. TODD ANDRES: And so just focusing
15 on the table on the right side, again, this is largest
16 decreases in maturity, are there specific IT domains
17 or areas that MPI believes are the organization's sort
18 of top priority, and, again, just focusing on the list
19 on the right?

20 MR. ROY HART: We have not set that
21 yet.

22 MR. TODD ANDRES: Okay. And now
23 turning to the table on the left, which is the largest
24 increases in maturity. You'll agree that MPI's -- or
25 I guess I'll ask you to confirm MPI's understanding

1 that Gartner has assessed MPI as a level 5 on four (4)
2 activities of the security and risk management IT
3 domain, correct?

4 MR. ROY HART: Yes, they have.

5 MR. TODD ANDRES: Yeah, five (5) fives
6 under the IT domain of security and risk management.
7 And then I see there's another five (5) down the way
8 under applications, correct?

9 MR. ROY HART: Yes, that's correct.

10 MR. TODD ANDRES: And -- and just
11 speaking to the security and risk management areas,
12 does MPI agree with the maturity assessment of five
13 (5) within the security and risk management?

14 MR. ROY HART: So, we -- Roy Hart
15 speaking. We -- it's probably a little high, you
16 know; however, it is representative of the fact that
17 we do have a robust security program, and that's
18 probably what's driving that. I can't say for
19 certain.

20 MR. TODD ANDRES: And I guess the same
21 question with respect to applications. Does MPI view
22 the five (5) under applications to be an accurate
23 assessment?

24

25

(BRIEF PAUSE)

1

2 MR. ROY HART: So, we would say -- Roy
3 Hart speaking. We would say it is probably a little
4 high. We recognize that it represents a perfect score
5 in this methodology, and we would have to dig deeper
6 into exactly the questions that were answered through
7 this process.

8 MR. TODD ANDRES: Sorry. And so, what
9 is -- what is -- when you look at a chart like this,
10 what does a maturity level of 5 mean to MPI I guess in
11 respect to both? And I think you gave a bit of an
12 answer in respect of security and risk management, but
13 wondering if you can expand.

14 When you see a 5, what does that
15 represent to MPI?

16 MR. ROY HART: Just a moment.

17

18 (BRIEF PAUSE)

19

20 MR. CHAD MUIR: Perhaps, Counsel, I
21 can just ask a clarifying question.

22 Was the question intended to ask for
23 what Gardner views as a level 5 maturity for the
24 domain, or was it MPI's interpretation of that?

25 MR. TODD ANDRES: That's -- the latter

1 of the two (2).

2 MR. CHAD MUIR: Okay.

3 MR. TODD ANDRES: We're asking for
4 what the 5 means to MPI.

5 MR. CHAD MUIR: Okay. Thank you.

6 MR. TODD ANDRES: And I'll wait for
7 response to that question.

8 MR. SHAWN CAMPBELL: Mr. Campbell
9 speaking. So, the 5 itself represents that we have
10 achieved a significant maturity level in that area.
11 It doesn't mean that we're done because things
12 constantly change in the -- the ecosystem.

13 But what it does represent is that
14 maybe in that particular area we don't need to
15 continue on with continuous improvement processes or
16 as intensely as we have in the past, whether we can
17 move some of our improvement processes to other areas
18 within the organization as it represents.

19 Overall, though, it is still an area
20 that's of importance to us, and we will continue to
21 invest in that area.

22 MR. TODD ANDRES: Right. And -- and
23 is MPI aware of the criteria or the -- I guess the
24 methodology that Gartner uses in order to allocate
25 these scores?

1 MR. CHAD MUIR: Chad Muir here. The
2 process is twofold. So, the -- the first stage of the
3 process to gather the maturity level is to have each
4 IT subject matter expert complete a questionnaire; the
5 second is to go through an interview process.

6 MPI does not see the -- like, an answer
7 key to each question and what type of response would
8 provide maturity level of 1, 2, 3, 4, 5. That's
9 something that -- that Gartner completes.

10 MR. TODD ANDRES: Thank you. So, the
11 -- the metrics then that Gartner is using is not
12 something that is known to MPI?

13 MR. CHAD MUIR: That is correct.

14 MR. TODD ANDRES: Thank you.

15

16 (BRIEF PAUSE)

17

18 MR. TODD ANDRES: Thank you. Those
19 are my questions for this Panel. I will have some
20 more once we enter the CSI panel this afternoon, so my
21 case is not quite closed.

22 PANEL CHAIRPERSON: Thank you. Ms.
23 Dilay...?

24 MS. KATRINE DILAY: Thank you, Madam
25 Chair.

1

2 CROSS-EXAMINATION BY MS. KATRINE DILAY:

3 MS. KATRINE DILAY: Good morning. My
4 name is Katrine Dilay. I am one (1) of the lawyers
5 for the Manitoba branch of the Consumers' Association
6 of Canada.

7 I'll be relatively brief on the public
8 version of -- of this cross, recognizing also that my
9 friend, Mr. Andres, did touch upon a few areas that I
10 was intending to go through.

11 If we could turn to actually the
12 document that's already before us on the screen. And
13 so, you see there Gartner's MPI Information and
14 Technology benchmark report for the fiscal year
15 '22/'23.

16 You see that?

17 MR. ROY HART: Yes.

18 MS. KATRINE DILAY: Thank you. And
19 turning to page 10 of this report -- and we'll go
20 relatively quickly, recognizing that we've seen this
21 report just a few moments ago.

22 So, on this page here, Gartner confirms
23 that it compared MPI with insurance industry peers as
24 well as public sector peers, correct?

25 MR. ROY HART: Yes.

1 MS. KATRINE DILAY: And specifically,
2 ten (10) insurance industry peers?

3 MR. ROY HART: Yes.

4 MS. KATRINE DILAY: And as far as you
5 understand, those would be private insurance peers?

6 MR. CHAD MUIR: Chad Muir speaking.
7 Yes, that is correct.

8 MS. KATRINE DILAY: Thank you. And
9 then on the right-hand side, eleven (11) public sector
10 peers, correct?

11 MR. CHAD MUIR: That is correct.

12 MS. KATRINE DILAY: And turning to the
13 next page, page 11. So, we see here some findings by
14 Gartner as it relates to IT spending and staffing at a
15 high level?

16 MR. CHAD MUIR: That is correct.

17 MS. KATRINE DILAY: And looking at the
18 findings, are we correct in understanding that the
19 red, the peer average group 1, refers to the insurance
20 industry peers?

21 MR. CHAD MUIR: That is correct.

22 MS. KATRINE DILAY: And the purple,
23 the peer average group 2, refers to public sector
24 peers, correct?

25 MR. CHAD MUIR: That is correct.

1 MS. KATRINE DILAY: And turning to
2 page 44, which we'll recognize as just having seen
3 this just a few moments ago.

4 So, this is a summary of changes in
5 level of IT maturity over the past year?

6 MR. CHAD MUIR: At a granular level,
7 Yes.

8 MS. KATRINE DILAY: And so, on the
9 left-hand side, those are the largest increases in
10 maturity?

11 MR. CHAD MUIR: That is correct.

12 MS. KATRINE DILAY: And it would be
13 fair to say that the largest increases in maturity, if
14 we look at the domains, the IT domains on the left-
15 hand side, they were mostly in the domains of security
16 and risk management as well as strategy, correct?

17 MR. CHAD MUIR: That is correct.

18 MS. KATRINE DILAY: And on the right-
19 hand side, we see the largest decreases in maturity?

20 MR. CHAD MUIR: That is correct.

21 MS. KATRINE DILAY: And if we look
22 again at the IT domain at the left-hand side of that
23 table, it would be fair to say that the largest
24 decreases in maturity we're mostly in the domains of
25 infrastructure and operations as well as applications?

1 MR. CHAD MUIR: That is correct,
2 again, at a granular level. So, to -- to view the
3 changes in maturity, there's a slide I think that
4 better represents the change in maturity for overall
5 infrastructure and operations as well as security and
6 risk management that probably better represents kind
7 of the change within MPI over the year versus the
8 granular level.

9 MS. KATRINE DILAY: I appreciate that.
10 Thank you. Turning to page 48, please.

11 And so, can we understand this
12 particular slide as Gartner identifying a high
13 priority of developing a strategy?

14 MR. CHAD MUIR: I would not say this
15 represents Gartner prioritizing strategies. The --
16 the gray-coloured tiles is what our current practice
17 is, and then if MPI wishes to achieve the next level,
18 what the next stage would be.

19 MS. KATRINE DILAY: And so just
20 focusing on level 3 and the first gray square under
21 level 3 which reads:

22 "Produce it strategic plan derived
23 from enterprise strategy."

24 You see that?

25 MR. CHAD MUIR: Yes, I do.

1 MS. KATRINE DILAY: And so, are we
2 correct in understanding that Gartner is finding here
3 that MPI is already doing this?

4 MR. CHAD MUIR: That is correct. To
5 add to that though, I think there are -- to Mr. Hart's
6 point, we're currently doing a new IT strategy that
7 aligns with the Enterprise strategy after the
8 stabilization year.

9 When we take a look at the year
10 '22/'23, that was under previous leadership, and there
11 was an IT strategy at that time.

12 MS. KATRINE DILAY: Thank you. That
13 helps to -- to clarify. And if we could turn to page
14 67, please.

15 And so here, at a high level, Gartner
16 is identifying the high priority of designing
17 strategic plans?

18 MR. CHAD MUIR: Yes, that is correct.
19 Well, I would say -- sorry, I'll take -- to clarify, I
20 don't think it's a prioritization.

21 MS. KATRINE DILAY: But just focusing
22 at the top of the page, they did identify design
23 strategic plans as a high priority?

24 MR. CHAD MUIR: Oh, sorry. Yes,
25 correct.

1 MS. KATRINE DILAY: Thank you.

2 MR. CHAD MUIR: Thank you.

3 MS. KATRINE DILAY: And looking at
4 level 3, specifically, the blue box on that level 3
5 row, Gartner here is identifying an opportunity to
6 recalibrate plan as it assumptions or external factors
7 change?

8 MR. CHAD MUIR: Sorry, Counsel, that's
9 the blue box on the level 4.

10 MS. KATRINE DILAY: Thank you for
11 that. I skipped a question. And so, I will go back
12 to the -- the right question.

13 So, looking at level 3, and
14 specifically the blue box, Gartner here is identifying
15 an opportunity to identify and track critical
16 assumptions behind IT strategy?

17 MR. SHAWN CAMPBELL: Shawn here. I'll
18 respond to this. So yes, it does identify that. This
19 refers to some of the undertakings that we're doing
20 this year around building on that long-term IT
21 strategic roadmap so that we can better plan out that
22 work and help us to prioritize that based on a risk
23 assessment.

24 MS. KATRINE DILAY: And so, while this
25 report was speaking about the '22/'23 year, it would

1 still be applicable to the work MPI is doing
2 currently?

3 MR. SHAWN CAMPBELL: Yes.

4 MS. KATRINE DILAY: And then looking
5 at the blue box on level 4, that's where Gartner
6 identifies an opportunity to recalibrate plans as IT
7 assumptions or external factors change. You see that?

8 MR. SHAWN CAMPBELL: Yes.

9 MS. KATRINE DILAY: And again, the
10 same question: Recognizing these findings were for
11 the year '22/'23, would MPI agree that this
12 recommendation would also apply going forward for MPI?

13 MR. SHAWN CAMPBELL: It does. We
14 should always take a look at what's happening from an
15 external factor into how we're changing our ecosystem
16 to support the business.

17 MS. KATRINE DILAY: And so, I think,
18 hearing your response, MPI's interpretation of -- of
19 these recommendations and the work that MPI is doing,
20 would you agree that MPI is constantly monitoring
21 assumptions underlying the IT strategy to be
22 responsive to changes in assumptions or external
23 factors?

24 MR. SHAWN CAMPBELL: Yes, I would say
25 that that is -- that -- that is happening now and

1 continues to happen.

2 MS. KATRINE DILAY: Thank you. And
3 just one last slide, slide 83 of this report. And so,
4 starting at this page, these are where we find
5 Gartner's detailed recommendations for MPI?

6 MR. CHAD MUIR: Chad Muir speaking.
7 Yes, that's correct.

8 MS. KATRINE DILAY: And we did ask a
9 confidential IR, and the response does remain
10 confidential. And so, I'll have a few follow-up
11 questions in the confidential portion, but just
12 keeping this in mind.

13 I did have some questions about the --
14 MPI's short-term and long-term IT strategy. And My
15 Friend Mr. Andres did cover most of it, and you also
16 covered a lot of it in your presentation this morning,
17 so I just have two (2) questions.

18 Would it be fair to assume that MPI
19 will consider Public Utilities Board findings,
20 directives, and recommendations relating to
21 information technology and will incorporate them in
22 its long-term IT strategy?

23 MR. ROY HART: Roy Hart speaking. So,
24 the answer to the question is yes. And I believe in
25 my testimony earlier today, I spoke to the fact that

1 we've done so based on previous reports and previous
2 commentary to Public Utilities Board.

3 MS. KATRINE DILAY: Thank you. And
4 recognizing that MPI's corporate strategy that we've
5 been talking about over the last couple of days, that
6 document has been characterized as a living and
7 breathing document.

8 You recall hearing that testimony?

9

10 (BRIEF PAUSE)

11

12 MR. ROY HART: Yes.

13 MS. KATRINE DILAY: Thank you. And I
14 believe you -- you testified earlier, Mr. Hart, that
15 the IT strategy will be driven or aligned by the MPI
16 corporate strategy.

17 Would that be accurate?

18 MR. ROY HART: Yes, that's correct.

19 MS. KATRINE DILAY: And so,
20 recognizing that the corporate strategy is a living
21 and breathing document which may change or evolve over
22 time, how will MPI ensure that the IT strategy remains
23 aligned with the corporate strategy?

24 MR. ROY HART: So, we have a review
25 and update cycle planned for this strategy, including

1 updating the underpinning technology roadmap. We will
2 be doing so on an annual basis producing a new five
3 (5) year roadmap, and on an annual basis producing an
4 annual Operating Plan that's driven by the corporate
5 strategy as it changes.

6 And the five (5) year IT roadmap will
7 also be influenced by the corporate strategy as well
8 as it gets updated. The -- we do plan to have a
9 longer-term view in terms of the work that's
10 undertaken.

11 And as I mentioned during my testimony
12 earlier, we view having an annual Operating Plan as a
13 critical success factor to make sure that employees in
14 the Corporation know exactly what we're working on and
15 what's expected of them.

16 MS. KATRINE DILAY: Thank you. And if
17 I could just have one moment. I think we may be done,
18 but I'll just check.

19

20 (BRIEF PAUSE)

21

22 MS. KATRINE DILAY: Those are all our
23 questions for the -- the public component of this
24 panel. Thank you.

25 PANEL CHAIRPERSON: Thank you.

1 Mr. Gabor...?

2 BOARD CHAIR GABOR: Thank you. Mr.
3 Muir, I don't know if this question's for you or later
4 for Gartner, but do -- do all consultants use the same
5 or similar criteria methodology for benchmarking?

6 MR. CHAD MUIR: That I don't know, and
7 that that would be a better question for Gartner.

8 BOARD CHAIR GABOR: Okay. Thank you.
9 I've got a question for Ms. St. Laurent. Ms. St.
10 Laurent, you talked in your testimony about the hybrid
11 approach using Agile and Waterfall and that you were
12 reintroducing Waterfall. Is that correct?

13 MS. JENNIFER ST. LAURENT: Jennifer
14 St. Laurent. Yes, that is correct.

15 BOARD CHAIR GABOR: Okay. Ms.
16 Schubert, could you pull up order number 176/19?

17 Now, this is possibly unfair because
18 I'm going to put an order to you, which was well
19 before you joined the Corporation, okay?

20 Page 80. If you could go down, please.
21 We're on different pages. Sorry. Above "IT staffing
22 go up," yes. No, keep going, keep going. Okay.

23 So, this paragraph says:

24 "MPI advised that it will be
25 employing Agile for Project NOVA.

1 Delivered via both external vendor
2 solutions and internal resources,
3 MPI's in the early stages of using
4 Agile having completing [I think
5 that should have been 'completed']
6 small projects in 2018 to increase
7 internal delivery capabilities.
8 These two (2) pilot projects had a
9 total cost of less than a million
10 dollars. Project NOVA is a multi-
11 year initiative with estimated total
12 costs over 100 million, which was
13 estimated at that time, including a
14 contingency of 25 percent. It is
15 significantly more complex than the
16 pilots and affects other strategic
17 initiatives, including customer
18 self-service and technology risk
19 management."

20 That's accurate?

21 UNIDENTIFIED SPEAKER: (NO AUDIBLE
22 RESPONSE)

23 BOARD CHAIR GABOR: Ms. Schubert, if
24 you could go to the recommendation at 12 -- sorry,
25 page 1 -- I'm sorry. Can you go to page 130? Okay.

1 So, at the time of that hearing, we had
2 recommended Agile be tested by the Corporation on a
3 larger-scale project, a cost of approximately \$10
4 million, before the Corporation fully commits to Agile
5 for all aspects of Project NOVA.

6 The following year at the hearing, we
7 were told that Agile did not go to any pilot project,
8 that they went in essentially full force into those
9 projects.

10 So, the question I have for you is:
11 Given that you're going back to a hybrid approach, was
12 -- was that a mistake not to do pilot projects for a
13 larger amount to see if it worked properly within MPI?

14 MS. JENNIFER ST. LAURENT: I can only
15 comment on my professional background and experience.
16 I would have taken approach to -- to do pilots. I
17 would support that.

18 BOARD CHAIR GABOR: Okay. Thank you.
19 Mr. Hart, it's nice to meet you.

20 MR. ROY HART: Likewise.

21 BOARD CHAIR GABOR: I would say I
22 think you're about the fourth or fifth CTO I've seen
23 in eight (8) years here -- sorry, nine (9) years. I'm
24 -- I'm making myself younger. Nine (9) years.

25 You talk about stabil -- stabilization

1 strategy. In my mind, that implies instability that
2 you're trying to correct. Is that right?

3 MR. ROY HART: Roy Hart speaking.

4 Yes, that is correct.

5 BOARD CHAIR GABOR: Okay. Under your
6 tenure now, are -- are you essentially trying to clean
7 up past mistakes?

8 MR. ROY HART: Thank you for the
9 question.

10 BOARD CHAIR GABOR: Oh, I'm sure
11 you're very thankful.

12 MR. ROY HART: It's -- you know,
13 there's a lot of things that, in retrospect, people
14 could do differently. My focus is on how are we doing
15 things going forward, recognizing what has happened,
16 but not being held hostage to that going forward.

17 So, making the smart choices around how
18 we're organized, how we're aligning to deliver in the
19 context of a public sector Crown Corporation and being
20 respectful of that, making sure that we are providing
21 value to Manitobans in every aspect that we possibly
22 can and to our employees and our brokers.

23 BOARD CHAIR GABOR: Okay. I would
24 suggest to you to a certain extent you are hostage to
25 -- to the extent you have an existing structure and

1 you have existing contracts. And you --

2 MR. ROY HART: Yes, that's correct.

3 BOARD CHAIR GABOR: Is that correct?

4 MR. ROY HART: Yes, that's correct.

5 BOARD CHAIR GABOR: And you have to

6 fit your go-forward plan based on what you have in

7 terms of a structure and what your contracts are?

8 MR. ROY HART: Yes. Our contracts
9 that were construed, signed, are in place are legally
10 binding, and I am required to follow those contracts,
11 including when they come up for renewal and so on.

12 And hence, that's why Mr. Campbell has
13 undertaken to work to develop that roadmap working
14 with Mr. Muir on when are those contracts up for
15 expiry so that we can manage the risk going forward.

16 BOARD CHAIR GABOR: Okay. Thank you.
17 And I see you have an extensive background. When you
18 arrived at MPI, were you surprised they didn't have a
19 five (5) year IT strategy?

20 MR. ROY HART: Yes.

21 BOARD CHAIR GABOR: When do you think
22 a five (5) year IT strategy should have been put in
23 place?

24 MR. ROY HART: Every year.

25 BOARD CHAIR GABOR: So right from the

1 beginning. So, we're going back --

2 MR. ROY HART: I think -- so to answer
3 the question -- sorry --

4 BOARD CHAIR GABOR: Yeah.

5 MR. ROY HART: -- I would say a five
6 (5) year strategy should be something that's updated
7 annually --

8 BOARD CHAIR GABOR: Right.

9 MR. ROY HART: -- to look forward for
10 the next five (5) years.

11 BOARD CHAIR GABOR: Right. I guess my
12 question is: How far back should the first five (5)
13 year strategy have started?

14

15 (BRIEF PAUSE)

16

17 MR. ROY HART: So, if I'm
18 understanding the question correctly, we should always
19 have a five (5) year forward-looking strategy and plan
20 and roadmap for the Corporation when it comes to our
21 technology investments.

22 BOARD CHAIR GABOR: Okay. So that
23 would be best practices for IT projects, correct?

24 MR. ROY HART: It would be best
25 practices for not only IT projects, but also for IT

1 operations as well.

2 BOARD CHAIR GABOR: Okay. And based
3 on your knowledge, that would've been the standard ten
4 (10) years ago?

5 MR. ROY HART: So, in my experience,
6 it's something that I've encountered throughout my
7 career of thirty-five (35) years.

8 BOARD CHAIR GABOR: Okay. Thank you.
9 Now final question. You're talking about having a
10 benchmarking study done, instead of annually, every
11 two (2) to three (3) years. Is that correct?

12 MR. ROY HART: Yes, that's correct.

13 BOARD CHAIR GABOR: Okay. And I -- I
14 certainly don't want to bind MPI. If you chose a
15 consultant other than Gartner -- you know what, I will
16 -- I'll withdraw the question. I'll -- I'll put it to
17 Gartner. Thank you. Those are my questions,

18 PANEL CHAIRPERSON: Ms. Nemec...?

19 BOARD MEMBER NEMEC: Thank you. And
20 maybe I'll just follow on your question to Mr. Hart on
21 the Gartner benchmarking study.

22 And I understand certainly the concepts
23 of not doing a study every year, especially when
24 you're in the middle of change and -- and such, but in
25 that you are currently preparing a five (5) year long-

1 term IT strategy and that we're looking at dated
2 information from '22 -- I think -- I'm not sure if
3 it's dated '22, would this be the year though to get
4 the update of where the maturity levels are to help
5 you with that five (5) year strategy?

6 MR. ROY HART: So outside of the
7 actual assessment work, which is a structured
8 engagement with Gartner to do a particular body of
9 work that you've seen the results of, we also have a
10 contract with Gartner to provide advisory services.
11 And so, Gartner is engaged with providing advisory
12 services to us as part of our strategy development.

13 And further to that, IT is subject to a
14 number of internal audits and matters like that. We
15 mentioned earlier today the project management audit
16 that was conducted. All of those things form input
17 into the strategy. In my opinion at this time, a
18 further Gartner assessment would not provide material
19 value to our strategy going forward.

20 BOARD MEMBER NEMEC: Thank you. You
21 mentioned the project management audit, and that is
22 one thing -- I -- I wasn't sure who performed that
23 audit.

24 MR. ROY HART: Our auditor MNP
25 performed that audit.

1 BOARD MEMBER NEMEC: MNP. And being -
2 -MNP being an auditor or MNP being a governance
3 vendor?

4 MR. ROY HART: That would be in their
5 audit function, not in their governance to the NOVA
6 program.

7 BOARD MEMBER NEMEC: Okay. Thank you.
8 And on page -- and, Mr. Hart, I'll continue with you
9 and then move on. But from -- on page 15 of your
10 presentation, it shows -- and -- and I think Mr. Gabor
11 had started talking about the long-term Strategic
12 Plan.

13 And when I go over to third -- phase 3
14 talks about setting annual objectives, developing that
15 annual operating plan, which is obviously a great
16 idea. And I -- and I'm just wondering in this
17 transition -- you're in transition right now, and so
18 I'm assuming you have an annual -- you have at least
19 an operating plan for '24/'25 as a communication
20 device for employees.

21 Is that the same thing as -- have you
22 got a stabilization plan which is acting as your
23 operating plan?

24 MR. ROY HART: So, much to the
25 commentary earlier from Mr. Gabor, you know, I

1 inherited a certain set of circumstances.

2 This year is the stabilization year, so
3 we're really focused on that sort of effort, so doing
4 things like getting the project management office
5 running properly, doing things like having an aligned
6 workforce to particular pillars within the
7 organization, starting with our restructuring that
8 occurred in May past.

9 So, this year, I would characterize it
10 as a transitional year to having a '25/'26 operating
11 plan fully developed. That's --

12 BOARD MEMBER NEMEC: So, there's not a
13 written Operational Plan --

14 MR. ROY HART: No.

15 BOARD MEMBER NEMEC: -- just as a
16 communication device for your new governance of the IT
17 group --

18 MR. ROY HART: That's right.

19 BOARD MEMBER NEMEC: -- not at this
20 time. Thank you. And I wanted to add -- and -- and,
21 Ms. St. Laurent probably you may answer this or -- or
22 Mr. Hart may also have a couple comments on the new IT
23 division. And -- and the major programs area I
24 believe is -- is the area that you're involved with or
25 overseeing?

1 MS. JENNIFER ST. LAURENT: Yes, that's
2 correct.

3 BOARD MEMBER NEMEC: Can you tell me
4 as -- and I know you're relatively new in that
5 position. This was -- the redesign of the IT division
6 came from -- it says here:

7 "Corporate feedback from Gartner
8 maturity assessments address
9 highlights from the E&Y report."

10 Is that correct?

11

12 (BRIEF PAUSE)

13

14 BOARD MEMBER NEMEC: Oh, I'm sorry.
15 It's page 5 on your slides. I'm just looking at the
16 IT division focus and under major programs.

17 MS. JENNIFER ST. LAURENT: Sorry, can
18 you repeat the question please?

19 BOARD MEMBER NEMEC: Sure. The IT
20 division has been redesigned and you are leading the
21 major programs division, correct?

22 MS. JENNIFER ST. LAURENT: Correct --

23 BOARD MEMBER NEMEC: Okay.

24 MS. JENNIFER ST. LAURENT: -- as well
25 as some accountabilities within IT planning,

1 administration, and delivery.

2 BOARD MEMBER NEMEC: IT planning? You
3 said IT planning?

4 MS. JENNIFER ST. LAURENT: Yeah.

5 BOARD MEMBER NEMEC: Okay. And the
6 purpose of the redesign and the way it was redesigned
7 was to incorporate feedback from Gartner maturity
8 assessments and highlights from the E&Y report,
9 correct? And that might be Mr. Hart, yeah.

10 MS. JENNIFER ST. LAURENT: I'll let
11 Roy comment.

12 MR. ROY HART: Roy Hart speaking.
13 Yes, those were part of the inputs, of course, my own
14 professional experience as well, and looking at the
15 needs of the organization overall.

16 BOARD MEMBER NEMEC: Okay. Thank you.
17 And I'm just trying to understand the composition of
18 your current composition of your department. When you
19 talked, it talked about a very wide scope, so I'm just
20 wondering how that integration and how that actually
21 is delivered.

22 MR. ROY HART: So, I will start on a -
23 - on a response for that, and then Ms. St. Laurent
24 will add to it.

25 So, we had a departure over the summer.

1 Somebody left the organization and Ms. St. Laurent has
2 on a temporary basis taken responsibility for some
3 aspects of IT planning, administration, and delivery
4 only in an interim phase as we work -- work through
5 the Public Utility Board hearings and other matters on
6 our plate.

7 And speak to now, what you're doing.

8 MS. JENNIFER ST. LAURENT: Right. So,
9 I can add major programs and the project management
10 office functions have a large number of similarities.
11 So, I'm looking to bridge some of the gaps that were
12 previously within the organization for the NOVA
13 program operating more so in -- in -- with -- without
14 as much I'd say commonality of some of the practices
15 of the rest of the organization.

16 There has been continuous improvement
17 in the PMO practices, so I'm looking for opportunities
18 to introduce those -- those practices across both
19 areas of major programs as well as the PMO area. And
20 I do have extensive background in PMO work -- work
21 areas, which is the reason --

22 BOARD MEMBER NEMEC: So, you're at the
23 beginning process of trying to --

24 MS. JENNIFER ST. LAURENT: Yes.

25 BOARD MEMBER NEMEC: Okay. And do you

1 have a staff or is it --

2 MS. JENNIFER ST. LAURENT: Yes.

3 BOARD MEMBER NEMEC: The programs is --

4 MS. JENNIFER ST. LAURENT: Yes, I have
5 staff across both areas.

6 BOARD MEMBER NEMEC: Okay. Thank you.

7 I think I have one () more question.

8 Mr. Kolaski -- and just a -- I wasn't
9 under -- I just didn't understand one (1) of the
10 things you talked about. You mentioned more
11 operational, less capital macros, and I just wondered
12 if you could explain that to me.

13 MS. RYAN KOLASKI: Sure. It's really
14 on-premise solutions versus software as a service,
15 which would be on the internet. So, if you think of
16 on-premise, a lot of work goes into development of
17 those software and integration pieces.

18 So that gets capitalized, and then once
19 it's released, it gets amortized specifically,
20 depending on the nature of the project.

21 What's happening is a lot of -- a
22 number of our projects now are just software as a
23 surface, so it's just turning them on. So, the costs
24 are now period costs as opposed to capitalized and
25 deferral.

1 BOARD MEMBER NEMEC: Okay. And so
2 that has been reflected in '25, '26, '27, '28 when
3 we're looking forward into the forecasts, those types
4 of costs?

5 MS. JENNIFER ST. LAURENT: And also,
6 the current year in '24/'25.

7 BOARD MEMBER NEMEC: Thank you. I
8 might have one (1) more if you -- one (1) other thing
9 I just didn't understand, Mr. Muir. And -- and you
10 mentioned renewing a five (5) year term about -- and
11 it was relating to external IT staff. And I'm not
12 sure I understand the implications of what that is.

13 MR. CHAD MUIR: Okay. That was just
14 to confirm that the current external labour program
15 that we have in place that was from 2019 to 2024 will
16 continue from '24 to '29.

17 BOARD MEMBER NEMEC: Is that with one
18 specific company?

19 MR. CHAD MUIR: No, that's with
20 twenty-six (26) different vendors.

21 BOARD MEMBER NEMEC: Twenty-six (26)
22 different vendors --

23 MR. CHAD MUIR: So, we had a request
24 for --

25 BOARD MEMBER NEMEC: -- all twenty-six

1 (6).

2 MR. CHAD MUIR: That's correct, yeah.

3 BOARD MEMBER NEMEC: Okay. Thank you
4 very much.

5 PANEL CHAIRPERSON: Mr. Bass...?

6 Mr. Ireland...?

7 BOARD MEMBER IRELAND: Just some
8 further clarity, Ms. St. Laurent. Your PMO is IT
9 centric and not Enterprise-wide? Is that correct or
10 --

11 MS. JENNIFER ST. LAURENT: The PMO is
12 IT centric but does assist in management of
13 projects from across the organization.

14 BOARD MEMBER IRELAND: Okay. Is there
15 an Enterprise-wide PMO as well that you linked to or
16 not?

17 MS. JENNIFER ST. LAURENT: Just one
18 moment.

19

20 (BRIEF PAUSE)

21

22 MS. JENNIFER ST. LAURENT: Jennifer
23 St. Laurent. So just for clarification, we are
24 situated within IT, but we support the entire
25 Enterprise.

1 BOARD MEMBER IRELAND: Okay. So, your
2 PMO then would be mapping out not just what's
3 happening in IT, but those other fifteen (15) projects
4 that are coming up for next year and ones that are
5 currently in play?

6 MS. JENNIFER ST. LAURENT: Yes --

7 BOARD MEMBER IRELAND: Yeah.

8 MS. JENNIFER ST. LAURENT: -- that is
9 correct.

10 BOARD MEMBER IRELAND: And just a
11 quick question on -- I'm not sure who this is for;
12 maybe Mr. Hart -- the IT spending slide, slide 19 from
13 Gartner? No, it was in -- it was in your presentation
14 on Gartner. It was your slide 19, the IT spend, about
15 IT spending falls between peer groups. That's the
16 one. Thank you, Kristen.

17 Just curious. The peer groups, the
18 insurance industry peer groups, is that BC and
19 Saskatchewan, or is that a broader selection of
20 private industry?

21 MR. CHAD MUIR: Chad Muir speaking.
22 That is a -- a broader selection.

23 BOARD MEMBER IRELAND: It is. Is BC
24 and Saskatchewan's in there as well, though?

25 MR. CHAD MUIR: For the private sector

1 or the --

2 BOARD MEMBER IRELAND: The industry.

3 MR. CHAD MUIR: Yeah.

4 BOARD MEMBER IRELAND: Or are they in
5 public?

6 MR. CHAD MUIR: We do not know and
7 Gartner does not release what corporations are part of
8 the peer group.

9 BOARD MEMBER IRELAND: Oh, they don't.

10 MR. CHAD MUIR: No.

11 BOARD MEMBER IRELAND: Okay. But the
12 industry one is -- it is private industry --

13 MR. CHAD MUIR: Private industry,
14 correct.

15 BOARD MEMBER IRELAND: Thanks.

16 PANEL CHAIRPERSON: Mr. Guerra...?

17 MR. TODD ANDRES: Sorry, if I can just
18 jump in. I apologize, Mr. Guerra.

19 To clarify my comments about closing my
20 questions, we do recognize, of course, that we have
21 the witness from Gartner who will be appearing
22 tomorrow morning.

23 So, I just wanted to have that caveat
24 before Mr. Guerra started questioning that we will, of
25 course, have questions on cross-examination for the

1 Gartner witness tomorrow morning on this panel.

2 PANEL CHAIRPERSON: Thank you. And I
3 assume that that's also applicable to counsel for CAC.

4 MS. KATRINE DILAY: We don't
5 anticipate questions for Gartner, but if anything
6 comes up, yes. We will ask them tomorrow

7 PANEL CHAIRPERSON: Mr. Guerra...?

8 MR. CHAD MUIR: Yes. And I'll just
9 clarify that MPI isn't calling Gartner as a witness.
10 That has -- that has been a request from the PUB, so
11 we may have some questions from Gartner. I don't
12 anticipate so, but I don't want to say never.

13 I did -- I don't have any redirect. I
14 did want to address though, one (1) of the questions
15 that -- that you had, Ms. Nemec. Your -- your
16 question may also be somewhat answered by reviewing
17 PUB IR-1-19, which provides copies of the org charts
18 for the Corporation both before and after
19 reorganization.

20 So, if you wanted to take a look and
21 see, at least from a high level, from the executive
22 director management level, what the IT division looked
23 like before organization and after organization, I
24 think you'll find that that's helpful.

25 PANEL CHAIRPERSON: Thank you. It's

1 20 to 12:12. I -- Ms. Schubert, can you indicate how
2 long it might take to go onto the confidential record?

3 DR. DARREN CHRISTLE: Ten (10) to
4 fifteen (15).

5 PANEL CHAIRPERSON: Thank you. Thank
6 you, Ms. Schubert. Given the timing of that, I think
7 that we'll take the break now and come back at 1:00.
8 Thank you.

9

10 --- Upon recessing at 11:39 p.m.

11 --- Upon resuming at 2:48 p.m.

12

13 PANEL CHAIRPERSON: We will now
14 proceed with the MPI project NOVA panel, including
15 witnesses from MNP. So, Mr. Guerra, could you please
16 introduce your panel.

17 MR. ANTHONY GUERRA: Yes. Thank you,
18 Madam Chair. And I'm sorry, I've been derelict in my
19 responsibilities in terms of reading exhibits into the
20 records. So, if I may just indulge the Board quickly.
21 I have a few to read into the record.

22 MPI Exhibit Number 55 is the NOVA
23 presentation.

24 MPI Exhibit Number 56 is its response
25 to undertaking 14.

1 MPI Exhibit Number 57 is its response
2 to undertaking Number 1.

3 MPI Exhibit Number 58 is its response
4 to undertaking Number 2.

5 MPI Exhibit Number 59 is its response
6 to undertaking Number 3.

7 MPI Exhibit 60 is its response to
8 undertaking number 8, with Attachments 'A', 'B' and
9 'C'.

10 MPI Exhibit Number 61 is its response
11 to undertaking 20.

12 MPI Exhibit Number 62 is its response
13 to undertaking number 25.

14 MPI Exhibit Number 63 is its response
15 to undertaking 20 -- sorry undertaking number 10.

16 MPI Exhibit Number 64 is its response
17 to undertaking number 11.

18 And MPI Exhibit Number 65 is the IT
19 presentation.

20

21 --- EXHIBIT NO. MPI-55: NOVA presentation.

22

23 --- EXHIBIT NO. MPI-56: MPI's response to undertaking
24 Number 14.

25

1 --- EXHIBIT NO. MPI-57: MPI's response to undertaking
2 Number 1.
3
4 --- EXHIBIT NO. MPI-58: MPI's response to undertaking
5 Number 2.
6
7 --- EXHIBIT NO. MPI-59: MPI's response to undertaking
8 Number 3.
9
10 --- EXHIBIT NO. MPI-60: MPI's response to undertaking
11 Number 8, with Attachments 'A', 'B'
12 and 'C'.
13
14 --- EXHIBIT NO. MPI-61: MPI's response to undertaking
15 Number 20.
16
17 --- EXHIBIT NO. MPI-62: MPI's response to undertaking
18 Number 25.
19
20 --- EXHIBIT NO. MPI-63: MPI's response to undertaking
21 Number 10.
22
23 --- EXHIBIT NO. MPI-64: MPI's response to undertaking
24 Number 11.
25

1 --- EXHIBIT NO. MPI-65: IT presentation.

2

3 PANEL CHAIRPERSON: Thank you.

4 MR. ANTHONY GUERRA: Members of the
5 panel before you you have the NOVA panel, which is
6 comprised in the front row of our vice-president and
7 Chief Information and Technology officer, Mr. Roy
8 Hart; our principal architect, cybersecurity and
9 Enterprise architecture, Gary Dessler; our director of
10 major program delivery, Jennifer St. Laurent; and
11 appearing virtually, we have two (2) representatives
12 of MNP, the governance vendor for NOVA, Hash Qureshi
13 and Matthew Brikis.

14 In the back row, we have our vice-
15 president and chief claims Officer John Bowering; our
16 Enterprise value assurance specialist, Guneet Jassal;
17 our consultant, Shanne Kemested; another consultant,
18 Odette Cruz; and our manager of project accounting and
19 value assurance Lynne Onofreychuk.

20 And I would ask now that the members
21 who have not been sworn in, please, be sworn or
22 affirmed, including the virtual attendees

23

24 NOVA PANEL:

25 GARY DESSLER, Affirmed

1 JEN ST. LAURENT, previously Affirmed

2 ROY HART, previously Sworn

3 HASSAN QURESHI, Affirmed (by TEAMS)

4 MATTHEW BRIKIS, Affirmed (by TEAMS)

5

6 EXAMINATION-IN-CHIEF BY MR. GUERRA:

7 MR. ANTHONY GUERRA: Thank you very
8 much. And Ms. Schubert, yes, thank you so much, if
9 you can pull up MPI Exhibit number 55.

10 And to Mr. Hart, you'll confirm that
11 that is the major program's NOVA presentation before
12 you, sir?

13 MR. ROY HART: Yes.

14 MR. ANTHONY GUERRA: And this is the
15 presentation that you developed with the benefit of --
16 and -- and assistance with your team?

17 MR. ROY HART: Yes.

18 MR. ANTHONY GUERRA: And this would be
19 of assistance in giving your evidence to the Panel
20 this afternoon?

21 MR. ROY HART: Yes.

22 MR. ANTHONY GUERRA: Thank You. I'll
23 ask that you please present.

24 MR. ROY HART: Yes. Good afternoon.
25 So, it's my pleasure to discuss the NOVA program with

1 you this afternoon. As I relayed during this morning,
2 during my interview process for the role, I was asked
3 what my views were with respect to the various
4 assessments, including those provided through this
5 very process specific to NOVA.

6 I shared many of the concerns
7 highlighted in those reports that I had reviewed at
8 that time. Upon assuming the role, I dug -- of
9 course, dug deeper into those reports, and the
10 assessments, and the team structure for delivering the
11 program. And with more direct insights, of course, I
12 was able to take some direct action.

13 And so, over the past year, we've made
14 -- made many improvements regarding NOVA, and we will
15 highlight some of those for the board today. I'll
16 speak shortly to the NOVA objectives just to remind
17 expectations of what that's all about.

18 Mr. Gary Dessler will then speak to the
19 NOVA release structure. Ms. Jen St. Laurent will
20 provide a program status update. Ms. St. Laurent will
21 then follow with an update on the governance structure
22 improvements. And then Ms. St. Laurent will provide an
23 update on the R3 discovery overview and outcomes. You
24 can see Ms. St. Laurent has a big role to play on the
25 NOVA program.

1 And then Mr. Qureshi, of MNP, will
2 provide an update as our governance vendor for the
3 NOVA program. Go to the next slide, please. Thank
4 you.

5 So -- so, you know, why Project NOVA?
6 It hasn't fundamentally changed since the beginning.
7 Really MPI's core technology systems are -- continue
8 to near end of life, presenting serious risk to the
9 stability and security of Manitoba's Public Insurance
10 infrastructure.

11 Project NOVA will enable MPI to
12 modernize its technology and, in fact, is doing so
13 right now, eliminating the need for costly investment
14 in those Legacy systems that it's replacing while
15 positioning the Corporation to meet customers'
16 expectations in new ways as we go forward.

17 So, the introduction of new technology
18 will enable more online services to customers while
19 delivering value to -- for all.

20 So, I will say that the technology that
21 the current systems are built on is technology from
22 before internet was a thing, before mobile phones was
23 a thing. It's quite ancient and difficult to support.

24 So, NOVA is the largest transformation
25 in MPI's history, that is certainly the case, and it

1 will protect Manitoba's Public Insurance system for
2 generations to come. So, this is a large change, and
3 we -- we know that. And it's very important to be
4 mindful of that as we go through the entire program.
5 Next -- next page.

6 So, there are many benefits of
7 undertaking such a program as NOVA, you know,
8 avoiding, as I mentioned, the costly maintenance of
9 Legacy Systems, increased operational efficiency. As
10 we adopt new technologies, they come with new
11 capabilities, some of which we can adapt and use
12 immediately, some of which we'll adapt our business
13 processes over time to take better advantage of.

14 Easier management of these newer
15 platforms, much easier than what has been built over
16 thirty (30) plus years.

17 Certainly reduces our risk of system
18 failure. Modern controls and modern solutions have
19 much more resiliency built in by design.

20 Speaking of design, we have a more
21 modern and intuitive design, not the Legacy
22 environments that are -- you know, really think
23 largely the old green screen that you may remember
24 from back in the '80s and '90s.

25 And it also provides us with benefits

1 to, you know, future proof -- future proof. In this
2 context, we're talking about adopting software as a
3 service. And in a software as a service model, it is
4 continually updated, you know, in many cases on a
5 biweekly basis.

6 From a customer service perspective, we
7 will be able to enable more online services and future
8 business agility, increased responsiveness to
9 legislative and regulatory changes.

10 Today, when there's a regulatory change
11 or legislative change, it takes us quite some time to
12 adapt our systems and technology to meet the needs of
13 those changes.

14 And customized offerings built for
15 Manitobans. So, the focus is on delivering solutions
16 for Manitobans.

17 And I can't leave the benefits without
18 speaking to the improvements to information security.
19 You know, the -- the products that have been selected
20 previously for this program all have the highest of
21 standards for information security, increased
22 protection from cyber attacks -- I mentioned an
23 earlier testimony about the volumes that we see in
24 that regard -- and enhanced confidentiality,
25 integrity, and availability controls.

1 So, over the past year -- it's been a
2 busy year, that's for sure -- we have onboarded a
3 governance vendor who you'll hear from a little bit
4 later on in this testimony, MNP, and they are
5 providing risk and advisory services.

6 We successfully launched the
7 International Registration Program on June 17th. It -
8 - it went very, very smoothly. IRP transactions have
9 moved from the Legacy platform to -- to a new system,
10 which is Celtic, enabling the technical foundation to
11 enable future automations and online transactions.

12 So, all of the core technology required
13 for NOVA is now in productive use as of June 17th with
14 that final release -- not final release, that
15 particular release.

16 Reported incidents following that have
17 been very, very low and day-to-day support has been
18 transitioned to the operational support teams. So,
19 Release 3 discovery is in progress. You know, we've
20 engaged and experienced solution management firm with
21 responsibility for developing and managing the
22 integrated program plan.

23 I'll point out that prior to this, we
24 did not have an integrated program plan. An
25 integrated program plan stitches together the entire

1 body of work that's required to deliver on such a
2 large program, a very important piece to make sure
3 there are strong visibility into what sequence do
4 things need to get done in to be successful in its
5 simplest form.

6 So, we have the product vendors, the
7 MPI teams, and including the management of decisions,
8 risks, and issues for R3 scope. So, everything has
9 been combined into a single large-scale program with
10 multiple projects beneath that.

11 And Ms. St. Laurent will speak further
12 to that discovery process for Release 3 a little bit
13 later in the testimony. And so, with that, I'll turn
14 it over to Mr. Dessler.

15 MR. GARY DESSLER: Thank you, Mr.
16 Hart. Go to the next slide. Oh, that's the right
17 slide.

18 What I'd like to talk about right now
19 is really what did we envision for NOVA and how do we
20 break it up into the different releases. And our --
21 in -- in January of 2023, we rolled out our Special
22 Risk Extension program. That was our very first
23 release that introduced a lot of new technology to the
24 organization.

25 Our second release is for the

1 International Registration Plan, and that went live in
2 June of this -- this year. And our current focus now
3 is on what we call Release 3. And I'll just spend a
4 few minutes maybe talking about Release 3 because
5 that's our -- you know, the -- our primary focus right
6 now.

7 So, this is around the registration,
8 driver licensing, vehicle ownership, and insurance.
9 And this is kind of the core of MPI's insurance
10 workstation, our AOL or IWS program. And I'm going to
11 dive into that in a bit more detail.

12 Release 4 is still our physical damage
13 claims replacement. This is getting rid of our cars,
14 Our claims application. Go to the next slide, please.

15 Just want to focus on what is really
16 kind of the customer benefits for each of these
17 releases. So, in Release 1, in our special risk
18 Extension, we're really focusing on managing that --
19 that commercial insurance for corporate customers for
20 motor carriers, and it's about that commercial
21 packages.

22 For the International Registration
23 Plan, again, this is targeted very much the same
24 audience. And this is about the International
25 Registration Plan that manages tariffs between the

1 different jurisdictions for tax purposes.

2 If you turn your attention to Release
3 3, you can see that it's significantly larger in
4 scope. This is what's going to impact the majority of
5 customers that we see in Manitoba. So, this is going
6 to be where we look at how they interact and procure,
7 how they register their vehicle, how they get their
8 plates, how they get their insurance.

9 It's around things like permits. It's
10 around all of the identity and driver licensing
11 components that we do. It's other services, like
12 things like, you know, signing up for the Driver
13 Education Program, for things like purchasing driver
14 abstracts.

15 Everything that you deal with at a
16 broker office as kind of that core services that we
17 deliver is going to be -- we probably touched in this
18 release; that's Release 3. Go to the next slide,
19 please.

20 Now we've talked about many times that
21 Release 3 is so large that we really contemplated how
22 to break that up into smaller chunks. And, you know,
23 over the discovery phase, which we started in June of
24 this -- this summer, we broke it down into seven (7)
25 different kind of releases, what we call sub releases.

1 Each -- I don't want to imply that a
2 sublease is small, right, they're still pretty
3 significant, but what we really tried to do is
4 organize these releases around the different impacts
5 to the customers.

6 So, the very first release that we're
7 looking at deploying is really going to focus in on
8 the IRP online. This is going to introduce our My MPI
9 portal, and it's going to expose those services for
10 commercial customers and really provide some of the
11 functionality we promised for the IRP release back in
12 June.

13 Our second release is really focusing
14 on some foundational items. So, this is how we're
15 going to manage all of our shared services. It's
16 going to focus on delivering kind of our core
17 financials.

18 And but what it means for the customers
19 is we're going to pick some small transactions, some
20 lower risk transactions that we can start to roll out
21 and validate that these services are functioning
22 correctly before we roll it out for a million
23 customers.

24 If you look at how many, you know,
25 transactions we have around winter tires, around the

1 rental vehicle insurance or permits, those are much,
2 much smaller transaction volumes than we see when we
3 want to do ownership and registration.

4 So, we really picked specific
5 transactions that while may not be important or the
6 highest priority items for the customers, we really
7 want to make sure we have a solid foundation for
8 future delivery. And we didn't -- we really wanted to
9 help manage the delivery risk. And that's why we
10 chose those specific business transactions for this
11 foundational release.

12 The next release after that is when
13 we're starting to focus on ownership registration and
14 insurance.

15 So, a lot of Manitobans today kind of
16 see that as one (1) big transaction but, in reality,
17 it's actually three (3) different types of
18 transactions that, you know, individuals in other
19 jurisdictions are well versed in, but here in
20 Manitoba, that's really a turnkey solution. You come
21 in. You go to your broker, and they do it all. But
22 we're going to focus on delivering that as part of our
23 Release 3.

24 The -- the fourth release that's going
25 to support that is really going to be focusing in on

1 exposing some online services to customers in the
2 areas of the ownership registration and insurance, so
3 kind of the core. It's going to be built first.

4 And then we're going to look and seeing
5 how we can expose parts of that to the customer.
6 We're not exposing every service to the customer.
7 We're going to pick and choose what makes the most
8 sense, what's beneficial to the customer, and those
9 are the things that we're going to deliver out of the
10 -- first out of the gate.

11 Another big component of this is how
12 we're going to transition our policies from our
13 existing infrastructure into the new systems. We call
14 this kind of the insurance conversion.

15 So, as policies expire in the old
16 world, we're going to create quotes in the new system.
17 And then those quotes are going to be bound into
18 policies inside of the Duck Creek World. And as we
19 all know, that happens over an entire year, so from --
20 you know, over a twelve (12) month period.

21 So, we've designed our transition from
22 policies that are in our existing Legacy technology
23 into the new technology will occur over that time
24 period.

25 Next up will be the identity and driver

1 information. So, identity and driver are very closely
2 connected here. And what we're -- identity is about
3 are you a Manitoban citizen, what are all the
4 eligibility and all of the proof that we need to
5 gather to ensure that you are who you say you are.

6 And, you know, not every identity that
7 we create represents -- you know, shows up as a
8 driver, but there's a large connection there. So,
9 that'll be kind of our -- our second last release.

10 And then our last release will be
11 exposing again those driver and -- and those driver
12 licensing services online to customers. So, you can
13 kind of see here we got a pattern where we deliver the
14 core first, and then we expose some -- you know, I'll
15 call it online services to the customers who support
16 that. If you can go to the next slide, please.

17 So, what I wanted to cover here on this
18 slide is really just -- again, it's the same kind of
19 information, but I want to kind of layer in some of
20 the technology that we're using to surface that.

21 So, you can see here in -- in -- when
22 we look at vehicle insurance, so when we talk about
23 our insurance policies, our rental vehicle insurance,
24 and our fleet program, that's going to be
25 predominantly from the Duck Creek System with a little

1 bit of help from our Microsoft. MSD is our Microsoft
2 platform. So, those are the technologies that are in
3 play there.

4 You can see in the driver and vehicle
5 administration on the bottom that most of that
6 functionality is being delivered out of the Celtic set
7 of applications, again, with some additional support
8 from our Microsoft technology stack. Next slide,
9 please.

10 When we get into what we call our
11 shared services, these are the capabilities that we're
12 building in our second release. These are the things
13 that are used across all the different lines of
14 business, all the different products and services.
15 You can see now it's starting to get a little bit more
16 complex.

17 These are all things that today are
18 provided by our Legacy software. So, it's things
19 like, you know, our financial components, our, you
20 know, commissioning, how we look at inventory, how we
21 look at things like permits, how we do customer
22 management, document management. And there's a whole
23 inventory of different items here that we build.

24 The complexity starts to come into play
25 when you look at all the different technologies that

1 we're using to deliver that. Our goal when we started
2 to build this is we want to use the technologies that
3 provide these services.

4 So, you know, for example, you know,
5 when you look at inventory management, well we're
6 using Celtic for a lot of that. It provides an
7 inventory management solution. So, we don't want to
8 build it. We want to use the capabilities that are
9 provided by the different tools.

10 So, that's why you'll see things like
11 Celtics used in some spots. You've got -- Duck Creek
12 billing is used in some other spots. You know, Duck
13 Creek billing is one of the modules that we have that
14 we use to manage a lot of the financials.

15 So, you know, we are using that. We're
16 taking, you know, financial transactions that are
17 coming from our Celtic system, integrating it in with
18 Duck Creek billing, so we have kind of one (1)
19 consolidated view of that billing transaction.

20 So, just to kind of give you that --
21 that flavor of the complexities that we have as we
22 move from a custom-built system that's been built over
23 thirty (30) years to these different software packages
24 that all provide different types of services.

25 And I'll now pass it over to Ms. St.

1 Laurent.

2 MS. JENNIFER ST. LAURENT: Thank you.

3 So, I'd like to take you through now a bit of a
4 program status update, so Roy, you know,
5 (INDISCERNIBLE), you know, the whys for the program.

6 Gary talked a bit more about, you know,
7 what are the different components thereof, so just to
8 ground us a bit on the timeline.

9 So, we acknowledge and recognize that
10 there was, you know, tremendous work done prior, but
11 we're really focusing on the go forward.

12 So, February 2022, there was a Project
13 NOVA rebase lining. In January of 2023, the launch of
14 the special risk Extension commercial insurance was --
15 was completed, so known as Release 1.

16 Following that, June, 2024 -- and I'll
17 say that I actually started with MPI on June 17th,
18 which was the date that that IRP was launched, and
19 really impressed to see the tremendous engagement
20 across the organization where we had full launch
21 activities and engagement from IT support as well as
22 change management support to ensure that it was a
23 positive experience for the individuals using the new
24 change systems. And Roy of course was right -- right
25 there as well.

1 So, with -- with that launch in June,
2 recognizing there were a substantial number of lessons
3 learned from some of the challenges that occurred in
4 Release 1, there was extensive work done by the team
5 to really make improvements in Release 2. So, I just
6 wanted to acknowledge that.

7 This fall and really from June through
8 -- through to fall, discovery activities have been
9 underway with system integrators.

10 So, large -- large software vendors who
11 have experience in this space across multiple
12 different areas, as well as our solution management
13 partner has been underway for our Release 3
14 activities, that larger scope that Gary just covered
15 off.

16 So, following the completion of the
17 Release 3 discovery work, we will be going into, you
18 know, identifying how do we ensure that we have an
19 appropriate roadmap for recognizing those smaller sub-
20 releases and sequencing how we actually implement
21 those for our customers. Next slide, please.

22 So, now I'll go into a bit of a deeper
23 dive update for each of the different releases. So,
24 for special risk Extension, recognizing that this was
25 a more -- a more complex custom, you know, sort of an

1 area, hence the name special, recognizing that there
2 is ongoing R1 remediation work, really evaluating,
3 prioritizing the issues, ensuring that there's
4 sustained technical work and attention to those.

5 A big focus on end-user experience,
6 ensuring that we are making this a much, much, much
7 improved capability for -- for our broker partners and
8 individuals within -- within the Company leveraging
9 these services.

10 So, the core products, SRE auto
11 insurance, garage insurance, non-owned insurance,
12 driver insurance, income replacement insurance, with
13 all -- which all have somewhat unique use cases, which
14 are described a bit more on the right-hand side of the
15 slide.

16 So, the special risk Extension did
17 enable us to set up some of the foundational
18 capabilities that Roy had mentioned earlier by setting
19 up all of our brokers and our MPI connect community,
20 so leveraging Microsoft Dynamics, another one (1) of
21 the core technology platforms that Gary mentioned, and
22 enabling them to access Duck Creek to sell those
23 policies, so an industry recognized platform in this
24 space. Next slide, please.

25 So, recognizing that there does need to

1 be more substantial effort put in place for
2 stabilization of this space, I've got some updates in
3 terms of progress thus far.

4 So, focus areas of core defect
5 resolution. So, the production support fixes have
6 been completed for inactive brokers. Thirty (30) core
7 defects are going to be implemented post our Duck
8 Creek upgrade. And very happy to report that we did
9 have a successful implementation of this upgrade just
10 two (2) weeks ago, not even, on October 21st of -- of
11 this year.

12 This has enabled us to resolve those
13 core system defects, improve service reliability,
14 enhance the platform stability and, more importantly,
15 demonstrate that we now have a path to continuous
16 upgrades through this software as a service type
17 program.

18 So, this is us being able to now take
19 upgrades where there are improvements being made to
20 the software that are available for multiple different
21 customers that we can then also take advantage of.

22 The other important piece here is this
23 does enable us to be prepared for Release 3
24 implementation. We need to ensure that we have a
25 strong foundation here so that we can build upon it

1 for Release 3.

2 Next item of focus is around policy
3 migration. So, five thousand (5,000) policies have
4 been migrated to date. And given the challenges and
5 acknowledging that, there have been meetings with
6 multiple industry experts on best approach to
7 migrating those remaining seven thousand (7,000)
8 policies to ensure that we have the right -- the right
9 techniques underway there.

10 Following that, the end-to-end process
11 mapping. So, we have completed that activity and are
12 working on further test automation so that we can
13 ensure that there aren't further defects being
14 reintroduced, and as we make changes, that those
15 automated test cases are ensuring that we're testing
16 other unforeseen repercussions that might happen for
17 other portions of the tools that's already been
18 implemented.

19 SRE service delivery. So, we have also
20 provided increased support levels, so dedicated email
21 access, very quick support and staff being assigned to
22 address those customer inquiries. So, just
23 recognizing the challenges, we've increased the focus
24 on resolution here.

25 So, I'll just move to the Release 2

1 status update now. So, for the International
2 Registration Plan release, so as a reminder, this one
3 was released on June 17th of this past year, an
4 extensive command center was set up, and it had full
5 support for almost a month with all of the different
6 service centres.

7 And all across they have processed
8 transactions successfully, except for Thompson, which
9 I'm told I think just has one (1) or two (2) a year,
10 so they're expecting that in the -- in the winter.

11 Over thirty-seven hundred (3,700)
12 transactions have been successfully completed since
13 that June 17th go live.

14 The warranty period has fully ended.
15 The IRP release is now fully operational and handed
16 off to the operational teams that are now continuing
17 with full -- full support of -- of that capability.
18 We have continuous improvement of the support
19 documents for any -- any sort of issues that do arise.

20 We have successfully transitioned the
21 finance processes for IRP and we have new teams
22 supporting IRP going forward.

23 The major win is that we have positive
24 customer experience, over 8 percent of feedback being
25 positive on this implementation, which is a

1 substantial improvement over prior. So, I want to
2 acknowledge again this is due to substantial lessons
3 learned being implement-- or being implemented on the
4 basis of what occurred after Release 1.

5 Just go to the next slide, please. So
6 now a status update for where we are currently at with
7 Release 3. So, building on this continuous
8 improvement approach, the Release 3 preparatory work
9 has certainly made significant strides.

10 We do have new leadership: the
11 individuals that you've met today, including myself,
12 Roy, and others on the team, as well as the key
13 systems integrator. We have increased collaboration
14 and alignment, and we're working with a new governance
15 framework and also in partnership with our governance
16 vendor on multiple improvements.

17 So, from a program standpoint overall,
18 there is that realignment of NOVA with new program
19 director structure and excellent support from Gary as
20 principal architect and many other key resources on
21 the program, and also closer relationships with key
22 technology partners throughout the organization.

23 We also have improved vendor alignment
24 creation of remediation plan. We have rolled out our
25 new major projects governance framework, so that is

1 another -- a document that was shared as part of the -
2 - the evidence provided, and I'll also provide some
3 highlights later.

4 From a people standpoint, we have solid
5 executive alignment, ensuring that there's effective
6 management and resolution of issues. We have weekly
7 meetings with the executive steering committee and
8 ensure that any -- any issues are brought to full --
9 full attention early. Also increased transparency of
10 issues. That's been our major tenant (sic) I think of
11 -- of improvements currently.

12 We've had increased engagement in
13 requirements gathering, determining our success
14 metrics, and we have actively shifted to matching our
15 business processes to our technical capabilities, so
16 really looking at what are the capabilities that are
17 enabled by these systems that we've purchased and how
18 can we best make use of them and not -- not do
19 customization, but rather configuration according to
20 how those systems were built to support other similar
21 service provider transaction types. Let's go to the
22 next slide.

23 So, in terms of the fourth release for
24 Project NOVA, physical damage claims, work on this
25 portion of the program has not yet started. We are

1 focused on getting Release 3 right first, and that is
2 why we are ensuring that we -- we will pause work here
3 until we are confident on our approach for Release 3
4 and again continue with that continuous improvement
5 approach overall.

6 Release goal for physical damage claims
7 will be to transition our legacy system to leading-
8 edge, reliable, and safe platform for all of the
9 topics covered by -- by my colleagues earlier.

10 The other aspects are an opportunity to
11 modernize the user experience, enable online services
12 for claims customers. So, if you are in an accident,
13 you have, you know, a much easier way to interact with
14 us and get updates on status of your claim and other -
15 - other capabilities that we will be delivering.

16 So, with conclusion of the program
17 status updates, we'll just move into the core lessons
18 learned applied, so just continuing with the
19 continuous improvement theme.

20 So, Release 1 and 2, certainly multiple
21 lessons learned. We're incorporating all of these in
22 Release 3 and recognizing that, of course, there will
23 continue to be lessons learned as we go.

24 One of the core tenants is really
25 improving our business involvement and collaboration

1 at all stages of the release. We had business subject
2 matter experts ,leaders involved early and throughout
3 the discovery process, so a significant amount of
4 engagement there.

5 We have more clearly defined the roles
6 and responsibilities within the program, the ownership
7 of the deliverables, and the environments. We've
8 worked to address silos within the program, improving
9 communications, defining end-to-end processes, and
10 identifying who's responsible for overall processes.
11 The other major positive -- and I think this really
12 rang true with Release 2 -- more hands-on time in the
13 system and relevant training.

14 There were subject matter experts, and
15 I think they were called, what, super SMEs, that
16 really, you know, took, you know, the -- the
17 implementation seriously and where the expert
18 resources that their colleagues could draw upon when
19 they were having challenges with learning the new
20 system.

21 So, we really distributed that work
22 activity throughout the organization and had a major
23 focus on organizational readiness and change
24 management throughout this release, so ensuring that
25 we weren't, you know, just creating a system and --

1 and that people weren't confident that that was
2 something that they could effectively use.

3 So -- so I really noticed that, and
4 that really resonated with me on my first day when I
5 saw the -- the implementation activities.

6 The last item is also involving those
7 subject matter experts from the beginning, so ensuring
8 that the users of the system did have input and
9 understanding. So, these are -- these are core
10 tenants that we'll be bringing forward as we go
11 further into Release 3 and 4.

12 Okay. We'll now take us through the
13 governance structure improvements. One of the core
14 recommendations was for us to really increase our
15 business representative representation throughout the
16 governance structure.

17 This can't be just an IT, you know,
18 project. We need to ensure that, you know, business
19 is involved and represented so that we -- we have
20 clear ownership and -- and understanding of -- of the
21 requirements.

22 We also need to ensure that there is
23 alignment between those technology requirements and
24 those business outcomes. So, what are the things that
25 we're actually trying to do? What sort of, you know,

1 key performance indicators are we trying to reach?
2 What are the transaction targets that we are trying to
3 reach? -- those -- those types -- types of items.
4 What are -- what are the services that our customers
5 are looking for?

6 Another element here is really, you
7 know, providing that additional business expertise to
8 support in the program decision making and any
9 required course corrections.

10 So, when there are decisions to be made
11 about configurations of some of the systems, we need
12 to ensure that we're involving the business so that
13 they can have input into deciding what is -- what is
14 the right -- the right course to take, and also to try
15 to identify where are some simplification
16 opportunities.

17 Next item, connecting our technical --
18 our technology solutioning and the business value.
19 So, we'll -- of course there's been definite focus on
20 value realization. How are we realizing that value?
21 Are we able to enable more transactions online? Is it
22 a positive customer experience? Are there cost
23 savings opportunities being recognized as part of the
24 -- the original business case?

25 Last point here is really, you know,

1 that awareness of the transformation program progress
2 across both the technology and business teams. So,
3 our socialization of information is really occurring
4 across both areas, not just tech. Next slide, please.

5 So, this slide highlights our
6 governance structure overall. So, I'll just, you
7 know, speak briefly to the areas that have had the
8 most substantial, you know, either net new changes or
9 evolved governance bodies.

10 So, in terms of oversight, extensive
11 involvement from our program sponsor. So, Roy as the
12 technology sponsor and also the introduce --
13 introduction of a co-sponsor role, so having a
14 business co-sponsor.

15 So, in my weekly meetings, I don't meet
16 just with Roy. I also meet with the counterpart who
17 is the business sponsor. So -- so it was -- that --
18 that was a shift in terms of approach from prior.

19 Value realization committee has been
20 stood -- stood up. the -- this committee has focus on
21 the -- the metrics, so linking back to business case
22 outcomes, and Lynn has been extensively involved on
23 this front.

24 We also have the program leadership
25 committee, which is a group of directors from across

1 the organization from all of the different impacted
2 areas. And they also provide extensive input into any
3 sort of items, and they're also provided with updates
4 on the program progress throughout.

5 Decisions requests are brought to this
6 team, and they also provide guidance on items that are
7 brought forward to them.

8 Joint accountability Governance
9 committee involves our vendor partners and enables us
10 to again have more transparent and open discussions
11 about challenges on the program and how to resolve
12 them.

13 We have formalized multiple panels, one
14 of the new ones being the data governance panel, just
15 recognizing the importance of data within our
16 organization and ensuring that we have good
17 stewardship of that data and that we're using it
18 effectively.

19 So, each of these different panels have
20 a chair. They have minutes. They have, you know,
21 discussions underway to resolve issues accordingly.
22 And the reformatting and framing of this governance
23 was guided with our solution management vendor and as
24 well from input from our governance vendor.

25 The last item on the bottom right is

1 the NOVA program update forum. So, this is a general
2 forum for open and transparent communications on where
3 the program is at.

4 Okay. So, I will conclude shortly with
5 my update on our discovery overview and the outcomes.
6 So, we ensured that we had a number of key activities
7 completed before we went into our three (3)
8 discoveries, so this was really to ensure that we had
9 more -- more readiness going into what -- what we were
10 about to undertake.

11 So, we put in place improvements to our
12 requirements process. We documented the discovery
13 requirements. So, what were we going to be doing in
14 this particular phase of work?

15 We selected our -- our three (3) system
16 integrators, so the large software and services
17 vendors, through request for services, identifying
18 what partners would help us through this, recognizing
19 that, you know, we need to draw upon expertise from
20 the large-scale vendors to assist us through this
21 process.

22 We implemented our Enterprise software
23 development lifecycle process. We also implemented
24 the Enterprise data domain, conceptual models. So,
25 this really means how are we structuring our data?

1 How are we using that? -- so some of the more
2 foundational capabilities that NOVA would be
3 interacting with. We also completed a billing
4 architecture assessment. Slide.

5 So, throughout our discovery phase to
6 date, MPI has achieved the following outcomes. So,
7 we've improved our requirements through comprehensive
8 workshops between vendors and MPI and there were over
9 a hundred and thirty (130) of these workshops, so very
10 intensive, you know, going in and understanding what
11 the key needs were.

12 We identified a series of key decisions
13 to lead to refining, you know, the scope and including
14 identifying those priority online capabilities for --
15 for Manitobans.

16 We went through very closely with our
17 organizational readiness team change management, and
18 had substantial engagement through involvement in the
19 various workshops and -- and outputs from those, so
20 just ensuring that the business was there side by side
21 to understand what sort of changes were -- were being
22 contemplated with -- with the R-3 work.

23 Through this, we created blueprints for
24 all of our R-3 sub-release. So, these were really --
25 much as you would have a blueprint for a house, you

1 know, these are a general outline.

2 You can think of it as, you know, the
3 outline for the different sub-releases as what is our
4 general format going -- or our general plan going to
5 look like for what is the kitchen like? What is the
6 bathroom structure going to look like? You know, how
7 do we -- how do we envision that all of, you know,
8 this house is going to be put together?

9 So those blueprints were really
10 critical for us to understand what those smaller
11 components were. And I think, you know, recognizing
12 the scale and scope of R-3, this was an extremely
13 important activity for us to undertake.

14 So just to -- to conclude this portion,
15 so I'll just say that we -- we are continuing through
16 discovery, ensuring that we're focused on having a
17 solid plan before we're -- we're taking further --
18 further steps.

19 We are also having close guidance from
20 our governance vendor of MNP and also drawing upon
21 significant lessons learned from prior as well. So,
22 with that, I will hand to MNP, Hash.

23 MR. HASSAN QURESHI (by TEAMS): If we
24 can move to the next slide, I'd like to move through
25 this fairly quickly for your benefit.

1 The key for us is we are an independent
2 objective third party reporting to the technology
3 committee of the board. We do our procedures, our
4 work using known frameworks, and we tailor our
5 approach.

6 What you're seeing in front of you is
7 the initial risk assessment framework that we employed
8 to ground ourselves. And once that framework was used
9 to assess where the program was at -- this is at the
10 very beginning of our -- our engagement -- we used
11 principles of -- of Agile methodology, which is
12 effectively iteratively assessing the current state of
13 the program, leaving nothing to chance, focussing on
14 the most critical (INDISCERNIBLE), focussing on the
15 greatest benefit, and for it to be evidence driven.

16 We constantly ask the question: How do
17 we know that? How can we prove that? What do you
18 have to show?

19 And we work with management. We
20 confirmed the results with management at every step.
21 and then we reported to the tech committee what our
22 findings were. The risk framework isn't a one-time --
23 you know, one-time exercise. It's continuously
24 updated. If we can go to the next slide, please.

25 I know this is a very, very busy slide,

1 but it is meant to show that we are in the third
2 iteration, and we performed two (2) iterations. And
3 you can see that those iterations are fueled, are --
4 are initiated by something that is referred to as the
5 risk backlog: effectively, a current state risk
6 assessment of what is most critical to the program.

7 Using that risk backlog, we design.
8 tailor, review procedures, testing, obtain evidence.
9 And while we obtain management opinions just to
10 confirm we haven't missed anything, we rely evidence
11 to provide a report.

12 We have completed two (2) what we call
13 Sprints or two (2) iterations producing a report, and
14 you'll see that we are on our third iteration
15 currently. Those reports are eventually summarized in
16 an annual report, which will happen at the conclusion
17 of Sprint 4, which is not the current Sprint but the
18 one right after that. Next slide, please.

19 At the time -- at this time we've
20 completed, as I mentioned, two (2) Sprints, the
21 results of which you're seeing on the -- on this
22 slide, and the outcomes of which you've heard Jen and
23 management speak to.

24 In real time, as we identified these
25 items and provided them to management, management

1 developed a management action plan and began
2 addressing them. And the rate at which they address
3 those results, the current state of those plans, and
4 how those plans are being implemented were assessed
5 again by us, taken into consideration for the -- the
6 next set of reviews or Sprints, and then they were
7 reported to management. I think that is the -- the
8 last slide.

9 MR. ROY HART: Thank you, Hash.

10 Yes, thank you, Hash.

11 So -- Roy Hart speaking -- my closing
12 remarks are going to be quite short because this is a
13 very detailed package that we wanted to put together
14 for -- for the Public Utilities Board.

15 You know, through the evidence
16 presented here today, you know, I -- I hope that the
17 Board sees the serious nature with which we have taken
18 the inputs and concerns that were shared by Public
19 Utility Boards (sic) and -- and Interveners and others
20 and taken action in that regard to make sure that, as
21 we complete this program of work, which, as was shared
22 is -- is critical for us to do, the systems that are
23 being replaced must be replaced, and we need the new
24 systems to modernize our business capabilities and
25 provide better services and more value to Manitobans.

1 I hope the evidence that has been
2 presented today has provided you with that assurance,
3 and I look forward to taking questions.

4 MR. ANTHONY GUERRA: Thank you, Mr.
5 Hart. And just before we open it up to cross-
6 examination, I do have a couple of further questions
7 on direct.

8 And, Ms. Schubert, I believe we can
9 address the first series of questions by going to
10 slide number 14. Yes. Thank you. And before you, Mr.
11 Hart, we have the NOVA timeline that -- that Ms. St.
12 Laurent spoke to. Do you see that before you?

13 MR. ROY HART: Yes.

14 MR. ANTHONY GUERRA: And the second
15 bullet point is the January 2023 launch of SRE, the
16 commercial Release Number 1. Do you see that?

17 MR. ROY HART: Yes.

18 MR. ANTHONY GUERRA: And having
19 reviewed the -- the entirety of the NOVA file that you
20 reviewed as you took on your role as the chief
21 information technology officer, would you characterize
22 the launch of SRE in January 2023 as a successful
23 launch?

24 MR. ROY HART: No, I would not.

25 MR. ANTHONY GUERRA: And -- and why is

1 that?

2 MR. ROY HART: You know, the -- the
3 benefit of hindsight of course allows me to see it
4 more clearly than perhaps could have been seen at the
5 time when it was going live. We see that we
6 underestimated how much impact this was going to have,
7 in particular on a broker community.

8 We did not adequately anticipate the
9 complexity of the special risk extension line of
10 business, which was largely a paper-based process,
11 literally using large Excel spreadsheets and a small
12 system of record to operate that business -- a very
13 manual business.

14 And we had an assumption to some degree
15 that because it's a relatively small part of our
16 corporate business overall, and because the focus is
17 on commercial insurance and they were working in a
18 paper-based model largely, that perhaps that was going
19 to be an easier lift.

20 That turned out to not be the case.
21 And right now, we're -- we've moved our special risk
22 extension work from an IT perspective to operations,
23 which is an appropriate thing to do given the program.
24 And that's kind of how I would characterize it at --
25 at this time.

1 MR. ANTHONY GUERRA: Okay. Thank
2 you.

3 Ms. Schubert, if we can move -- I think
4 it's to slide number 16. Yes. Thank you.

5 And so, Ms. St. Laurent spoke to the
6 stabilization efforts on the special risk extension
7 release. And my question to either of you or both of
8 you would be: When does MPI anticipate that risk
9 Extension -- sorry, the special risk extension release
10 will be stabilized and I guess operationalized in a
11 way that would be considered a successful launch?

12 MR. ROY HART: So, I -- I hadn't
13 changed the fact of whether or not the release, when
14 it happened, was successful or not. Going forward,
15 though, what we've done is put in place all of the
16 necessary mechanisms for the product to be -- and
17 product set because it's not just Duck Creek; it's
18 also a Microsoft Dynamics component as well -- for the
19 product set to meet the needs of the business.

20 Over the past number of months, we've
21 done extensive consultation with -- with our SRE
22 special risk extension users, with our actuaries, with
23 finance, and so on to make sure that we had a really
24 good understanding of the requirements. I'll draw
25 your attention to the end-to-end business process

1 mapping as a key activity that was undertaken that --
2 that hadn't completed.

3 So, with that in mind on a go-forward
4 basis, we're expecting over the next few months that
5 this will be largely behind us as an effort to put
6 things back on track for that particular program.

7 I can't give a specific date at this
8 point, but it is something that we are actively
9 working towards achieving this Duck Creek upgrade in
10 October, just a week and a half, two (2) weeks ago.
11 It was a major component of that.

12 It has allowed us to resolve a number
13 of issues and set us up for -- set us up for the
14 future. And we are consulting with our broker
15 community as well in terms of what will help meet
16 their needs as well.

17 MR. ANTHONY GUERRA: And in terms of
18 the -- the next steps on Release 3, what is the -- the
19 plan to ensure that Release 1 stabilization efforts
20 are not detracting from Release 3 implementation
21 efforts?

22 MR. ROY HART: So, the phase that we
23 are -- we are in right now with Release 3 is there is
24 no implementation work underway. There is no build
25 work underway, and there won't be for several months

1 to come at least. So, there's really little to no
2 risk of any overlap between the -- the work that we're
3 -- we've undertaken with special risk extension
4 impacting Release 3 work. That's -- that's kind of
5 where we are with that.

6 MR. ANTHONY GUERRA: Thank you. With
7 respect to the second release or the IRP release, my
8 understanding, Mr. Dessler, is that you've testified
9 that the warranty period has now expired for that
10 second release. Is that correct?

11 MR. GARY DESSLER: That is correct.

12 MR. ANTHONY GUERRA: And does that
13 have an impact on MPI's ability then to -- to begin
14 decommissioning the IRP Legacy system?

15 MR. GARY DESSLER: Yes, that's
16 correct. We're in the planning stages right now to
17 turn off that Legacy system, and that work will start
18 shortly.

19 MR. ANTHONY GUERRA: Thank you. And
20 with respect to Release 3, what can this board expect
21 in terms of once the discovery from Release 3 is
22 complete in terms of next steps from completion of
23 discovery to beginning of implementation?

24 MR. ROY HART: So, we have to
25 complete our Integrated Project Plan, which is work

1 that's underway right now. That Integrated Project
2 Plan will define the time and effort required to do
3 the work and the sequence in which it will get done,
4 and also give us very significant clarity on the total
5 cost of completing that work.

6 We will consult with our board and
7 we'll consult with our shareholder on both of those
8 accounts, and we intend to share the plan with the --
9 with the Public Utilities Board in due course.

10 MR. ANTHONY GUERRA: Thank you. And
11 in terms of the -- excuse me -- overall budget for the
12 NOVA program, is it -- is it fair to say that MPI is
13 not presenting any changes to the NOVA program budget
14 in this Rate Application?

15 MR. ROY HART: So, I'll answer that
16 in -- in two (2) parts. So typically, a program of
17 this scale and complexity would have a gating
18 mechanism in place that approves a portion of work to
19 do calculations for what will the next portion of work
20 cost and so forth. It's a normal process.

21 With the NOVA program, the way it was
22 envisioned and started, we didn't have that type of
23 mechanism in place. So going forward, our plan is to
24 have gating in place.

25 To answer the question as to, you know,

1 the balance of the NOVA program budget and those sorts
2 of questions, we are completing the integrated project
3 plan work and discovery work prior to seeking approval
4 for the next tranche of funding required to do the
5 work. That is how I would answer that.

6 MR. ANTHONY GUERRA: Okay. Thank
7 you. I have no further questions.

8 PANEL CHAIRPERSON: Thank you. I
9 think that rather than starting your cross-
10 examination, Mr. Andres, we should adjourn for the
11 day.

12 Could you please advise at this point
13 if you know what time the Gartner witness might be
14 here?

15 MR. TODD ANDRES: Gartner witness,
16 my understanding is they should be here at 9:00, and
17 so we should be able to commence with the -- start and
18 finish the Gartner witness my hope is before the
19 morning break and then move straight into cross-
20 examinations of the Project NOVA panel.

21 PANEL CHAIRPERSON: Okay. And that's
22 fine? That's agreed to by Counsel for MPI and CAC?

23 MR. ANTHONY GUERRA: Correct.

24 PANEL CHAIRPERSON: Thank you. And
25 we will expect to see the MNP witnesses back tomorrow

1 as well. Is that correct?

2 MR. ANTHONY GUERRA: Correct. Mr.
3 Qureshi, would you confirm that please?

4 MR. HASSAN QURESHI (by TEAMS): Yes,
5 we're prepared to attend.

6 PANEL CHAIRPERSON: Thank you very
7 much. And thank you. See you tomorrow morning at
8 9:00.

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10 --- Upon adjourning at 3:49 p.m.

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13 Certificate of Transcript

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Wendy Woodworth, Ms.

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