

[Chairman: Mr. Martin]

[10:05 a.m.]

MR. CHAIRMAN: Seeing as the time is five after 10, I think we'll get started now that we have a quorum. First on the agenda, I believe the minutes of the last meeting, on April 24, have been circulated. It's been moved. Agreed?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Just an update on the next meetings we have scheduled. There's a slight change, so I'll read. Next week we have Mr. Diachuk scheduled; on May 8, Mr. Isley; May 15 is open at this time, because we're not sure how much we'll accomplish today; May 22, Mr. Trynchy; and May 29, Mr. Koziak.

Seeing as we're a little bit behind schedule, I think we'll start right in. As I recall, we're going into section 2.3. If you have your report in front of you, its pages 17 to 28. Mr. Rogers, are there any general comments about this section before we open up to questions?

MR. ROGERS: Mr. Chairman, perhaps I will leave it to the questioning and then elaborate as questions hit specific items.

MR. NELSON: Mr. Chairman, there are two areas in the particular section, which I've outlined in rather pink marks here. They relate to the Department of Hospitals and Medical Care, in particular the Foothills and the provincial cancer hospitals, wherein it appears that moneys were requested for items that we had not received. In fact, it appears that the hospitals signed for, as received, items that were not received or at least delivered to that particular function. Then, of course, there were moneys requested.

First of all, Mr. Chairman to Mr. Rogers, I'm wondering what safeguards are in place to ensure that this type of activity does not continue. What safeguard is there to ensure that falsified documents, when given to the Treasury for payment, are not continued? I'll follow up from there.

MR. ROGERS: Gentlemen, the importance of this particular item is that it has ramifications relating to all systems of internal control. Internal control is really based on certain

people authorizing and, through their signatures and certifications, giving assurance so that several people are involved in any given transaction. This system of control simply is nullified when we get situations such as this, where contractors and suppliers who are approached and asked if they would produce invoices for goods and services that they had not rendered make it look as though these were rendered by March 31. The work actually was still under way when we were in on the audit.

That was compounded when people in responsible positions certified that the goods and services had been received before March 31. Then the department certified that to the best of their knowledge, these goods and services had been received.

It is a situation that I believe is very serious. If there were a great deal of this, one would not be able to place the reliance on internal control that one is usually entitled to. However, I do believe the situation was that it was made quite clear to the hospitals that the money was available only in the '83-84 year and that, through no fault of the hospitals, the jobs took longer than was anticipated. In fact, one of the firms involved had gone bankrupt. Situations completely beyond the control of the hospital caused the work to not be completed at March 31. Both hospitals, the Foothills and the Cross, were in a predicament. I don't think there was any intention of wrongdoing, but quite obviously the same action in a different context could result in wrongdoing.

There has been the odd situation along the same lines in other jurisdictions. There was one about 12 years ago in Ontario that was of the same ilk, where money was available at the end of the fiscal year and these sorts of actions were taken to, in effect, use up the surplus money.

I am convinced there won't be a repetition of this. In fact, if I could relate to you the comment received from Foothills hospital, it was:

The Board of Management is determined to avoid such occurrences in the future and I believe that all of the necessary staff are fully aware of the Board's view on this important matter.

We've had similar assurances from other parties involved.

As to what safeguards one can install against

this happening, which was your question, I don't think one can, really, because the procedures themselves are supposed to be the safeguards, except that in auditing any entity, we're very much aware that this can happen. That's how it was found.

MR. NELSON: In the recommendation offered by the Auditor General, it says:

It is recommended that the Department of Hospitals and Medical Care, the Foothills Provincial General Hospital and the Provincial Cancer Hospitals comply fully with authorities and approved accounting policies to ensure that goods and services are recorded as expenditures in the fiscal years in which they are received . . .

Is there any other possible way of recommending, and not knowing what the policy is -- although in the business world I guess there are different types of policies. Is there no way of stressing an area such as before they can assign the equipment they have to float the serial number of the equipment onto the invoice, or something of this nature, to ensure that this type of thing doesn't happen? This could lead to fraud on behalf of a receiver; it could lead to equipment being misplaced or put into some place other than where it's supposed to be -- and paid for by the taxpayer. Surely there has to be some method that can pick this up at an earlier period rather than a year-end audit.

Is there some other area, or do I misunderstand or not know the policy, that we can ensure that there's no fraud, no intent to fraud? If that should be the case, these people that are doing this, whether with the full knowledge of the Board of Directors of the hospital or other entity, can be stopped and, if necessary, a police investigation can take place so that those people involved with this fraudulent activity can be administered the full arm of the law.

MR. ROGERS: The documents did quote serial numbers and so on and so forth, especially in the case of the one large piece of equipment which was a special order and on its way. In the case of Foothills, it was actually contracting work. It was renovation of one floor. That kind of work, obviously, doesn't lend itself to any identification.

I really don't know that one could add further

controls, but I think the department should take whatever actions, such as on-site inspection on a test basis, when they accept certifications from hospitals, especially in the case of these special projects charged to the Heritage Savings Trust Fund. Perhaps in that case the department should have physically seen that the work was complete and in place; in other words, what was being paid for.

MR. NELSON: Mr. Chairman, I'll let somebody else in.

MR. STROMBERG: I'm just curious. To the Auditor, Mr. Chairman, and my apologies. I could have found it in the estimates in my office, but what is your budget for last year? What does it cost to run your office?

MR. ROGERS: It's in the order of \$9 million.

MR. STROMBERG: How much staff or how many people have you employed, and how many auditors are employed in this?

MR. ROGERS: The total staff is in the order of 180.

MR. STROMBERG: My second question. If a department or a Crown corporation is not mentioned in here -- for instance, the Alberta Hail and Crop Insurance Corporation -- they've done a darned good job?

MR. ROGERS: That is correct, sir. I should add that we employ a number of firms as agents in addition to the 180 staff we have.

MR. CHAIRMAN: I don't have any further people on the list. Are there any more questions?

MRS. KOPER: In relationship to this incorrect method, I guess, for claiming expenditures, I believe this happens because the hospitals feel that they cannot claim after the end-of-the-year date. I know the kinds of restraints and almost impossible time lines there are when they know that they can only purchase a piece of equipment in a year. I wonder if the Auditor General could clarify for me how this is handled in a budget year. If a large piece of equipment, such as seemed to be indicated in cancer hospitals, does not arrive and it's out of the '83-

84 year, how can you claim for it in those expenses and still show that this work is ongoing and part of that budget year and not have the money, so to speak, go back into general revenue?

MR. ROGERS: Mr. Chairman, realizing that this comment is a case of noncompliance with the Financial Administration Act, under the Financial Administration Act moneys are provided on an annual basis. All moneys that are unexpended at March 31 lapse. It's not a question of being able to put that money aside until the equipment arrives or anything like that. The Act is quite clear that any unexpended funds lapse at March 31. That is the problem. If they have not taken delivery of these goods and services by March 31, they become expenditures of the following year and there's a possibility they're not funded. That is what special warrants are for, for that kind of situation. So you would find that the money would lapse in one year and then would have to be provided for -- if not in the budget, and usually it would be too late for that, then subsequently by special warrant or by a special money Bill passed through the House which would be supplementary to the budget, in order to provide the funds for that particular purpose, or as is the case in most instances, there are funds available within the budget of a department to make the necessary payment.

MR. NELSON: I'm looking at Central Salary Payroll System. I want to know if the Auditor General is satisfied now, or have his recommendations been further examined where there's considerable noncompliance under section 37 of the Financial Administration Act, and if, in fact, there are sufficient controls exercised within the departments for payroll so that there is no opportunity for a cheque to be drawn that there may not be an employee for; in other words, someone is duplicating some income. I'm just wondering if this is part of the difficulty, and if there are some difficulties in this area, what is being done to correct them?

MR. ROGERS: As you know, we brought this up a couple of years ago, and there has been considerable improvement in this area. But in the work we did as the basis for this report, we again found a number of errors. Although the situation had improved, it still wasn't

completely clean, but there are efforts being made to improve this. One of the problems we found was that up-to-date lists of expenditure offices were not being maintained, which was another weakness which is being corrected. I believe that in all probability this will be the last time this one will be in the report.

MR. NELSON: Thank you.

MR. STROMBERG: Mr. Rogers, a year ago you expressed concern with Members' Services as to the accounting of items of supplies allowed for MLAs, such as tape recorders, pencils, paper clips, et cetera. Has that been corrected? Are you satisfied now that every paper clip is accounted for?

MR. ROGERS: Mr. Chairman, we weren't really concerned about paper clips. We were talking about capital equipment. Yes, I'm satisfied that the office took the necessary steps and that that is no longer a problem. It isn't in this report, of course.

MR. CHAIRMAN: Any other questions on section 2.3? If not, we'll move on.

MR. NELSON: 2.3.13, Northern Alberta Institute of Technology. It appears that the institute took it upon themselves to borrow a considerable amount of money, with no authorization from the minister or the Executive Council, which is ultimately going to cost the taxpayers. [interjection] It's on page 27-28. I'm just wondering why a recommendation for the replacement of the board, in what appears to be a deliberate attempt to bypass the funding authority of the government, wouldn't come forward, or maybe have someone's head roll who is responsible for this action. That is not authorized to be done so from what appears here.

MR. ROGERS: The problem is the requirements of the Act, which on the face of it appear to call for order in council approval for any borrowing, did not anticipate this particular method used by the board. My legal advice was that it's very unclear as to whether in this particular instance, when they were borrowing by means of a promissory note and the deposit of an equal amount of funds with the same bank, this really was ever foreseen by the

legislation and therefore whether or not any authority was required, although I'm sure that from the spirit of the legislation it was the intention of the Legislature and the government to require the board to come back to the government before borrowing funds. From the legal advice I have received, there is doubt as to whether or not that was actually contrary to the legislation.

I really don't know why it was done. It seems that the board did not want to charge their surplus and the funds that they had available. I could not really feel happy that I understood why they did it, and there didn't seem to be a satisfactory explanation as to why it was done. But the overall cost, over the length of the period of the loan, was a total of \$78,000, and I couldn't see that any benefit was received for that. That was, of course, the differential between the interest of the money borrowed and the interest earned by the money on deposit. But that money was available to pay for the campus, to the best of my understanding.

MR. NELSON: Mr. Rogers, has there been any indication from the minister responsible that they're going to address this concern? If we create a precedent of this nature, if the University of Alberta or Calgary wants to go out and borrow and do the same thing, we could have one heck of a budgetary problem and also an expense that the government, or the taxpayers, would be tagged with ultimately that had no authorization. I don't know.

MR. ROGERS: Mr. Chairman, I can assure you that this matter is being considered by Treasury. Of course, the response to this report will be forthcoming in the fall, as is usual, and I'm sure this matter will have been dealt with.

MR. PAPROSKI: Mr. Chairman, it deals with the same issue. I'm referring to the third paragraph on page 28 under the Northern Alberta Institute of Technology. There's no question that there seems to be some confusion. I think your first sentence indicates that: "Section 22 of the Technical Institutes Act would seem to indicate that the approval of the Lieutenant Governor in Council is necessary . . ." That implies to me that there is some fuzziness there; there's some confusion. Then your recommendation number 10 recommends

that these uncertainties be cleared up.

Could you comment just on that Technical Institutes Act and section 22 for a moment? Could you clarify what you think should have been done and what was done? I don't know that Act, and I would like to give the benefit of the doubt to the board of governors at NAIT.

MR. ROGERS: Mr. Chairman, I don't have the Act in front of me and it's not possible to recall the exact words, but it had to do with the wording of the Act, that apparently did not include promissory note and this kind of situation. The legal wording in that paragraph did not appear to cover this particular action. So it probably needs a very small amendment to ensure that any borrowing of money, however achieved, would have to have government authority or government approval.

MR. PAPROSKI: Mr. Chairman, I have one further question and that deals with . . . I'm sorry; it's 2.4.

MR. CHAIRMAN: Are there any more questions on section 2.3? Seeing none, we'll move to section 2.4. For your information, this goes from pages 29 to 47. I take it, Mr. Paproski, that you have questions there. But just before, I'll see if there are any initial comments on that section. Mr. Rogers.

MR. ROGERS: Mr. Chairman, if we have a little time at the end, I would like to go back, if I may, on one or two points. Otherwise, I think we should proceed with questions.

MR. CHAIRMAN: You want to go back to section 2.4?

MR. ROGERS: There's one point I might like to mention on 2.3.

MR. CHAIRMAN: If you'll remind me, then. Go ahead, Mr. Paproski.

MR. PAPROSKI: My question deals with 2.4.5, Department of Social Services and Community Health and the VRDP program, Vocational Rehabilitation of Disabled Persons. Mr. Rogers, I believe these concerns are important enough that I would like you to take the time, if you don't mind, to expand on the four points that you enunciate there: "no evidence was

available," et cetera, et cetera. Could you take some time to explain to me a little further each one of those four points?

MR. ROGERS: This is on page 34, the Vocational Rehabilitation of Disabled Persons?

MR. PAPROSKI: That's right.

MR. ROGERS: These were the findings of our field audit. I'll read the wording, if I may, from the management letter, which is perhaps a little more detailed:

The department provides funds to various private agencies to assist them in providing vocational rehabilitation for disabled persons. The following matters were noted during the review of these payments:

(a) No evidence was available to show that the Department has obtained any information on lease agreements to substantiate the accuracy of rental costs submitted by the private agencies.

In other words, a piece of paper simply saying that so much rental was paid, without any attempt to verify that that figure could be substantiated.

MR. PAPROSKI: You're saying that no evidence — you used the word "no". There was no verification of lease agreements. Is that accurate? There was none of this going on at all?

MR. ROGERS: There was no evidence on the records we looked at that the department had obtained any information to substantiate the payment documents or the invoices they had received.

[Inaudible] the other points, Mr. Chairman.

Funding for private agency staff salaries and maintenance costs is based on space available rather than on the space utilized. Without review to ensure that space available is the space required, the current policy could result in overfunding and inefficiencies in the private agencies.

I think that's self-explanatory. We could be paying on the basis of space that is not being used.

The Department has not established

procedures to identify a surplus arising from grant payments.

What I'm doing now is dealing with all our findings in this particular area. What we did in the course of preparing the report, obviously, was to summarize this down to the main features. But I'm giving you now the total of all our findings in this particular audit.

Standards and guidelines for the preparation and submission to the Department of agency budgets are not available. In addition, audited financial statements are not obtained from the agencies.

Here we're talking of good practice, the controls that should be there.

Course content and curriculum have not been established against which the performance of private agencies can be measured and reported.

Present agreements do not provide the Department with a registered interest against capital items acquired by private agencies with grant funds.

As the Department is responsible and accountable for the funding to the private agencies, the monitoring and evaluation of the activities of the agencies is essential.

It is recommended that the department establish systems to monitor and review grant recipient spending and activities.

MR. NELSON: Mr. Chairman, I was interested in an update as to the present condition of what appears to be a deplorable state at the Ponoka hospital with regard to their accounting procedure, and if the Auditor's recommendations have been taken into account and what appears to be somewhat of a mess there has been cleaned up or is on the way to recovery.

MR. ROGERS: Mr. Chairman, with regard to Ponoka I should advise that I've lost one of my staff, who has gone to join them.

MR. CHAIRMAN: It looks like they may have needed him.

MR. ROGERS: I think so. There is a host of problems, but if I could read the final paragraph of the fairly lengthy letter in response, which was not disputing any of the matters, I think it gives a flavour of our relationship, if you will,

and the fact that we're trying to correct the situation, realizing that new staff are involved, to deal with the situation they have:

We wish to thank you and your staff for your complete cooperation and understanding of the problems that have been encountered at Alberta Hospital Ponoka during the time of conversion over the last two year-ends and we look forward to your continued cooperation as we attempt to rebuild our financial reporting system and initiate the required internal control.

Part of the problem is that when you have an organization or an entity that is completely dependent upon department resources and operates quite successfully as an adjunct of the department, and you suddenly remove the department, they have to build, in effect, from scratch. We've had this, as you know, on a number of occasions in various areas, and Ponoka is no exception. When the divorce, if you will, takes place, problems begin to mount if adequate planning and preparation have not taken place ahead of time. That was the case in this instance. Once you are in that situation, matters go from bad to worse, because the systems required to run the operation aren't in place or are grossly inadequate. That's what we had here.

Now they are trying to dig out and restore adequate systems. They are a new staff now in charge of that, not including the member of my staff that's gone there. That's quite a recent development. The next 12 months will tell the story as to whether they've got it under control.

MR. NELSON: Mr. Chairman, I'll save some further comments until, probably, next spring. It seems to me you have a horror show there that probably, if the department had looked at this properly, may have put the system together before they switched it over and given them at least the opportunity to develop. I hope other government departments may learn from this kind of mistake.

MR. JONSON: Mr. Chairman, I just want to comment rather than pose a question. Not only was it a problem of working out a new relationship with the regional hospital board and the Department of Hospitals and Medical Care. We should keep in mind that almost in the sense of momentarily before this, the

responsibility for mental hospitals had been transferred from the Department of Social Services and Community Health to Alberta Hospitals and Medical Care. Having followed this situation with some concern, I found that there was a great deal of sorting out to be done, a great number of problems that were between departments, let alone with the regional board. It was very frustrating for the people at the local level to deal with this situation, to find that expensive and difficult things were suddenly their responsibility. Other things, which were easier to deal with, were being kept in the hands of the department.

The other point I want to make is just to reinforce some of what the Auditor General has said. As the details of that letter indicate, I think there has been a great deal of effort to correct the situation, and they do have capable personnel assigned along with help from the Auditor General's department. When the hon. member raises it the next time round, I think things will have improved.

MR. CHAIRMAN: Are there any other questions on section 2.4?

MR. MUSGROVE: I was reading the Child Welfare Payment Information System, and certainly I can see where these problems arise. The thing I see about it is that quite a lot of child welfare payments, particularly in foster homes, are made in an emergency situation, and to get approval before any documents are signed with respect to foster children would seem like it would hold things up to the point where it would be frustrating for the people that were at least taking the child into their home. So I'm wondering if there's a way this can be done so it wouldn't cause that. The other side of the story is that I hear all kinds of people telling me that by the time you go through the paperwork on this thing, the emergency has ceased to exist. The child is the one who has suffered the consequences.

MR. ROGERS: I don't want to give a sort of instant prescription; that's always dangerous. But I would suggest that there are methods available to administration, to management, to overcome these kinds of situations. If they are convinced, as they must be to more or less write blank cheques, which we have here, there is no reason why an advance can't be made to

cover emergent situations and then, at a subsequent time, the necessary approved expense vouchers and what have you come back to the department to reimburse the advance. This or any additional moneys can then be paid to the people involved.

The use of advances is fairly common in government. I know in my own experience it's been used, for instance, when medicare got behind with doctors' payments some years ago. They paid advances and then settled up at a later date, simply to get the cash out there. Sometimes there is an over-riding need to do that. I'm not suggesting putting the brakes on and bogging everything down. On the other hand, I think people who are responsible for expending public funds have a responsibility to ensure that they're being properly used.

MR. MUSGROVE: Taking into consideration that most of these cases are different and considering that we hear all the time that some of these social workers are overworked at different times, you're recommending that they work in an advance payment to foster parents or to situations where there's need for prescriptions or other emergencies -- that they go to an advance payment type of thing? That would be done through the social worker. Is that right?

MR. ROGERS: What I'm talking about is one possibility. It isn't for the Auditor to tell management how it does its job, but I am suggesting that if there were a need to get funds out in a hurry, that is one of the possible approaches.

MR. PAPROSKI: Mr. Chairman, to the Auditor General. It deals with the Research Council, 2.4.2, specifically Inventories and Expenditures. The last part of your comment states:

The audit has . . . revealed that previously reported deficiencies related to the custody and use of materials and supplies inventory still existed.

I wonder if you could comment a little on that. Could you clarify for me what you're referring to? Do you have any examples of what is transpiring, and indeed have you offered suggestions and direction to the Research Council on how to prevent this in the future?

MR. ROGERS: Yes, we have offered suggestions, Mr. Chairman. The nature of the operation of the council projects causes the problem. I haven't had a response yet to the last management letter. Because the inventories are very dispersed, my project control of them is a difficult thing, but management has undertaken to address this.

The interim audit was just completed:

The interim audit revealed that a policy has been recently introduced to ensure that the Council receives credit for goods returned to suppliers. Due to the timing of the implementation of this policy [it was very recent], no compliance testing has been done of adherence to it.

The Council is also establishing policies to control inventory purchase for stock (miscellaneous goods). However, policies to deal with items purchased directly for a project [that's what I was referring to] have not as yet been developed. In addition, the Council is continuing to expense all supplies when purchased and no policy exists to indicate what items should be included in inventory at the year-end.

So I have to report that as late as now, it is not entirely satisfactory, although some action has been taken. This is a little unfair, because we're just talking about inventories. Some of the other items they have spent their time addressing, and it's a case of only having enough resources to do what's necessary in certain areas. Some of the areas -- for instance, research projects themselves:

Audit testing of the new costing system implemented on April 1, 1984, is almost complete. Based upon the work done to date, the system appears to be working satisfactorily and costs are being properly allocated to projects [which, if you remember, is one of the problems]. This matter can probably be dropped from the next report.

I'm reading to you from a confidential report, which hit my desk this morning, from the principal in charge of the audit. So I'm sharing with you information that has not gone through the usual channels. While there are going to be some problems next year, I think some of the points will have been satisfactorily addressed.

MR. PAPROSKI: Just a quick comment. I'm

pleased to hear your comments, Mr. Rogers. The proliferation of projects, the extent of them, and the wide breadth of them, have led to this difficulty in the main. That's what you're saying?

MR. ROGERS: That is correct. One has to have regard to what the main priorities of the people involved are. It isn't bean counting and paper pushing. They're trying to get results through their work. I have a certain sympathy for that. On the other hand, of course, these things have to be looked after.

MR. CHAIRMAN: If I may, it seems we will have a problem around 11 o'clock, because I'm told that a number of members have to leave for another engagement, which would leave us with the problem of a quorum. Mr. Rogers had a couple of comments he wanted to make on these two sections. Because I don't have anybody else with their hands up at this moment, I'll call on Mr. Rogers to make those comments. Then we'll see where that leads us, if that's okay.

HON. MEMBERS: Agreed.

MR. ROGERS: I would like to make some additional comments on the lottery situation, which is found on page 24. There weren't any questions on that, but I want to deal with it because it refers to a long-standing situation which has not been subject to question but came about as a result of discussions with legal counsel. It has to do with the disposition of the moneys that flow through and are given as grants by the partnership that is responsible for running the lotteries. As you know, these are designated by the minister under the licence, and there is a listing of the amounts paid at the back of Volume II of public accounts, I believe.

The problem that arises is that section 19(1) of the Financial Administration Act states that all public money, apart from money over which the Legislature has no power of appropriation, shall be paid into the province's General Revenue Fund; that is, except money that is otherwise specially disposed of by this or any other Act. This means that when the intention of the Legislative Assembly and the government is that money is not going to the General Revenue Fund, the legislation usually specifies how that money should be treated. In this case

there is no such authority.

The question is: are these public moneys? The answer is that under section 190(1)(b) of the Criminal Code, the only way lotteries can be run is if the province itself passes legislation, as we did with the lottery Act, and then manages a lottery scheme as an agent of the province. If this is carried out by an agent of the province, then there's a legal argument that these are indeed public funds, and as such are subject to the Financial Administration Act, and that all these funds resulting from the lottery, not just the ones that are paid for cultural purposes as grants but all the funds, in effect should be in an account either in the General Revenue Fund or, if the Act specifies, in a separate fund but would still be public moneys. This is the legal argument that is involved in this particular situation.

The advice I received from my legal counsel was quite clear. He believes that the lottery Act should more clearly show that it is subject to the Criminal Code and flows from the Criminal Code and also that there should be a clear disposition of the funds. In any event, the lottery operation would be a provincial agency, because under the Criminal Code a lottery can only be carried out by an agent of the Crown in right of the province. So we have a problem that we will be looking at over the summer. It is a very complex problem, and I have received a letter from the minister inviting us to sit down and discuss this matter.

I thought I would mention that because there is a similar situation with regard to the Metis trust. There we have a situation where, as you know, there's been a moratorium on legislation for a number of years. We have a similar situation where a trust fund was created. As the Act does not provide for the disposition of those funds, they really should go into the General Revenue Fund. We have a problem similar to the lottery problem with regard to the Metis trust. We also have a number of invalid regulations that appear to be ultra vires. The interesting one is one that provides for a payment of \$3 per member per meeting. The honoraria are in the order of \$100 to \$200.

So we have a fair degree of failure in compliance in this area, but in my final paragraph, I must admit, I believe the department has acted in good faith and used some common sense and taken a pragmatic approach. But that does not alter the



situation. Technically there is a lack of compliance. I think these are matters that should be addressed and the situation clarified in both those instances.

In the case of the noncompliance with the Public Works Act, I've had assurances from the deputy minister of public works that steps have been taken to ensure that this does not occur again.

Mr. Chairman, those are the comments I wish to make in this particular area.

MR. CHAIRMAN: Thank you very much. If I may come back now, I think we are going to lose a quorum. I know people have to get out. If I could just say one thing in terms of what's happening. We have Mr. Diachuk next week, then Mr. Isley. We have an opening on May 15.

MR. ROGERS: I have a problem with that day. You'll remember I mentioned that to you last week. I was hoping to be excused that day.

MR. CHAIRMAN: Yes. Is there somebody from your department who could continue? Would that be possible?

MR. ROGERS: Yes.

MR. CHAIRMAN: If it's okay with the members then, what we will do is continue with the Auditor General's report on May 15. Is that acceptable?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Okay.

MR. ROGERS: Mr. Chairman, can I be excused that day?

MR. CHAIRMAN: Yes.

MR. ROGERS: If the committee agrees; otherwise . . . This is my priority. I have a committee meeting of the Canadian Comprehensive Auditing Foundation in Toronto, and I'm chairman of the particular committee.

MR. CHAIRMAN: I think it's acceptable. Somebody else from your department would be here to answer questions.

MR. ZIP: Mr. Chairman, I move that we

adjourn.

MR. CHAIRMAN: It's been moved that we adjourn. All those in favour?

HON. MEMBERS: Agreed.

[The committee adjourned at 11:04 a.m.]

