

[Chairman: Mr. Pashak]

[8:30 a.m.]

MR. CHAIRMAN: Well, I'd like to call Public Accounts to order and welcome once again the Auditor General, Don Salmon, and his guests Andrew Wingate and Michael Morgan. Did you want to make an opening statement today?

MR. SALMON: Yes, I'd like to clarify one question, if I may, that was asked last time.

MR. CHAIRMAN: Fine. While you're doing that, I'll just try to recognize some of these people. If everyone would put their hand up, I'll just begin making a list. Okay. I'll catch everybody one way or – in my usual biased fashion.

AN HON. MEMBER: You can put them in alphabetical order.

MR. CHAIRMAN: That'll be completely at the discretion of the Chair.

MR. SALMON: May I start then?

MR. CHAIRMAN: Fine. Okay, start.

MR. SALMON: Okay. Mr. Chairman, two weeks ago when we were here and we were answering the questions of the committee, the question was asked relative to a company called Oil Patch Group Inc., and looking at the list, of course, as we indicated, we couldn't see it there. Of course, you have to recognize the numerous items that do exist, and there is a grouping within that list both on page 2.36, schedule 2.18, which is the General Revenue Fund guarantee schedule, or the consolidated guarantee schedule, which is schedule 1.11 on page 1.20 of the public accounts. For the clarification of the member who asked the question, in both of those lists is listed an item called Export program. The department has been giving guarantees, and there are a number of guarantees grouped together under that program. Within that listing, on the one which is \$34 million gross and on the consolidated \$20 million – and again that's the elimination of interareas within government – the guarantee was approved for this company on Treasury Board Minute 189/1987 on October 19, 1987. The amount of the guarantee at March 31, 1989, amounted to \$2,460,924 and was included within that Export program listed on both those schedules in the 1988-89 public accounts.

That's the statement I'd like to make, and now I'd be willing to answer any questions from anyone.

MR. CHAIRMAN: Is there anything further that you wanted . . .

MR. SALMON: Well, anything that has happened since on that, of course, is in the current year, and although we are aware that apparently there is an implementation, we're not in a position at this stage to make anything public. There may be something public. We just haven't audited this at this time.

MR. CHAIRMAN: Who raised that question? Without interfering with your place on the list, did you want to ask a follow-up on the basis of what the Auditor General just . . .

MR. HAWKESWORTH: Just one supplementary then, thank you, Mr. Chairman, on that question. So this falls under the

Export program which is listed on schedule 2.18 in the public accounts. What requirement is there in the legislation, or otherwise, for the minister responsible – I would presume that's Economic Development and Trade, or it might be the Provincial Treasurer, perhaps . . .

MR. SALMON: No; it's economic development.

MR. HAWKESWORTH: Okay. What requirement is there in the legislation for the Minister of Economic Development and Trade to provide or make public the list of companies receiving guarantees under that program? Is there any requirement that there be disclosure other than the requirement that we see in the public accounts to simply put the global figure of that program in the public accounts?

MR. SALMON: I believe, Mr. Chairman, it would be on the basis that most of the guarantees under that program would be by Treasury Board minute, and I believe it would be discretionary whether or not full details were disclosed at a later time. It would be the Provincial Treasurer's decision whether or not he wanted to release. There are numerous on the list. I mean, it's not something that's just a small amount with, of course, the \$34 million listed there.

MR. CHAIRMAN: We have one item of business that really should have been first on our agenda, which is to review the minutes of last day's meeting. They've been distributed. Are there any questions or comments on the minutes? Would someone care to move the adoption of the minutes as distributed?

MR. GESELL: Sure.

MR. CHAIRMAN: Moved by Mr. Gesell. Those in favour of adopting the minutes, then, as distributed? It's agreed.

Mr. Hawkesworth, I'll recognize you first for questions of the Auditor.

MR. HAWKESWORTH: Thank you, Mr. Chairman. First of all, I appreciate the Auditor General coming back to this meeting with that supplementary information. He gave me an undertaking, as I remember, two weeks ago, and I appreciate him doing that.

I would like to follow up somewhat with one of the other questions I asked him that week at that meeting, and that had to do with policy of Alberta Treasury Branches regarding lending of money or extending credit to potential borrowers. Just to set the stage for my question, Mr. Chairman, I've just received the latest annual report for North West Trust, which is a provincially controlled lending institution, and the chairman of the board indicated in that annual report a guideline or a policy of North West Trust that limits the maximum loan to any borrower or group of connected companies to 1 percent of its total assets. I'd like to ask the Provincial Auditor General if a similar policy exists with regard to Alberta Treasury Branches, which is another provincially controlled organization; whether there are limits that Alberta Treasury Branches place on extensions of credit to any one entity or related group of entities or any one company or related group of companies and, if so, what those limits are and how they are determined. Can you give us an overview of that policy?

MR. SALMON: Yes, Mr. Chairman. There are limits set, because any lending organization needs to be aware and be familiar with the various types of loans they're making in order that they do not get caught with any one type. We have made reference to that on page 12, where we talk about the guidelines they've established particularly with respect to some of the commercial lending areas such as hotels and motels and restaurants and some of the heavy equipment lending. However, our recommendation was that they could actually extend that to all types and classes of loans. Although they do have limits and have set guidelines, there could be some categories that they could establish beyond what they are presently doing. So it really was to expand their system of establishing these guidelines for restricting and monitoring the amounts of the loans in order for them to have a better handle of their credit risk involved in their actual loaning portfolios.

MR. HAWKESWORTH: So I take it that there's a policy in place for some categories of loans and not for other categories.

MR. SALMON: That's correct.

MR. HAWKESWORTH: Okay. Could the Auditor General explain to us who's responsible for ensuring that those limits are adhered to and who is responsible for approving exceptions to those limits? Perhaps there are no instances when there are exceptions to those limits, but is there someone within the Treasury Branches that has some responsibility for that?

MR. SALMON: Yes. It would be the senior management of Treasury itself that would have to examine and grant any exceptions to this, if there were any. Of course, they are also the ones who are establishing the actual guidelines and the directives to the various Treasury Branches as to what their limits are.

MR. HAWKESWORTH: I guess in a democratic society and a responsible government the ultimate responsibility for operations rests with elected officials. I've been confused in the past as to who has ultimate responsibility for the operations of the Treasury Branch and to what extent – is there some point at which senior management has to sort of pass the buck upward to the decision-makers within the cabinet, within the Provincial Treasurer's office? So I'm just wondering if there is any policy that says that at some point senior management has to be accountable for making decisions and at some point the Provincial Treasurer or cabinet is responsible for making those decisions. Is there any policy in place that would spell those two areas of responsibility out: where senior management is responsible and where the Provincial Treasurer or the government is responsible?

MR. SALMON: I believe, Mr. Chairman, the question could be answered probably this way: that is, that the Treasury Branches themselves come under the department of Treasury through the Act and the way they've established the fund. But I believe that the Provincial Treasurer and senior Treasury people have sort of said, "Let managers manage," and have given them the full say and full direction on the operations of Treasury Branch itself. But the ultimate responsibility would then come back, as you've indicated, to the Legislative Assembly through the Provincial Treasurer. Of course, because he's responsible for

that legislation and because he's also responsible for the way the fund comes through and is responsible through Treasury, he would have the ultimate say on things if it was necessary for him to be involved. I believe they have that arrangement, and at least our vision of the way it operates is that there is no requirement to regularly meet. Treasury Branch senior people meet regularly and establish their guidelines, and periodically, of course, as a matter of course, even in other organizations, the government side or the Provincial Treasurer would probably have meetings. I don't know how often, but I'm sure they do occasionally.

MR. CHAIRMAN: Mr. Gesell.

MR. GESELL: Thank you, Mr. Chairman. I'm on Health, Mr. Chairman, particularly pages 44 and 45. Let me ask, first of all, about the claims for services by physicians. I raised some questions about that in the House as well. I'm particularly referring to recommendation 23 on page 45. You state that there are no procedures to check that fee-for-service claims by physicians for services provided to patients in hospitals agree with the hospital records that may be submitted to the Department of Health. I'm just wondering: what are the implications here? I'm maybe not quite understanding what you're saying, Mr. Auditor General.

MR. SALMON: Mr. Chairman, this is an interesting one from the perspective of interest. There have been questions. I have been on the phone with explanations on this one on occasion recently. Again, this was our approach: to examine the information that was available to the department to determine whether or not the fee for services provided by the physician and rendered in the hospital was double-checked back by the information supplied to the department by the hospitals. In other words, if you are spending considerable sums of dollars to the doctors for the fee-for-service claims and you have that opportunity very easily to just change one procedure – and that is, have the doctors report where the service was rendered – and the hospitals are already supplying the information on the services to the department, they could match that up and be more assured that the tremendous numbers of dollars paid to the doctors were properly paid. By double-checking it, it's really adding that assurance they presently don't have. There is a new system they're developing that will provide that opportunity. It's still not there, and eventually it will be, I expect, because it will give them added assurance because of the large number of dollars involved.

It really is a system situation. It was not a reflection on our office to point the finger at anyone or any organization. We were really looking at the opportunity the department had to establish better assurance on those dollars spent.

MR. GESELL: Thank you. My supplementary then. I'm not quite sure – I don't recall in the last public accounts and your annual report whether this issue was raised. Have you raised this issue in the past, and if you have, what has been the response by the department? I'm not quite sure; I don't remember.

MR. SALMON: With respect to the physicians?

MR. GESELL: Yes.

MR. SALMON: No. We hadn't raised this in the past in the annual report. I believe we may have discussed it with the department in prior time, but in our discussions with the department, as we reviewed this with them this past year, management accepted the recommendation as something they could do to add that assurance that they didn't have at the present time.

MR. GESELL: Thank you. Well, I'd like to make my final supplementary on the new system you have referenced that, I guess, is being piloted or is being developed. Can you describe to the committee what systems and procedures we've got in place right now? From your response I suppose there isn't very much, but what system there might be to ensure that fee-for-service claims outside the hospitals are accurate and, in fact, legitimate?

MR. SALMON: The systems themselves are designed to provide the department with the kind of information they need to assist in their funding processes. When you consider the dollars that are flowing to the doctors, the department needs to make sure they are aware of the kinds of services that are being performed and where they're being performed. Now, the hospitals themselves supply a lot of this information as well, and the doctors, of course, are submitting their claims. It was really a case of trying to figure out a way with the system – and, particularly, this would be a computerized system anyway – where they could match it up and also give them additional information in order to assist them in their funding decisions.

MR. GESELL: Thank you.

Could you put me back on the list? I have some more questions.

MR. CHAIRMAN: Sure.
Mrs. Black.

MRS. BLACK: Thank you, Mr. Chairman. My first question this morning deals with the day care centres on page 66 of the report. In particular, I'm interested in the comments you made with regard to the monitoring of the day care centres. You said:

The Department needs better ways of determining whether day care centres are providing the programs they are funded to provide, and of checking that observed deficiencies in the programs are eliminated.

You further state, sir, in the report that the day care information system is not addressing those concerns because the department's licensing officers are unfamiliar with the system. My question really is: does this mean that these officers have not been adequately trained for the system?

MR. SALMON: Mr. Chairman, this was an item that we had put in last year because we had had a number of discussions with the department and felt it was something they had recognized: that more things could be done. We were not in any way trying to put a finger on any particular individuals. However, the department did recognize that some things could be tightened up in their involvement with the day care centres, and they have begun to provide some training to the officers. At the time that we had completed this new report, which is the second year, they still hadn't really completed the training of all the licensing officers, and there were some weaknesses in the checking that was done by us. Therefore, we have included it again, expecting, of course, that by the time we look at it in another year, these

weaknesses that were still identified – although some things had been corrected – would be behind them and the department would have the system operating well. It certainly isn't something they are not working with. They're trying their best to tighten up and to be assured that the kind of work that is being done is in accordance with their guidelines and direction.

MRS. BLACK: Well, I was going to ask you then: what additional improvement for checks need to be implemented into the day care programs?

MR. SALMON: I don't have the list of the deficiencies. We didn't list them here, but they were included in the management letter to the department and had been included in a discussion with the senior officials at the time of the exit conference on the audit, and they have agreed that they should be able to work those things through. We have very good relationships with the department. These are systems areas – and then the actual work by the officers themselves to ensure that those things are taking place when they go and observe what is going on in the various day care centres.

MRS. BLACK: On that point, then, my last question. You said originally that you didn't want to identify individuals, but by the very nature that they're in your report, you have in fact done that. You've also stated that observed deficiencies were still not followed up on and taken into account when licence renewals were considered. Is that still the situation, or has that been rectified?

MR. SALMON: One has to recognize here that this is a process rather than a stated time, because at the time that we complete the audit and send out the management letter, these are the findings at the time of the audit. Then we summarize, and this is a summarized recommendation, of course, because we can't give full details in the report, otherwise it gets too long. This is why we had chosen, because it was a repeat recommendation, that we would do a more summarized listing, knowing that the department was moving on the specific recommendations and would follow those up in due course.

MR. CHAIRMAN: Mr. Paszkowski.

MR. PASZKOWSKI: Thank you, Mr. Chairman. My question stems from recommendation 23 on page 45. You say:

There are deficiencies in checking that hospital costs payable by the [Workers' Compensation] Board are identified and charged to the Board.

Furthermore, if these deficiencies aren't corrected, it could result in increased revenues for hospitals, and that would mean a "reduction in grant support payments." How much money are hospitals losing because of this inadequate system?

MR. SALMON: Mr. Chairman, I don't have the specific amount, but we have found over the years that yes, this is a case of where the recovery would be on the basis of the department and the loss would be to the WCB. But what we're after here is a proper recording of costs so that those particular programs are adequately displaying the actual costs. What happens here is that there's an overinflation of costs if they don't try to recover. There are legitimate regulations requiring the board to compensate the department for certain types of services, and there are instances where they are not fully recovering. That's really what this recommendation is all about. I don't know the

actual dollars because we haven't really identified – it's a case of, in our testing, running into a number of instances. You could project those kinds of things, but it isn't always helpful in this type of report. But certainly the department is aware of some of the weaknesses it has and is doing what it can to change that problem.

MR. PASZKOWSKI: So it's a procedural thing that you're concerned about more than the actual dollar and cents value here then. Is that correct?

MR. SALMON: That's correct.

MR. PASZKOWSKI: My supplementary is basically: what are the procedures that are currently being followed to recover the money from the board for the fee-for-service claims at hospitals? Is there a procedure, or just what is the procedure? Could you give us some insight as to what is happening at the present time?

MR. SALMON: In these kinds of cases it's the department's concern that the systems themselves will identify the kinds of claims that should be a Workers' Compensation Board claim. There are codings that need to be checked and identified on various types of claims in order that the board claims are identified, the kinds of services that are the responsibility of the board. They are tightening up their systems and providing ways and means in which they can double-check that the types of recordings that are taking place by staff, et cetera, are more accurate.

MR. CHAIRMAN: Do you have a supplementary?

MR. PASZKOWSKI: Yes. A final supplementary, basically along the same lines. I'm wondering: just what new procedures would you envisage to ensure that all money owed to the hospitals for fee-for-service claims is recovered from the WCB? What do you see added to the present system that would enhance the recovery system?

MR. SALMON: I've indicated in this item that if the department would compare their fee-for-service claims charged to the board against the hospital records provided to the department – again, similar to the one that was just above that we talked about a little while ago – it would provide additional instances of where they could recover moneys from the board. There is a comparison there that they're not doing at the present time that could add to their assurance that they're getting the right claims to the board.

MR. CHAIRMAN: Mrs. Laing.

MRS. B. LAING: Thank you, Mr. Chairman. My main question is on recommendation 21 on page 44 of the report. It suggests

that the Department of Health develop health indicators and program standards for health units to determine appropriate funding levels for each health unit.

Can the Auditor General comment on the present magnitude of this problem?

MR. SALMON: Mr. Chairman, we had reported this last year. We had some instances, as we had dealt with the department on some of the problems that were arising with respect to the health unit funding, and they had indicated to us after last year

that there were ways and means in which they could come up with a better way in which they could ensure that the funding was proper. Yet it's not an easy project. It's something they will have to work at for a while because it's a systems process and getting the kind of information into the systems that would identify their expectations of these health units . . . We had suggested that they could probably eliminate some of the inequities amongst the health units if they would distribute their funding in a different way. But we had indicated that on the basis that the department had said that if they developed these indicators they could solve the problem, we would recommend that they move ahead and do that. We believe that this recommendation is one on which they are continually working, and we should see some progress on it in the current year.

MRS. B. LAING: Thank you. Would the implementation of health indicators in program standards lead to a sudden shortfall in funding to many of the existing health units?

MR. SALMON: No. It wasn't a case of a shortfall; it was a case of ensuring that the dollars to the health units were going to the ones that needed it and that there wasn't some imbalance between them. Because sometimes in the way in which the dollars are reported and the way the dollars were being distributed, they were not necessarily matched properly.

MRS. B. LAING: And for my last point: on page 43 of the report the Auditor General states that limited progress has been made on the development of the health indicators, program standards, and improved data collection. Does the Auditor General know if there has been any time frame specified on these projects?

MR. SALMON: I don't think our reply from the department indicated when they expected it. They did acknowledge that it was going to take them some time, but they were willing to proceed and see what they could do. We will examine that through the current year.

MR. CHAIRMAN: Mr. Ewasiuk.

MR. EWASIUK: Mr. Chairman, just following up on the questions asked by the Member for Calgary-Mountain View. The question is that within most credit-granting institutions there is a basic credit extension ceiling to an entity or a certain borrower or, if there's more than one, to an entity of a sector of the economy such as, for example, tourism. The Auditor has said that there are constraints on number two – that is, to the various sectors – but to number one you didn't say there are really any controls. We were wondering: does the Auditor feel that there are any kind of controls at the Treasury Branch level relative to the industry for a borrower or for an entity of the borrower?

MR. SALMON: Oh, you bet. There would be definite controls built in, because this is the only way in which the management of Treasury would be aware of the amount of loans in any particular sector of the province, any type of industry. These are examined very carefully by them. What we're really after are some improvements in the way the information comes to them and their ability to maybe even monitor more types and classes of loans than they're presently doing without a lot of work. You have to recognize that they established a system in Treasury

Branches called Synergy, and that system is gradually expanding itself to having more information all the time and helping them to co-ordinate the flow of information from the various Treasury Branches throughout the province to head office. Although in the past a lot of this work would have been done on a much slower book basis, the computer system will help them to be much more on top of this type of information.

MR. EWASIUK: I'm really talking about individual borrowers and whether there's a ceiling on the amount of credit that can be extended to an individual rather than to a company or a sector of an economy.

MR. SALMON: Yes. The same principle would apply on an individual basis; yes.

MR. EWASIUK: I wonder: does the Auditor consider a guarantee an extension of credit? And do you follow up on guarantees the same way you do on loans to ensure that the ceilings aren't abused and aren't extended beyond reasonable numbers?

MR. SALMON: One of the concerns we would have with respect to guarantees is the assurance that they had adequate support for that guarantee with respect to the valuation that's listed at the end of the year. Certainly that will change as time goes on, and the organization has to update their records to be ensured that they have the proper information to identify the expectations of that guarantee. Of course, again, the process with respect to guarantees in the government accounting is that you do not write off or have an expense on a guarantee until there's actually an implementation of that loan or a call, and therefore there has to be a payment made. Whereas with respect to loans in the organizations that are lending institutions, we are sure from an audit perspective that proper provision for losses is recorded each year in their accounts.

MR. CHAIRMAN: Final supplementary.

MR. EWASIUK: In a situation where a loan guarantee is rendered by the government, do you require that they demonstrate and show what kind of security is available, as you would do if it were a loan?

MR. SALMON: Yes. We would examine the types of information they have to support the guarantees as well as the loans.

MR. CHAIRMAN: Mr. Jonson.

MR. JONSON: Yes, Mr. Chairman. I'd like to focus on recommendation 31, which is on page 60 of the Auditor General's report. It deals with the Metis population betterment trust account. There are three or four things the Auditor General states there. There is some concern about the Metis Betterment Act not providing the authority to create such a fund. There's reference to a number of other problems there. But the item I'd like to focus on is that the Auditor General notes that this particular trust account is actually administered through the Department of Municipal Affairs, yet I guess jurisdictionwise the Attorney General's department is ultimately responsible for the fund. Is this sort of division or duality in the administration of the fund responsible for any of the difficulties that have arisen here? Maybe I could just rephrase the ques-

tion. In other words, should everything to do with that fund be consolidated with one department, and if so, what department?

MR. SALMON: That's an interesting question, Mr. Chairman. This particular item has been around for years and has also been in different departments. At one time I'm sure it was Social Services. It's been in quite a few different spots. I think mostly those that could look after it at the time have been assigned the responsibility. So I certainly wouldn't want to recommend which department should be responsible. It's been in half a dozen, I would say, back and forth. The reason for us continually including it is strictly because of the noncompliance that has been lived with for a number of years. We have recognized the reasons for the noncompliance, because of the responsibility that the department had to try to work out a legal matter with respect to the Metis, and the trust funds were part of that problem, or at least tied in there. So we've just carried it. We've expected the amendments to be made, and then last year the attempt was made to make the amendments. When they were looked at, we found that it didn't resolve the problems. Now, of course, the Provincial Treasurer has indicated that there'll be a further amendment made, and we're looking forward to that.

MR. JONSON: Well, Mr. Chairman, on that point, maybe I could just be a little bit more specific. I'm sure the Auditor General expresses concern about the selection of the local boards and also the authorization for the payment of honoraria. I think he uses the term "inconclusive or flawed" in this regard. This would seem to be a fairly simple thing to straighten out. We provide for honoraria and we provide for the election of boards in dozens of different situations in the operation of the provincial government. What is keeping us from, as the Auditor General has pointed out, not addressing this particular problem? Now, I know the Auditor General can come back to us and say, "Well, you haven't done it," but it would seem to me that there must be something unique in this particular case about getting this straightened out. Could the Auditor General comment at all on that?

MR. SALMON: My understanding from the direction we've received in the past – and I'm going by memory now – and the reason why it's as old as it is, is that there had been for a number of years a sort of moratorium on the ability to proceed with an amendment to the Act when there was a legal case before the courts. My understanding now is that I believe they can go ahead and make an amendment and resolve the matter. I believe the direction they would try to go would be to confirm in that legislation what they are presently doing. We are not in any way suggesting that what they are presently doing is wrong; what we're saying is that they don't have legal authority to do what they're doing. Until that comes about, we're still responsible to report that they lack the authority to do what they're doing with respect to honoraria and appointing boards and so forth. Certainly if that legislation is drafted and passed to follow the present procedures, then this matter could be dropped.

MR. JONSON: One final supplementary then, Mr. Chairman. Does the Auditor General believe that accounting and reporting requirements could be effectively met if this particular trust fund was administered by a Metis organization on an arm's-length basis in a sort of board arrangement?

MR. SALMON: Mr. Chairman, I guess that would be a case of a comment with respect to policy, because one would have to determine the nature of the trust fund and the purposes in expending moneys from the trust fund and whether or not that was what the government chose to do, to let the Metis organization spend the dollars. Certainly we at the present time are auditing the trust fund and examining expenditures from the fund, and we also look at the controls in place with respect to the operations of the fund. We certainly have had the assurance of the department that they will continue to maintain the controls over the fund even though the processes by which some of this legislation is not being followed will continue until it is corrected.

MR. CHAIRMAN: Mr. Cardinal.

MR. CARDINAL: Thank you. My questions are in regards to the Alberta Mortgage and Housing Corporation and specifically in housing and land information systems. Referring to your recommendation, item 28, page 57, you discuss the deficiencies in the information available and the systems used by the corporation to administer its housing and land investments. This is the third consecutive year that you have made these observations without there being any substantive improvement. Given the seriousness of the deficiencies, what sort of explanation has the corporation given you as to why changes have not been instituted in previous years?

MR. SALMON: One thing that's happened, Mr. Chairman, with respect to this organization, as the committee is well aware, is that there have been some changes in senior management. As well, we knew that with the 16 separate systems that existed and were causing some of the problems, crossing one another and matching up these types of situations so they could monitor things properly, they are developing some systems that will mesh some of the previous separate systems together and therefore provide additional information for management to monitor these types of situations and resolve some of the weaknesses that exist and have existed for several years. We believe that the changes that are taking place as well as possibly some of the other management changes will have some effect on this, and we're looking forward to the current audit to see what the status is.

MR. CARDINAL: My first supplement is: if the AMHC housing and land information systems are not improved in the near future, what will be the implications for the corporation?

MR. SALMON: The implications are continual weaknesses in having difficulty in finalizing accounts at the year-end, additional work that has to be done to ensure that your financial statements are properly presented, and just general weaknesses in the system will cause additional time to the office of the Auditor General in completing the audit as well.

MR. CARDINAL: Okay. Thank you.

MR. CHAIRMAN: Mr. Thurber.

MR. THURBER: Yes; thank you, Mr. Chairman. Referring to your recommendation 22, I believe it is, on page 45, you state that there are no checks by the Department of Health that services at hospitals are provided free of charge only to those people who are registered with the Alberta health care insurance

plan. How serious is this problem? Do you have any statistics to show how big a problem this is and how many individuals are receiving services without being registered?

MR. SALMON: Mr. Chairman, in this particular case this is just one more of those things that we have reported because of the system's weaknesses. We know of instances where it is not happening properly and the validity can't be established or isn't being established, and therefore people have been identified who should be billed for services and haven't been. Now, the dollar figure or the numbers, again looking at the size of the system, would have to be a projection, and we have not done that. But we recognize that there are things they could do, and if they would do them, which they say they will, there will be a reduction in loss because they will be able to recover from third parties some of the costs that presently are being absorbed by the department. We certainly recognize the mammoth amount of dollars spent by the department, and we know that these types of systems improvements will help them a great deal.

MR. THURBER: A supplementary. You mentioned that there's a pilot project in place now to examine the feasibility of providing the hospitals with access to the department's registration data. Is that working well, or have you been able to keep an eye on that? What type of progress is being made with that?

MR. SALMON: Yes. I think that once they can work out the problems, this will probably be expanded. Certainly we have not dwelt a lot on the pilot project, because these being the test programs, they can sometimes end up changing them. We certainly are pleased to see them trying various ways and means of providing information to other people so that these checks and balances can take place.

MR. THURBER: Are there systems in place in other provinces to take care of this situation, or have you looked into that? Are they being studied, if they're in place?

MR. SALMON: The department does do some comparing with other areas, but when you recognize the systems that Alberta has, they probably are extensive and far beyond even some of the other provinces in this regard.

MR. CHAIRMAN: Mr. Lund.

MR. LUND: Thank you, Mr. Chairman. I have some concerns about the Alberta Hail and Crop Insurance Corporation, and that's found on page 31 of the report. You say, under "Financial and legislative control":

The Corporation needs to improve the effectiveness of its financial and legislative controls.

Then you go on to list a number of them. Number one:

Certain indemnity claims lacked proper approval and, in some cases, the control over approved claims was inadequate.

Number two:

Procedures for recording and controlling premium revenue adjustments, and refunds and cash received were inadequate.

Three:

Claims and premiums processed through the claims and premiums systems were not reconciled regularly to the total accounts in the general ledger. Some adjustments to the general ledger bypassed the claims and premiums system but were not grouped separately to enable amounts processed through the sub-systems to be reconciled.

Four:

Payroll and fixed asset total accounts in the general ledger were not reconciled to the related sub-systems.

Five:

Control over claims under the Wildlife Support Program was inadequate.

Six:

Insurance elections were accepted after the April 30 deadline, even though this is not allowed by legislation.

And seven:

Premiums charged to some farmers in high risk areas were in excess of the maximum allowed by legislation.

Now, those are pretty far reaching and pretty extensive. I wonder: do you know if the corporation has received the financial and legislative advice that is necessary to resolve all these problems?

MR. SALMON: Yes. Interestingly enough, there are a lot of problems listed there. Not being a bold recommendation should indicate to the committee that we are very satisfied with the approach the corporation is taking to resolve these matters. We have met extensively with senior officials, and our staff has identified the instances that were determined in all of these weaknesses we listed there. Because of their assuming the role of correction and amending their systems, and also there have been some senior officials changed for various reasons – they have a new controller as well as a new finance director – all of these things will help as amendments are being made to improve the whole process. We felt that because of their co-operation and their willingness to ensure that things would be in good shape in another year, this did not require a bold recommendation and that we could live with their assurance based on what we observed. In fact, we even lost a staff member who is now working for the corporation. We put him on an audit and we lost him.

MR. LUND: Well, certainly that's comforting to hear. I would like to zero in on a couple though. In the last one, "The premiums charged to some farmers in high risk areas were in excess of the maximum allowed by legislation," could you share with us if there have been steps taken to make sure this won't happen? Were those farmers that were charged in excess of what legislation requires reimbursed for the overcharge, or what happened to those?

MR. SALMON: I'm not sure, Mr. Chairman, whether or not the errors have all been corrected and whether they made recovery in all instances. Certainly the officials have accepted these as problems, and sometimes these are straight errors and can be followed up through an adjustment of premium in another year and this kind of thing. Our staff have moved in for the current year now and will be examining all the areas to determine what the status is for the current year.

MR. LUND: Final supplementary, Mr. Chairman. You say that "Control over claims under the Wildlife Support Program was inadequate." What exactly do you mean by that?

MR. SALMON: Again, this is the system they have to ensure that they follow the guidelines and procedures of the wildlife program. Sometimes you can have an overpayment on a claim or even an underpayment; sometimes there's information that's lacking to support the claim: it's those kinds of things, and in the process it's overlooked or missed. There are ways and

means of tightening up the processes within the organization itself. That's really what that entails.

MR. CHAIRMAN: Thank you.

Ms Laing.

MS M. LAING: Thank you. I would like to return to page 12 in regard to recommendation 8. Now, we've talked about limits being placed on loans to various sectors of the economy, various classes of borrowers, and I think you've outlined it under "Credit risk" on page 12. What I'd like to know is whether there are any limits placed on the amount of loan extended to one borrower or a company or a consortium of companies that has one owner. It's not classifications or sectors but ownership of these companies, individuals. Do we have limits in that area?

MR. SALMON: Yes. As I had indicated before, there are limits set for even individual loans because, based on the ability of the borrower to make repayments and so forth, they have to set some types of limits. Certainly if you get connecting loans and this kind of thing also, there are limits built into those particular cases as well.

MS M. LAING: So when you say that there are limits placed on individual loans, I'm understanding that to mean total loans to individuals. Then what kind of limits would you be looking at, or am I misunderstanding that? When I hear individual loans, does that also mean total loans to individuals? What kind of ceilings then would be applied to an individual or individual company or a consortium of companies with an individual central to it?

MR. SALMON: Well, I think without having one right in front of us, you'd have to say that the Treasury Branches would establish a limit for a particular loan for an individual. Or if it happened to be a company, they would also establish a limit to that company based on the security available and the nature of the guidelines they have established for those types of loans.

MS M. LAING: Okay. Are there guidelines and limits established that can be objectively applied? Like, do they stand separate from a consideration in any individual case? That is, is there a guideline that would apply across the board, that would be routinely applied to an individual who was coming for loans?

MR. SALMON: Mr. Chairman, we're getting very specific here. I suppose you could answer that by saying yes. One has to recognize that there are other checks and balances. Because of management error or whatever in some situations, the inspection branch of Treasury Branches would come along and examine it and say, "Hey, maybe you exceeded the guideline in this particular instance by something," or the Auditor General comes along and looks at it later and identifies it. But as a general rule, they do have their guidelines in place, and we examine on our own basis their inspection branch and monitor on a regular basis the various branches and the limits and so forth and make sure they're in conformity with their guidelines. It's very difficult, though, to talk about any specific thing, because we must talk in the general sense rather than tell you it's there. If you were in Treasury Branches and said, "Here's the loan," then you could look at that in relationship to their limits that they have set.

MR. CHAIRMAN: Mr. Severtson.

MR. SEVERTSON: Thank you, Mr. Chairman. My question today is in that transportation area. Section 2.26.1 on page 75 of the Auditor General's report indicates that the Department of Transportation and Utilities needs "to prepare better accountability reports" on "the annual construction program and major multi-year projects." You state that the department's annual report to the Assembly on highway construction does not include details of the work that has been set out at the planning stage and for which money has been appropriated. The Auditor General is concerned that because these details are not included, accountability is limited where the department changes the scope of the project from what was originally approved. Does the Auditor General give the department guidelines, or is the Auditor General confident that the appropriate guidelines exist within the department to implement a new reporting system?

MR. SALMON: Yes, Mr. Chairman. This was an interesting one. Again being not in bold type, we had indicated in here the reasons why, and that is that the department has agreed that these accountability reports could be improved. They've also indicated that the new systems would be in place in the current year, '89-90. In one comment we had as well, they've indicated to us that steps will be taken to specifically identify and monitor those project costs related to major multiyear undertakings as well, such as some of the twinning programs and so forth that they're talking about. So we have felt the indication that the department will proceed, and pending our audit for the current year, we had included this item in this report.

MR. SEVERTSON: Supplementary. Could I ask you: have you come across any evidence that proves that this situation has enabled the department to complete any project for which money was not appropriated?

MR. SALMON: No, we hadn't approached it on that basis. We had approached it on the basis of the need for senior management to be aware of what was going on and to have the kind of information that would help them make decisions not only for the current year but for multiyear projects as well. It was really that process, that accountability process, which we were discussing with them and which the senior people and the deputy minister agreed to and are implementing in the current year.

MR. SEVERTSON: Thank you.

MR. CHAIRMAN: Mr. Bruseker.

MR. BRUSEKER: Thank you. My questions deal with recommendation 38 on page 77 regarding the Lottery Fund. I guess my first question deals with the public accounts book. You make quite a number of recommendations regarding the lotteries and revenues, and that's something we're concerned about. My first question really is that I can't find anywhere in the public accounts books any reference at all to what revenue has come in and how it's been expended. There's a section right at the very back that lists one page of expenditures on behalf of the province of Alberta, but I really don't see much in terms of a balance sheet for the Lottery Fund. I'm wondering if you get the opportunity to audit the lottery funds, and why would they not be included in the public accounts?

MR. SALMON: Mr. Chairman, this is just a case where you've got the wrong year for the process. This is March '89. The new Act came into being May '89, and the first audit of the fund will be March '90. Therefore, it's in the current year that we'll bring in the new one.

MR. BRUSEKER: Oh, I see. Okay. I'm getting ahead of myself. All right.

The second question I would have, then, is that the whole process of administering the Lottery Fund seems very loosey-goosey, I guess, in expenditures. I'm wondering - on page 77 you say, "Accounting officers have not been appointed and are not operating as required by," and then you quote certain signatories and so on. I guess the question I have for you is regarding that. What kinds of checks and balances are in place that you are aware of to ensure dollars simply don't get misplaced, lost, or whatever along the way?

MR. SALMON: I believe, Mr. Chairman, the question is referring to the fund itself on 39. Right? That's the question, rather than 38?

MR. BRUSEKER: Yes. Just above recommendation 39 it says, "Accounting officers have not been appointed and are not operating."

MR. SALMON: Yes. The 38 and 39 flow together; 38 is the noncompliance concern we have with respect to the operation of the fund, and that's a different question. The question regarding accounting officers is a case of not following the Financial Administration Act, which would allow those types of individuals who approve expenditures and so forth. What happened in this case was that an order in council was passed on March 8, 1990, which exempted the Lottery Fund from every part of the Financial Administration Act. Therefore, on the basis of that order in council, recommendation 39 has been resolved - resolved in the sense that the fund does not require accounting officers under the guidance and direction of the Financial Administration Act. They have been exempted from all parts of the Act and, therefore, do not have the same checks and balances other departments in government have. They would have the right to establish their own guidelines independent and apart from the Financial Administration Act.

MR. BRUSEKER: Thank you. I am aware of the order in council and that it is "resolved." My question to you, sir, would be this: are you satisfied with the resolution? Is it an appropriate resolution of the concern you make in recommendation 39?

MR. SALMON: I guess I'd reserve my comment until I know what they're going to do with recommendation 38.

MR. CHAIRMAN: Mr. Gesell.

MR. GESELL: Thank you, Mr. Chairman. I'm still on Health, on pages 44 and 45, particularly on the health unit. On page 44 the discussion . . . It is not in bold, but if I read this correctly, the comments made there are related to the previous annual report, '87-88, with respect to surpluses and dual sets of books and so on. I would have assumed that that type of situation would have been resolved by now, and if it isn't, just appearing in this year's . . . Am I in the right area?

AN HON. MEMBER: Yeah.

MR. GESELL: Just appearing in this year's annual report again leads me to believe that the problem still exists and hasn't been rectified since the '87-88 annual report. Is that correct? Am I assuming this correctly, or is it just a carryover?

MR. SALMON: That is correct. The department indicated they hadn't completed the investigation at the time we finalized this audit, so we repeated the recommendation on that basis.

MR. GESELL: More specifically, I guess what I'm asking: are surpluses still occurring within the health units this year that you have identified, and are the books being kept correctly now?

MR. SALMON: Well, in this particular case this was a particular area, one item. Because we had fully discussed the matter and they were very much aware of the concern we had and had indicated to us that they hadn't finalized, we did not proceed to go and determine what they had actually done and left it, giving them a little bit of additional time. Hopefully, we can resolve it the next time around.

MR. GESELL: Well, perhaps I might want to move on, then, to recommendation 21. I think the Member for Calgary-Bow asked some questions about that. You indicated in response that there were some discussions to distribute funding in a different way. I think those were your words. It's sort of my impression that maybe the funding that goes to health units is targeted to specific areas and there's no opportunity to shift or transfer funding from one area of responsibility to another. My question is: is that the reason for some of the surpluses that may occur? There may be shortages in certain program areas and excesses and surpluses in others, and if that targeting were to disappear and there may be block funding, would that be one of the different ways that you're discussing?

MR. SALMON: Certainly, Mr. Chairman, it was on the basis that there were some known inequities in existence in the way the funding was flowing to the health units. The department was looking at some of these and trying to develop those kinds of standards that would give some reasonable basis to be assured that the funds were flowing in a proper way. Now, the actual determination of those things that are best for the health units is, of course, the department's decision. Certainly, we were really identifying some of the weaknesses in their present funding system, which they were most willing to examine and see if they could correct.

MR. GESELL: Just for clarification, Mr. Chairman, I think the response I'm getting back is on a general overall system, inequities among health units as such. I was being a little bit more specific and trying to get an answer with respect to the surpluses within specific health units and how they might accrue.

MR. SALMON: We handle the exam of the health units on the basis of the surpluses. Certainly that would have a bearing the department would have to look at.

MR. GESELL: Mr. Chairman, can I have one more?

MR. CHAIRMAN: Well, I'm sure there's some leeway when we get a short answer to a question that is looking for clarification

of a point. I sometimes permit that not to be counted as a question, so if you did have another question, I think I would . . .

MR. GESELL: Yes, I do, but I want some latitude, Mr. Chairman. I want to move into hospitals. I asked last year, I believe, some questions about the computer systems in hospitals, and I see it appears here again. The Auditor General makes some comments with respect to some steps that have been taken: the formation of a council - I'm on page 46, right on top - as a first step in co-ordinating and developing computer systems in hospitals. But you also indicate that significant work is still required. Now, you also mention in the next paragraph that certain hospitals in Alberta make use of proven systems. Wetaskiwin, I assume, might be one of those systems. I seem to have read something recently that indicates they have a fairly good system of keeping track.

Perhaps it's my being a new MLA, but it seems things are moving relatively slowly in implementing a computer system both on the inventory and on the program side, the operation side. I would ask the Auditor General: can he give me some indication? Are we, in fact, moving expeditiously in order put a system in place to track operations that are substantial . . . Substantial costs are being allocated to health. It concerns me that our systems are not working as efficiently as possible and that maybe we are not moving in putting them in place as expeditiously as we might.

MR. SALMON: Mr. Chairman, if we could have all these things done at once, it would be a wonderful thing, but just the very fact that they are commencing and striving to co-ordinate this type of development is a very positive thing that's taking place in the hospital industry in Alberta. Hospital costs are high, and if this is one way in which they can reduce costs, particularly with respect to sharing and getting a co-ordinated effort in their development of computer systems, it would be a very substantial saving in the long haul.

MR. CHAIRMAN: Mrs. Black.

MRS. BLACK: Thank you, Mr. Chairman. I'd like to return to the Alberta Mortgage and Housing Corporation. I know it was brought up earlier, but I'm looking at a different recommendation, number 30. I'm quite surprised; it almost appears as if you're saying there are not foreclosure guidelines in place for Alberta Mortgage and Housing Corporation. There must be some, and if there are, what are they?

MR. SALMON: Mr. Chairman, I don't have the foreclosure guidelines in place. What we were asking them to do would be to develop some basis on which they would know when to proceed and when not to proceed. We were concerned with the high dollars of mortgage moneys that were in arrears, and we felt there were ways and means in which management could benefit from having some guidelines that were comprehensive and an indication of when they should proceed and when they should not proceed with foreclosure. We were not in any way trying to tell them what they should do, but that there was a lack of information for senior management to know when to act and not to act on the possible foreclosure of a mortgage in order to preserve the asset of the corporation or their position with respect to the recovery of their loan.

MRS. BLACK: As a supplemental, I guess further to Mr. Gesell's question, it seems that a lot of times we hear the system is under way, the system is being developed, and I'm wondering, as a hypothetical question on your overall review, are the automated systems accomplishing their goals and actually helping us, or are they actually hindering us in the overall audit process? Sometimes you find – they used to say that if you put garbage into a system, you get garbage out of it. I guess my question is: do you find that the review of systems has built-in internal control and integrities within the system that provide assistance to the various departments, or are they becoming more of a hindrance to them?

MR. SALMON: Mr. Chairman, most of the time systems are only as good as the information that's placed in them, and we certainly try to point out to organizations where this lack of information exists and where they could improve the control over the flow of information that's necessary for management to make proper decisions. Certainly I would agree with the member of the committee that these are concerns, certainly in housing's case. I think it was a case of many years. One time they were together, then they were separated, and then they came together again, and there has been a mixture of systems that have come together. There is an attempt being made – and maybe I should say more than an attempt – an effort being made to co-ordinate the development of the systems so they can have the information flow in a proper way and have the right information for making the decisions.

MRS. BLACK: My last supplementary possibly is a comment to the Auditor General. Possibly there should be a recommendation stating that some form of system methodology and actual specifications should be implemented throughout before we start putting systems of different sorts together.

But my last supplementary is regarding the Alberta Mortgage and Housing Corporation. You cited that there was approximately \$195 million of mortgage loans that were in arrears as of December 1988 and proceedings for repayment had not taken place. I'm wondering: what is your best estimate of the corporation's exposure on those loans because of the delays in collecting?

MR. SALMON: I can't answer that question. Certainly in the current year, as we examine March '90, we will have an indication of their status. They have made some progress regarding at least publicly some decisions as to how they're going to proceed with some of these types of things. This will be something we'll be doing in the next few months as we complete the audit.

MR. CHAIRMAN: Mr. Hawkesworth.

MR. HAWKESWORTH: Thank you, Mr. Chairman. I know the Auditor General is honestly trying to respond to our questions about Alberta Treasury Branches. Maybe the questions aren't being put as well as they should be or as clearly as they should be – I don't know – but we seem to be having some difficulty getting the question answered with regard to whether or not the Treasury Branches have a ceiling for any one borrower or related entity. Earlier I had given the example of North West Trust, where they've been able to state that 1 percent of their total assets is a maximum loan that is provided to any borrower or related entity. That was by way of example.

I wonder if the Auditor General could tell us: what is the Treasury Board's formula – maybe this is the way the question should be phrased – for calculating their ceiling limit for a loan to any borrower or related entity?

MR. SALMON: I guess we're having difficulty, Mr. Chairman, in really understanding what the question is when they talk about a formula and what specific detail is being asked. I guess we've tried to answer this question, but I'm not sure I'm getting a clear message as to what it is the member would like.

MR. CHAIRMAN: Perhaps on this particular point the member could arrange to meet with you. That might be the best way to expedite the matter.

MR. HAWKESWORTH: Okay; if there's that commitment, that's fine. For want of an example, let's say Nova Corporation had the Treasury Branches as their banker. That's a very big company. It has very high capital needs, operating lines of credit, and so on. Now, on page 12 in the Auditor General's report, he talks about "classes" and "categories" within the economy, various categories of industry, their limits on where a portfolio will go into various classes within industry. What I'd like to know is: for big borrowers coming to Alberta Treasury Branches, is there some formula they would apply that would limit the ceiling an individual borrower or their related companies could receive by way of loans or extension of credits from the Treasury Branches?

MR. SALMON: I'm going to let Mr. Wingate try to answer that. That's very specific.

MR. WINGATE: Mr. Chairman, you're looking for a limit which applies across the board, this 1 percent thing. Is that what you're looking for?

MR. HAWKESWORTH: That was an example I gave from North West Trust, which is a provincially controlled lending institution. I'm just wondering if there's an equivalent policy or formula that exists for Alberta Treasury Branches.

MR. WINGATE: I'm not aware of such a limit being in place. I think what's more likely is that they look at the reason for the borrowing, the value of the security, and those sorts of things in order to establish a limit for the individual loan that's being proposed, and then as the loan progresses, it's monitored against that limit. But I'm not sure there's an across-the-board limit which says that no one can borrow more than 1 percent of the assets.

MR. CHAIRMAN: Perhaps this is a question that could be put to the Treasurer when he's scheduled to appear before the committee on May 30.

MR. HAWKESWORTH: Well, if the invitation is still open for us to perhaps sit down outside the confines of this meeting and explore this question in some sense, then I'd be quite happy with that response.

If I could use one other example, I guess I'm trying to compare the operations of Alberta Treasury Branches to the operations of other lending institutions, generally that whole industry, and I'd like to then follow up on some questions about loans and guarantees. For example, the federal inspector

general of banks sees loans and guarantees both as extensions of credit and treats them similarly from an auditing standpoint to ensure that they're well based and there are securities and so on. I'd like to know what audit the Auditor General's department performs for the extension of credit by way of guarantees to ensure that those guarantees are well based and the province of Alberta is not going to lose money as a result of those guarantees. I mean, you examine a loan to ensure that it's well based, there's collateral, there's evaluation of the loan, and so on. But when a guarantee is provided, it means somebody else is lending the money directly, but there is a risk, an exposure on the part of the province. I'd like to know what work is done by the Auditor General in reviewing those guarantees to ensure the same system of review and collateral and so on is in place before that guarantee is provided.

MR. SALMON: Mr. Chairman, I believe the question relates to the maintenance of the guarantee at a value that's worth while to the province. I think we as auditors examine the nature of a guarantee and get confirmation of those amounts at year-end in order to verify what Treasury has done in supplying that listing in public accounts. There is no way, though, that the Auditor General, at least in my view, could actually have any right to examine the organization that is going to the bank to draw on that guarantee, other than whatever monitoring Treasury might do in the way of examining the status of that guarantee as time goes on. The Auditor General doesn't go out and look at Nova or anything else and make sure the security's there, because one has to look at what documentation Treasury brings in and maintains, and that's the basis on which we can examine it. Certainly Treasury would be concerned. At the same time, as circumstances change – and say there's a potential for loss on a guarantee. Treasury would have some way of knowing that. I don't think it's all of a sudden that it's there. There are weaknesses indicated, and they would know whether or not there was a greater risk, et cetera.

At the present time, accountingwise in public accounts no cost is included in the accounts of the General Revenue Fund until the implementation of a guarantee actually takes place. I think that has to be clearly understood. So the figures that are shown in there right now are those that have been drawn by the organization from the banks and have been confirmed by Treasury based on the guarantee they've given.

MR. CHAIRMAN: In view of the hour, I wonder if . . . Mrs. Laing, you're really next on my list. Would you object if I moved Mr. Chumir ahead of you because he hasn't been in the question period yet today. Is that . . .

MRS. B. LAING: Well, actually Mr. Chumir didn't get here until 9:30.

MR. CHUMIR: That's fine.

MR. CHAIRMAN: Okay. Go ahead. I'll recognize you now.

MRS. B. LAING: Thank you, Mr. Chairman. On page 4 of public accounts you urge the Treasury Department to include provincially owned universities, colleges, technical institutes, and hospitals in the province's consolidated financial statements. You mention that the Public Sector Accounting and Auditing Committee issued a statement in November 1988 regarding this issue. You further mention that the statement did not resolve

the matter, as the Treasury Department stated that the PSAAC supported their views and you publicly stated that PSAAC supported you. On page 5 of your report you've written that in light of this, you've decided to stop pursuing this matter. I was wondering: since you have not included a recommendation regarding this issue, do you consider that this matter is now closed?

MR. SALMON: I guess, Mr. Chairman, on the basis of the disagreement between the office of the Auditor General and Treasury, it has to be closed for now, but it will not be closed from the point of view of ongoing discussions with the department. Certainly there was no need for us this year to make a recommendation in view of the statement made by Treasury. The owned and controlled aspect of the public sector accounting statement is clear, but in the case of the Treasury Department's interpretation, it is based on the fact that they feel that because the colleges and universities are exempted from the Financial Administration Act, they don't really exercise any control over the universities in that sense. We feel that because legislation is there, et cetera, the control is still there, and therefore they could consolidate. It's really that fundamental difference there. At the present time we'll just leave it as is.

MR. CHAIRMAN: Okay.

I think we have time for a quick question from Mr. Chumir.

MR. CHUMIR: Thank you, Mr. Chairman. I note on page 68 of the Auditor General's report there is a comment with respect to the Canada Assistance Plan cost sharing re social services benefits. I'm just referring to that subject matter. I'm more particularly concerned about the potential for the province to receive contributions under CAP with respect to civil legal aid.

Almost every other province in the country receives a very significant sum, up to 50 percent of civil legal aid, from the federal government. The province has not tapped into that. We're surrounded by provinces which have tapped into it. I've raised this in the Legislature to no avail. I'm wondering whether the Auditor General might tell us whether there is a process in place to determine whether or not the provincial government is getting its full entitlements under the Canada Assistance Plan in respect of all the programs we have, not just civil legal aid but any other programs. If there isn't, why isn't there?

MR. SALMON: Mr. Chairman, this is a case of what is included between Canada and Alberta under the agreement. In the case of what's mentioned, if it's not included, then there's no provision for making a claim. It's a case of building in that agreement on amendments the ability to claim.

Again, it hasn't been my responsibility to sort of tell them how to set their policy. Certainly once the policy's in place, once the agreement's in place, we have been examining on the basis of whether or not they're claiming. We are monitoring those costs and are actually signing the claims that are going to the federal government for recovery.

If there are other areas, it's certainly something the government should be looking at. I would agree with that.

MR. CHAIRMAN: In view of the hour, I would just like to quickly indicate two items. One is that we've just circulated a list of ministers and their scheduled times to appear before the Standing Committee on Public Accounts. Mr. Moore and I met to discuss alternative times for holding committee meetings. We

were not able to find any times that were acceptable to members.

I recognize Mr. Moore.

MR. MOORE: Mr. Chairman, I move we adjourn until next week, May 2, when the Hon. Peter Elzinga is due to appear.

MR. CHAIRMAN: There's the motion. Are you agreed?

HON. MEMBERS: Agreed.

[The committee adjourned at 10 a.m.]