

ENERGY, MINES AND RESOURCES

In 1974, the Department undertook to provide \$625,000, payable in instalments of \$125,000 annually over a five-year period, to the University of Calgary for the Energy Resource Institute. This amount was to be matched by the province, and an additional \$500,000, payable in annual instalments of \$100,000, was to be contributed by a private association. All funds received were to be held in trust and regular audit reports provided to all three parties to the agreement. (Para. 12.14, 1977 Annual Report)

The Department made two payments of \$125,000 each in March 1975 and March 1976 but received no audit report in either year. Subsequently, it was learned that the institute did not begin operations until November 1, 1976, and expenditures had not been made before that date. The university has reported that the \$250,000 paid by the Department has been deposited in a trust account for the institute, but there has been no confirmation of the receipt of annual payments from the other two parties. This information should be obtained, supported by an audit report, and the Department should consider withholding future payments until the funds now on deposit have been spent. (Para. 12.14, 1977 Annual Report)

\$932,292 was paid over a two year period on a shared cost project with the Canadian Electrical Association for research and development without any agreement and only supported by a cash flow statement prepared at the commencement of the program in 1974. (Para. 12.15, 1977 Annual Report)

other cases, the time limit for the duration of projects was exceeded and one project changed its area of activity in the last year of operation without the contract being amended. (Para. 12.23, 1977 Annual Report)