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# Universities fall victim to HRDC mismanagement

By Chris Bodnar  
Source: Ottawa  
Bureau Chief

OTTAWA (CUP) -

The blow-up over federal government mismanagement of grant money has ripped through some universities, leaving flustered administrators asking what's going on.

On Monday, Human Resources Development Canada (HRDC) released a summary report on 459 job creation projects that received federal money. Numerous educational institutions across the country who received federal funding were fingered by auditors as requiring "further review."

The grant information was released two weeks after federal HRDC Minister Jane Stewart announced that an audit of her

department revealed over \$1-billion in grants that were not properly accounted for. This equated to over 30,000 individual projects.

The summary report, which randomly sampled 459 of the 30,000 projects, flagged 37 projects for irregularities. Nine of the projects were to education and literacy institutions for grants totalling almost \$900,000.

Those singled out in the audit aren't pleased with the way they have been portrayed.

"It doesn't seem to me that they've kept very good records of the project," said Kate Williams, the director of McGill University's relations department. "They audited last spring and we were told everything was fine."

McGill's grants were pointed out by the auditors for not having submitted

proper evidence for almost \$60,000 of its grant reimbursements. The grant was for a Canadian and European exchange program in chemistry. The only other external sponsor of the program is the European Union.

The grant also became the focus of criticism after the auditors revealed that McGill had only requested \$60,000 for its project, but was given \$160,000.

But Williams says the University has given complete backup for all expenses and they were given more money in order to expand their program.

"Get a life! I mean, we submitted a proposal and they came back and said we could expand it," said Williams. "We would be crazy not to accept the additional amount."

Other educational institutions singled out by the auditors for further investigation: the Ecole Polytechnique in Montreal, the University of Toronto and Simon Fraser University for a joint European partnership for technology management, and the University of Prince Edward Island, Mount Allison University and Memorial University of Newfoundland for a Canada-Europe exchange program.

Jayne Yeo, a representative from the University of Prince Edward Island, confirmed the school's program is being audited by government officials. She says not all receipts and documentation have been submitted yet because some students were travelling as part of the exchange program, making it impossible to gather all information immediately.

Meanwhile, tempers were hot inside the House of Commons on Monday as the opposition grilled the government for the mismanagement.

"Canadian taxpayers pay the highest personal income taxes in the western world," said Reform Party Leader Preston Manning. "No wonder that they are angry therefore when they find out that more than a billion of those hard earned taxpayer dollars have been grossly mismanaged by the Minister of Human Resources Development."

Numerous

opposition members demanded that Stewart resign. But the minister remained adamant that there are no significant problems with her department.

"I would like to tell you that everything is run perfectly in my department," said Stewart. "That is why I am working with the department to implement a significantly strengthened regime that will ensure we manage the grants and contributions in my department effectively."

Earlier in the day, HRDC bureaucrats released a six-point plan explaining how a check-and-balance system would be implemented in order to keep better track of department spending.

Government auditors are expected to continue review of the 37 flagged programs over the next few months. There was no indication whether any of the remaining 29,500 projects would be inspected.

-With files from  
Sarah Murphy,  
The Cadre