

UNIVERSITY OF TORONTO
THE GOVERNING COUNCIL
REPORT NUMBER 408 OF
THE EXECUTIVE COMMITTEE

Monday, June 25, 2007

To the Governing Council,
University of Toronto.

Your Committee reports that it held a meeting on Monday, June 25, 2007 at 3:00 p.m. in the Boardroom, Simcoe Hall, with the following members present:

Ms Rose M. Patten (In the Chair)
Mr. John F. (Jack) Petch, Vice-Chair
Professor David Naylor, President
Mr. P.C. Choo
Miss Coralie D'Souza
The Honourable William G. Davis
Dr. Shari Graham Fell
Professor Ellen Hodnett
Mr. Timothy Reid
Ms Estefania Toledo

Non-Voting Member:

Mr. Louis R. Charpentier

Secretariat:

Mr. Henry Mulhall, Secretary

Regrets:

Ms Susan Eng
Professor Arthur S. Ripstein
Professor Barbara Sherwood Lollar
Mr. Robert S. Weiss

In Attendance:

Dr. Claude Davis, Chair, University Affairs Board and Member of the Governing Council
Professor Vivek Goel, Vice-President and Provost and Member of the Governing Council
Professor Michael R. Marrus, Chair, Academic Board and Member of the Governing Council
Ms Jacqueline Orange, Chair, Business Board and Member of the Governing Council
Ms Catherine Riggall, Vice-President, Business Affairs

1. Report of the Previous Meeting

The Chair noted that a draft excerpt of Report 407 of the Executive Committee meeting of June 14, 2007 had been distributed electronically to members of both the Governing Council and the Executive Committee, for their information, and copies had been placed on the table.

2. Business Arising from the Report of the Previous Meeting

There was no business arising from the report of the previous meeting.

3. Report of the President

The President deferred his report to the Governing Council meeting to be held immediately following the Executive Committee meeting.

4. Items for Endorsement and Forwarding to the Governing Council**(a) Audited Financial Statements**

(Arising from Report Number 158 of the Business Board [June 21, 2007]- Item 3)

Ms Orange reported that the Audit Committee had reviewed the financial statements in detail over two meetings, with the external auditors present on both occasions, and had concluded that the statements provided a full and fair disclosure of the University's finances. Reflecting its confidence in the work of the Audit Committee, the Business Board had agreed at its meeting on June 21, 2007, without questions or discussion, to recommend the financial statements to the Governing Council for approval. Ms Orange noted that the University had enjoyed a fifth straight year of positive net income, its balance sheet had strengthened, and its endowment had continued to grow, reaching \$1.8-billion by year-end. The cumulative deficit in the operating fund, however, had also increased, and the University would continue to face difficult decisions in reducing that deficit to achieve the long-range budget plan.

On motion duly moved and seconded,

YOUR COMMITTEE ENDORSED AND FORWARDED to the Governing Council for consideration the recommendation

THAT the University of Toronto audited financial statements for the fiscal year ended April 30, 2007 be approved.

Documentation is attached to Report Number 158 of the Business Board as Appendix "A".

(b) External Auditors: Appointment for 2007-08

(Arising from Report Number 158 of the Business Board [June 21, 2007]- Item 4)

Ms Orange reported that both the Audit Committee and the Business Board had recommended the re-appointment of Ernst & Young as the University's external auditors. She noted that the auditors attended all meetings of the Audit Committee, and the Committee was satisfied that they are doing their job well. The fact that Ernst & Young had been the University's auditors for many years had been the subject of some discussion at the Business Board. The Board had been, however, fully satisfied that there were mechanisms in place to ensure not only the quality but also the independence of the audit.

4. Items for Endorsement and Forwarding to the Governing Council (cont'd)

(b) External Auditors: Appointment for 2007-08 (cont'd)

On motion duly moved and seconded,

YOUR COMMITTEE ENDORSED AND FORWARDED to the Governing Council for consideration the recommendation

- 1) THAT Ernst & Young LLP be re-appointed as external auditors of the University of Toronto for the fiscal year ending April 30, 2008; and
- 2) THAT Ernst & Young LLP be re-appointed as external auditors of the University of Toronto pension plans for the fiscal year ending June 30, 2008.

Documentation is attached to Report Number 158 of the Business Board as Appendix “B”.

5. Date of the Next Meeting

The Chair noted that the first regularly scheduled meeting of the Executive Committee for 2007-08 was scheduled for Wednesday, October 17 at 5:00 p.m.

6. Other Business

There was no other business.

Vary the Agenda

It was agreed to vary the agenda to add the following *in camera* item.

In Camera Session

On motion duly moved and seconded,

IT WAS RESOLVED

THAT, pursuant to sections 28 (e) and 33 of *By-Law Number 2*, consideration of item 7 take place *in camera*, with the Board Chairs admitted to facilitate the work of the Committee.

7. Senior Appointment

On motion duly moved and seconded,

YOUR COMMITTEE ENDORSED AND FORWARDED

to the Governing Council for consideration the recommendation for a senior appointment contained in the memorandum from the President dated June 25, 2007.

On motion duly moved and seconded,

YOUR COMMITTEE APPROVED

THAT, pursuant to Section 38 of *By-Law Number 2*, the recommendation for the senior appointment be considered by the Governing Council *in camera*.

8. Closing Remarks

The Chair briefed the Committee on a personnel matter.

The Chair thanked each of the members for their work on the Executive Committee over the course of the 2006-07 governance year. She acknowledged in particular the thoughtful insights and contributions of Mr. Choo, Miss D'Souza, and Professor Sherwood-Lollar, all of whom were completing their service on the Committee. The Chair also recognized with thanks the contributions of Ms Orange who, as Chair of the Business Board, had attended meetings of the Executive Committee for the previous four years, and had added real value to its work.

The Committee returned to closed session.

The meeting adjourned at 3:30 p.m.

Secretary

Chair

July 13, 2007