

UNIVERSITY OF TORONTO
THE GOVERNING COUNCIL
**REPORT NUMBER 424 OF
THE EXECUTIVE COMMITTEE**

Tuesday, June 23, 2009

To the Governing Council,
University of Toronto.

Your Committee reports that it held a meeting on Tuesday, June 23, 2009 at 3:00 p.m. in the Boardroom, Simcoe Hall, with the following members present:

Mr. John F. (Jack) Petch (In the Chair)
Dr. Alice Dong, Vice-Chair
Professor David Naylor, President
Ms Diana A.R. Alli
Ms Susan Eng
Mr. Grant Gonzales
Mr. Gerald Halbert
Mr. Timothy Reid
Professor Arthur S. Ripstein
Professor Louise Lemieux-Charles

Non-Voting Member:

Mr. Louis R. Charpentier

Secretariat:

Ms Cristina Oke

Regrets:

Professor Varouj Aivazian
Mr. David Ford
Ms Judith Goldring
Mr. Joseph Mapa

In Attendance:

Professor Michael Marrus, Chair, Academic Board and Member of the Governing Council
Professor Cheryl Misak, Vice-President and Provost, and Member of the Governing Council
Mr. Richard Nunn, Chair, Business Board and Member of the Governing Council
Dr. Anthony Gray, Special Advisor to the President
Ms Catherine Riggall, Vice-President, Business Affairs

The Chair welcomed members to the final regularly-scheduled meeting of the Executive Committee for the 2008-09 governance year. He noted that the primary purpose of the meeting was to deal with the audited financial statements and the appointment of the external auditors that had been considered by the Business Board at its meeting on June 18, 2009.

1. Report of the Previous Meeting

Report Number 423 (June 15, 2009) of the Executive Committee was approved.

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 175 of the Business Board [June 18, 2009]- Item 3)

Mr. Nunn reported that the Audit Committee had reviewed the financial statements at two meetings, with the external auditors present on both occasions. The Committee had concluded that the statements provided a full and fair disclosure of the University's finances.

The Business Board had received a detailed presentation on the statements and had recommended them to the Governing Council for approval.

On motion duly moved, seconded, and carried,

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, 2009 be approved.

(b) External Auditors: Appointment for 2009-10

(Arising from Report Number 175 of the Business Board [June 18, 2009]- Item 4)

Mr. Nunn stated that the Audit Committee and the Business Board recommended the re-appointment of Ernst & Young as external auditors. The auditors had attended all meetings of the Audit Committee, and the Committee was satisfied with their work. He noted that Ernst & Young had been the University's auditors for many years, but the partner in charge of the audit had been rotated on a regular basis to ensure independence.

A member asked whether the external auditor appointment had been sent out for tender. Ms Riggall replied that the appointment of the external auditors was not sent out for tender, but followed the guidelines of the National Association of College and University Business Officers (NACUBO),¹ since the external audit of a university was a specialized field within in the profession. The University required that the partner in charge of the external audit was changed every five years, as Mr. Nunn had noted.

A member asked how the University benchmarked pricing of the external auditors. Ms Riggall replied that universities shared information concerning the cost of external auditing services.

¹ <http://www.nacubo.org/>

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

(b) External Auditors: Appointment for 2009-10 (cont'd)

A member asked how many firms were involved in the field of auditing universities. Mr. Nunn indicated that each of the four major accounting firms in Canada did some work with universities.

On motion duly moved, seconded, and carried,

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, 2010; 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, 2010.

5. Date of Next Meeting – Wednesday, October 7, 2009 at 5:00 p.m.

The Chair noted that the first meeting of the Executive Committee for 2009-10 was scheduled for Wednesday, October 7, 2009 at 5:00 p.m.

6. Other Business

(a) Speaking Request

The Chair informed members that a speaking request on a topic not on the agenda had been received earlier in the day from the Students' Administrative Council, operating as the University of Toronto Students' Union (UTSU). The request was granted.

7. Closing Remarks

The Chair thanked members for their dedication and commitment to the work of the Executive Committee during the past year. He acknowledged the valuable contributions made by Professor Michael Marrus, retiring Chair of the Academic Board and Dr. Claude Davis, retiring Chair of the University Affairs Board. He noted that Professor Louise Lemieux-Charles would be providing the benefit of her presence and interventions to the Committee next year in her capacity as the Chair of the Academic Board. He offered special thanks to the members who would not be returning to the Committee next year: Professor Varouj Aivazian, Ms Diana Alli, Ms Susan Eng, Mr. David Ford, and Mr. Grant Gonzales.

The President expressed his appreciation to members for their wise counsel over a difficult year, and for the sense of collegiality and collaboration between administration and governance. The Executive Committee's role as a confidential sounding board and deliberative body had served the University very well. The President thanked the Chair for his leadership and sound judgment during the year. The President also acknowledged the work of the Secretariat in supporting governance.

The meeting adjourned at 3:15 p.m.

Secretary

Chair

June 24, 2009