



**FOR RECOMMENDATION**

**PUBLIC**

**OPEN SESSION**

**TO:** Business Board

**SPONSOR:** Trevor Rodgers, Chief Financial Officer  
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**PRESENTER:** See above.  
**CONTACT INFO:**

**DATE:** June 13, 2023 for June 20, 2023

**AGENDA ITEM:** 5

**ITEM IDENTIFICATION:**

*Appointment of External Auditors for 2023-24*

**JURISDICTIONAL INFORMATION:**

The Business Board recommends the appointment of external auditors to the Governing Council.

**GOVERNANCE PATH:**

1. Audit Committee [for recommendation] (June 19, 2023)
2. **Business Board [for recommendation] (June 20, 2023)**
3. Executive Committee [for endorsement and forwarding] (June 27, 2023)
4. Governing Council [for approval] (June 27, 2023)

**PREVIOUS ACTION TAKEN:**

At the March 6, 2014 Audit Committee meeting, the Committee completed its review of its governance activities. As part of this process, the University tendered its external auditor services for the 2014-15 financial statements and recommended the appointment of Ernst & Young. The University is expected to review the appointment of the external auditors every 10 years, with the next review to be conducted for the 2024-25 fiscal year. The Audit Committee reviewed the external auditor’s performance at its meeting of June 20, 2022.

## **HIGHLIGHTS:**

Ernst & Young LLP (EY) continues to provide excellent service to the University. They have extensive expertise in accounting for not-for-profit organizations and, in particular, the university sector; are proactive in bringing issues and new developments forward; and are able to meet the University's very tight deadlines and heavy workload requirements.

EY continues to maintain their independence. The Audit Partner (Diana Brouwer) has been the lead partner since 2014-15. The audit partner is required to step down after 12 years in order to ensure EY's continued independence. On a semi-annual basis, the administration also provides the Audit Committee with a report of non-audit services provided by EY to ensure that the volume of work performed by EY does not raise concerns about their independence. The University engages other firms to provide ongoing tax services and to perform the audit of many of its financial reports on government grants when required.

The upcoming fiscal year will be the 10<sup>th</sup> year since the last formal tender process for audit services. The administration will consult with the Audit Committee Chair and members on an appropriate process for reviewing the University's audit needs and evaluating options for external audit services prior to the appointment of the auditors for the fiscal year 2024-25.

For the fiscal year 2023-24, the administration recommends retaining EY as the University's external auditor.

## **FINANCIAL IMPLICATIONS:**

Financial implications will be addressed through the established budgetary approval processes.

## **RECOMMENDATION**

Be It Recommended to the Governing Council

THAT Ernst & Young LLP be re-appointed as external auditors of the University of Toronto for the fiscal year ending April 30, 2024.

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## **DOCUMENTATION PROVIDED:**

N/A