



University of Toronto

BUSINESS AFFAIRS

TO: Business Board

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DATE: May 14, 2010 for June 17, 2010

AGENDA ITEM: 6(c)

ITEM IDENTIFICATION:

Revisions to Terms of Reference of the Business Board

JURISDICTIONAL INFORMATION:

The board is responsible for “financial policy, including delegating financial authority”.

PREVIOUS ACTION TAKEN:

The Board delegated certain powers to the Board of UTAM, which it wishes to remove and return to the President.

HIGHLIGHTS:

The proposed changes clarify the responsibility for certain investment management functions. The Business Board will be responsible for approving the investment return target and the related risk tolerance. The President will be responsible for approving the actual asset allocation recommended to achieve those targets within the approved risk tolerance. He will do so with the advice of an Investment Committee able to provide expert advice. These changes are being implemented to bring into effect some of the recommendations of the Investment Review Committee.

Related changes are being made to the UTAM By-Law and to the Delegation of Authority to UTAM to clarify governance accountabilities and investment oversight accountabilities.

When the Terms of Reference of the planned Pension Committee are approved and the committee is established, some additional changes to the Business Board Terms of Reference will be required to transfer authority to that committee.

FINANCIAL AND/OR PLANNING IMPLICATIONS:

The Business Board will continue to have overall responsibility for the financial health of the University and will continue to receive reports on investment strategy and performance.

RECOMMENDATION:

It is recommended that the Business Board recommend for approval:

THAT the proposed amendments to section 5.1 of the Business Board Terms of Reference (financial policy and transactions), shown in Attachment "A" hereto, be approved.