

UNIVERSITY OF TORONTO
THE GOVERNING COUNCIL
REPORT NUMBER 448 OF
THE EXECUTIVE COMMITTEE

Monday, June 25, 2012

To the Governing Council,
University of Toronto.

Your Committee reports that it held a meeting on Monday, June 25, 2012 at 3:00 p.m. in the Boardroom, Simcoe Hall, with the following members present:

Mr. Richard Nunn, Chair
Ms Judy Goldring, Vice-Chair
Professor David Naylor, President
Mr. Brent S. Belzberg
Mr. P. C. Choo
Mr. Ken Davy
Professor William Gough
Mr. Nykolaj Kuryluk
Mr. Aly-Khan Madjavji
Mr. Gary Mooney
Professor Andrea Sass-Kortsak
Miss Maureen J. Somerville

Non-Voting Member:

Mr. Louis R. Charpentier

Secretariat:

Ms Cristina Oke, Acting Secretary

Regrets:

Professor Elizabeth M. Smyth

In Attendance:

Dr. Anthony Gray, Special Advisor to the President
Professor Ellen Hodnett, Chair, Academic Board and Member of the Governing Council
Professor Cheryl Misak, Vice-President and Provost, and Member of the Governing Council
Ms B. Elizabeth Vosburgh, Chair, University Affairs Board and Member of the Governing Council
Mr. W. David Wilson, Chair, Business Board and Member of the Governing Council

Opening Remarks

The Chair informed members that eight speaking requests had been received for the agenda item concerning the Terms of Reference for the University of Toronto Mississauga (UTM) and University of Toronto Scarborough (UTSC) Campus Councils. The Chair, the President and the Secretary of the Governing Council had met with representatives from the two campuses for an hour prior to the Executive meeting. The representatives were advised that they would be given fifteen minutes to address this agenda item at the Governing Council meeting, and they were requested to decide amongst themselves how to allocate the fifteen minutes.

In relations to this matter, a member noted that Professor Saini had committed to holding three or four town hall meetings at UTM during the academic year. Another member asked whether

Professor Saini would be invited to speak at the Governing Council meeting. The Chair confirmed that Professor Saini would be invited to address Governing Council.

The President commented that the creation of a forum that would meet at least two times during the academic year was being considered. In light of the continued concerns that were being raised by individuals at UTM and at UTSC, it was important to demonstrate that the administration was prepared to listen to the comments and to address them as appropriate.

On motion duly moved, seconded, and carried,

IT WAS RESOLVED

THAT, pursuant to sections 28 (e) and 33 of *By-Law Number 2*, consideration of items 1 and 2 take place *in camera*, with the Board Chairs admitted to facilitate the work of the Committee.

1. Senior Appointment

On motion duly moved, seconded, and carried,

IT WAS RESOLVED

THAT the following recommendation be endorsed and forwarded to the Governing Council for approval:

THAT Chancellor David R. Peterson be designated Chancellor Emeritus of the University of Toronto, effective July 1, 2012.

On motion duly moved, seconded, and carried,

YOUR COMMITTEE APPROVED

THAT, pursuant to sections 38 and 40 of *By-Law Number 2*, the Governing Council consider the recommendation *in camera*.

2. External Appointment: University of Toronto Press

The Chair noted that this appointment had been approved by electronic ballot.

On motion duly moved, seconded, and carried,

YOUR COMMITTEE APPROVED

THAT Mr. Ken McCarter be appointed as a member and director of the University of Toronto Press, effective immediately, for a term to continue until the 2012 Annual General Meeting

3. President's Report

The President deferred his report to the meeting of the Governing Council that was being held following the Executive Committee meeting. He thanked members of the Executive for their advice over the past year and noted that they had been invaluable as a sounding board.

The President thanked the Chair for his calm efficiency, good humour and equity during the past year. He also thanked the Secretary of the Governing Council and members of the Secretariat for their support.

4. Items for Endorsement and Forwarding to the Governing Council

(a) **Audited Financial Statements for the Fiscal Year Ended April 30, 2012**
(*Arising from Report Number 198 of the Business Board (June 14, 2012)*)

Mr. Wilson informed members that the financial statements had come to the Business Board after their review by the Audit Committee at two meetings, with the auditors in attendance at both. That Committee had concluded that the statements provided a full and fair disclosure of the University's finances.

The Chief Financial Officer had advised the Board that the year's results had been reasonable, given the difficult economic conditions in the world, and the Board had accepted that view. The University's bottom line for 2011-12 was a small net loss of \$34.5-million on approximately \$2.4-billion of annual income and expenditure. The loss was partly due to the decline in interest rates that had resulted in a higher projected cost of the employee future benefits earned during the year.

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, 2012 be approved.

(b) **External Auditors: Appointment for 2012-13**
(*Arising from Report Number 198 of the Business Board (June 14, 2012)*)

Mr. Wilson reported that there had been a full discussion of this matter both at the Audit Committee and at the Business Board. Two Business Board members had urged strongly that, after several years of appointing Ernst & Young as external auditors, in the interest of good governance that the external audit be put out to tender. Others, including members of the Audit Committee, had taken a different view, emphasizing the exceptional expertise and service that the firm had provided and noting that there would be major changes to the accounting rules for 2012-13. The auditors had already done a great deal of work on the University's plans to apply those rules, and they had signed off on the University's approach.

It was agreed that the re-appointment of Ernst & Young for 2012-13 would be recommended. It was also agreed that the Audit Committee would give its attention in the fall to the appointment of auditors for 2013-14, and would look into the procedures and costs of putting the audit out to tender, as well as the advisability of doing so.

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

- (b) External Auditors: Appointment for 2012-13 (cont'd)**
(*Arising from Report Number 198 of the Business Board (June 14, 2012)*)

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, 2013; 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, 2013.

CONSENT AGENDA

On motion duly moved, seconded, and carried,

YOUR COMMITTEE APPROVED

THAT the consent agenda be adopted and that the items be approved.

5. Report of the Previous Meeting

Report Number 447 (June 11, 2012) of the Executive Committee was approved.

6. Business Arising from the Report of the Previous Meeting

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

7. Reports for Information

Members received for information the following reports:

- (a) Report Number 197 of the Business Board (May 3, 2012)
- (b) Report Number 170 of the University Affairs Board (May 30, 2012)

8. Date of the Next Meeting

The Chair noted that the first regularly scheduled meeting of the Executive Committee for 2012-13 was scheduled for Friday, October 19, 2012, at 12:00 p.m.

9. Other Business

There were no items of other business.

10. Closing Remarks

The Chair thanked the members of the Committee for their service over the course of the year. In particular, the Chair thanked those members who were completing their terms of service on the Committee. He congratulated Mr. Ken Davy and Mr. Aly-Khan Madjavji for successfully completing their degree programs, and thanked Professor Andrea Sass-Kortsak for her contributions not only as a member of the Executive Committee but also as Chair of the Committee on Academic Policy and Programs, and a member of the Agenda Committee and the Academic Board.

The meeting adjourned at 3:20 p.m.

Secretary

Chair

July 16, 2012