

UNIVERSITY COUNCIL
PLANNING AND PRIORITIES COMMITTEE
REPORT FOR INFORMATION

PRESENTED BY: Lisa Kalynchuk, chair, planning and priorities committee

DATE OF MEETING: October 23, 2014

SUBJECT: **Motions from Council members: Report from the planning and priorities committee**

COUNCIL ACTION: For information only

PURPOSE:

This report is submitted to inform Council of the planning and priorities committee discussion¹ of the motions from Council members, which were referred to the committee by the coordinating committee.

ATTACHMENTS:

1. Memo dated September 29, 2014 submitted to Professor Jay Kalra, chair, coordinating committee Re: Motions referred by the coordinating committee: Brooke/Bartley motion and Solose/D'Eon motion

¹ Professor Kalra is an *ex officio* non-voting member of the planning and priorities committee. Professor Bartley is a voting member of the planning and priorities committee. Both members declared a conflict of interest and recused themselves from the committee's discussions of the motions submitted—Professor Bartley as the seconder of one of the motions and Professor Kalra as the chair of the coordinating committee.



MEMORANDUM

TO: Jay Kalra, chair, coordinating committee of Council

FROM: Lisa Kalynchuk, chair, planning and priorities committee of Council

DATE: September 29, 2014

RE: **Planning and priorities committee consideration of motions referred by the coordinating committee: Brooke/Bartley motion and Solose/D'Eon motion**

On behalf of members of the planning and priorities committee, I am writing to provide the committee's response to the motions submitted by Professor Brooke and Professor Solose with respect to the financial considerations outlined in the motions and their implications for the university and Council.

The movers and seconders of each motion were invited to speak to the committee to inform committee members on their perspectives and the intent of the motions. On September 10th, the committee met separately with Professor William Bartley and Professor Kathleen Solose and commenced its discussion of the motions. This discussion carried over to the committee's next meeting on September 17th. The committee came to no definite conclusion regarding the motions, but it made several observations and suggestions, which it offers to the coordinating committee and to Council for consideration. In keeping with its mandate and terms of reference, the committee focused on the question of whether the financial information requested, in the form of an independent audit, would be of value to Council.

In considering the motions, committee members were asked to consider the spirit of the motions. Members were also asked to consider whether the objections to TransformUS raised in the motions were still relevant, given the president's announcement the day prior that TransformUS had been terminated. Professor Solose requested the opportunity to amend the September 1, 2014 alternate motion she submitted in light of the unexpected announcement the day prior regarding the termination of TransformUS. Her proposed changes are to substitute "**prioritization processes**" for "*TransformUS*" and "*TransformUS action plan*" where it occurs in the motion, and to add the phrase "**and budgets projected to 2016**" after the phrase "*past ten years.*"

The basis for the independent audit was explained as arising from confusing and contradictory reports regarding the projected deficit. In calling for an audit, the intent was that additional financial information would be provided to Council to enable Council to make informed recommendations and decisions. The committee noted that in general, there continue to be ongoing questions and concerns with respect to the origin of the projected deficit, and questions concerning the recent \$3.0 M deficit projection and the basis for this figure. The committee also recognizes

that matters of debate concerning academic programming are about more than financial matters, but that confusion regarding resources and the university's budget has overlaid much of the debate. The interim provost's recent statement that we will follow "mission not merely money" is an important development as we move forward.

Committee discussion of the motions focused on the broader implications the motions represent in terms of understanding of the university's financial position. Members noted the difficulty of conveying the same message at the same time to all members of the university community, thereby leading to the perception of discrepancies in the figures reported, which engenders a lack of trust. Among committee members, there were also varying degrees of confidence in the financial information that has been presented to the committee, ranging from a clear understanding of the presented financial information to some confusion about the financial information.

The legal opinion and analysis provided by Mr. David Stack indicates that Council is not able to require the Board to conduct an independent audit, as this decision would be the Board's alone to make. Further, the legal opinion does not support Council making a recommendation for such an audit under Council's authorities as outlined in section 61 of the *University Act*. The university's finances are thoroughly reviewed each year by the provincial auditor and the results of this audit are made available to the campus community. On the basis of the legal opinion provided and the required provincial audit, the committee does not support the argument for an external audit. The committee noted, however, that Council does have the authority to ask the Board and university administration for additional financial information. The planning and priorities committee supports the idea that financial information be provided to Council in an ongoing manner and in a form that meets the needs of Council members in understanding how financial decisions are made. Specifically, the committee agreed that the manner by which resource allocation decisions are made (*how resources are allocated; where they are allocated*) be made available to Council. The committee debated several means by which additional financial information could be provided, but no clear conclusion was reached. One suggestion was that the vice-president finance and resources give a brief report each month to Council, with questions from Council members requested in advance or taken from the floor.

The committee recognizes that the complexity of university finances and the magnitude of the university's comprehensive budget pose challenges for conveying information to the campus community in an accessible form, which is further complicated by the multi-year timeline the university employs in its budget forecasts. The committee notes the importance of separating the university's audit function from its financial forecasting. Aside from the cost of conducting an external forensic audit, members noted that many of the issues arise from concerns regarding the figures used in the projected deficit, and that "back-casting" by obtaining information through an audit is unlikely to resolve these issues.

The motions speak to a recurring problem with the manner in which financial information is conveyed, which will require ongoing efforts to resolve. In the spirit of moving ahead as a deliberate and constructive step, the committee believes that answering Council's financial questions in a forthcoming manner with current budgetary information will do much to build a common

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understanding of the university's financial situation, which will, in turn, rebuild trust between members of Council and administration.

In closing I thank Professor Bartley and Professor Solose for meeting with the committee to express their views. I also thank members of the planning and priorities committee for their deliberative and thoughtful approach in considering the motions.

Sincerely,



Lisa Kalynchuk

Attachments: Brooke/Bartley motion
Solose/D'Eon motion and alternate motion
Legal opinion of Mr. David Stack