



Synopsis of President Rhonda Lenton’s Address at Special Senate

January 18, 2024

Thank you, Poonam (Chair). Good afternoon, Senators.

Before launching into today’s discussion about the Office of the Auditor General of Ontario’s (AGO) Value-for-Money Audit, [“Operations and Capital” Report of York University](#) – released this past December, the Chair and I thought it might be helpful to provide a brief background of the audit process.

If you have not done so, I highly recommend that you spend some time reading the report as it is valuable to have an overview of some of the pertinent issues raised by the AGO, many of which have been issues that we have been discussing at Senate and Board for some time.

But to provide some context for the report – the AGO added universities onto their list of audits to ascertain the financial sustainability of Ontario post-secondary education (PSE) institutions after significant financial challenges arose at an Ontario university. York is the fifth to take part in the exercise and we understand that other universities will follow.

This is not particularly surprising given the similar external challenges and strains that many Ontario universities are grappling with related to: i) the 10 per cent tuition fee cut back in 2019; ii) the tuition freeze since then; iii) the lowest per student grant funding received in the country; iv) inflation; and v) a host of issues related to international enrolment.

The AGO has broad license in conducting an audit setting the criteria or areas that they will examine, requesting the data they want, establishing the recommendations for the institution under review, and approving the responses to those recommendations.

The purpose of the audit is to focus on what can be improved but it was clear to the AGO very early that York is aware of the challenges facing the sector and how they are impacting the University, and that we already have a well-developed strategic planning framework to realize our University Academic Plan (UAP) operationalized through Integrated Resource Plans (IRPs) that allow us to pivot as necessary in response to these changing circumstances.

The work in producing the volumes of data requested was significant but the approach in our audit was collaborative. Given that we were providing the data, and read the audits of the other universities, for the most part, we knew what to expect.

This does not mean that we agree with all aspects of the Report. If you have read [Alex Usher's blog](#), you will have a sense that in some cases the AGO holds a perspective that makes certain assumptions about how universities should run with which we might disagree.

In other cases, we fundamentally disagree with the interpretation of the data as is the case with the percentages presented regarding the number of AVPs created over the five-year period of the audit and the increase in the costs associated with senior administration. Some of you will be aware that the salaries of the President and Vice-Presidents have been frozen for many years. And there have been only four new Assistant Vice-President roles created over the past five years. The Auditor General's Report added another eight positions that have existed at York for many years but where titles were changed to Assistant or Associate President reflecting sector norms and helping to retain highly qualified personnel.

Overall, it is important to note that the university has an obligation to respond to the audit as set out in the Report. At the same time, we would not want to center our strategic planning framework – that links together the external environment, UAP, IRPs and resource plans -- around the AGO Report but rather utilize the information from the AGO Report to inform/enhance our plans.

Importantly our Strategic Planning Framework takes into consideration Ministry of Colleges and Universities (MCU) funding and the new financial health indicators as well as the AGO Report.

Having said that, it is important that we not lose sight of the fact that we do have some significant challenges. We have been talking about the fact that we are down approximately \$350M in revenue as a result of the government's approach to PSE funding, and we have been missing our international targets four years in a row due to a flattening in the international market and the competition with other Greater Toronto and Hamilton Area (GTHA) PSE institutions including other universities with strong international rankings.

It is essential for us to continue efforts that address these challenges while ensuring that we meet the obligations embedded in: 1) our UAP; 2) our Strategic Mandate Agreement (SMA3) with MCU including the protocol regarding the financial metrics; 3) the AGO Report; and 4) the Board-approved rolling budget for 2023-2026. We should therefore take advantage of any insights from the AGO Report that we think are relevant and that have merit. The auditor general will be following up with us on our status in less than two years to assess our progress. Our goal will be to continue to work together in a spirit of cooperation to protect what is important to us and to be open to how best to convert challenges to opportunities for future growth. Understanding the broader changes impacting the future of higher education and the workplace will help us to not only stay relevant but to excel.

I am looking forward to the conversation today to get input on these matters as they pertain to Senate.

Thank you for the opportunity to provide this background.

Merci. Miigwetch.