



### Why we did this audit:

- \$317 million operating grant to ten universities in 2014-15
- \$50 million operating deficit predicted for universities by 2018-19
- Some universities with financial issues required emergency funding
- Financially healthy universities important to provincial economy
- Universities contribute \$1.4 billion to provincial gross domestic product

### Overall conclusions:

- Department not regularly monitoring financial health of universities
- Funding allocation is historical and has not been updated
- Agreement with universities not meeting all objectives
- Department agreed with all seven recommendations

### What we found in our audit:

- Province had a process to provide emergency funding
- Some objectives of agreement between universities and Department met
- No overall direction for universities to achieve accountability and long-term sustainability
- Funding allocation last updated in 2010-11
- Department not regularly monitoring financial health of universities
- Measures to assess improvements in university efficiency not adequate
- Funding aimed at reducing university costs has not met its goal