

Briefly Discuss The Strengths And Overall Performance Of The Senior Administrative Staff.

All members of the senior staff are evaluated in June. We continue to work on appropriate succession planning. I am comfortable where we are in staffing and would be happy to discuss evaluation privately regarding any member of the staff. Dr. Gary Lemme, Director the Alabama Cooperative Extension System, routinely receives positive comments from a wide variety of groups around the state, primarily those in agriculture, economic development, foundations, and K-12.

Provide A Brief Summary Of Goals And Objectives For The University For The Year Ahead As Well As Longer Range.

The strategic plan defines our institutional goals and will be reviewed periodically by the Board.

Provide Recommendations Concerning Timing Of A Presidential Search And Appointment Of A Search Committee.

I have no change from previous communications. Susie and I certainly enjoy being at Auburn, and we appreciate the support of the Board and the university community.

BOARD OF TRUSTEES  
COMMITTEES AND LEAD TRUSTEES RESPONSIBILITIES  
2015-2016

ATTACHMENT B

**COMMITTEES**

**ACADEMIC AFFAIRS**

The Academic Affairs Committee may consider and provide recommendations for Board action on policies relating to the academic freedom, tenure and promotion of faculty, and the overall academic program, including long range plan development, review of existing academic programs, approval of new academic programs, missions statements and statements of role and scope, and other matters related to the orderly development of the University. Further, the committee shall be concerned with the granting of earned degrees, the recruitment, appointment, promotion and dismissal of academic personnel, affirmative action and equal opportunity in the academic areas, research leaves and sabbaticals, the library, and other matters of an academic nature, including but not limited to learning communities, scholarships, admission standards and enrollment management and shall ensure that all academic programs are consistent with the mission of the University.

**AGRICULTURE AND NATURAL RESOURCES**

The Agriculture Committee may consider and provide recommendations to the Board for action policies related to programs of agriculture, operation of the agriculture experiment stations, cooperative extension system and agricultural lands.

**AUDIT AND COMPLIANCE**

The Audit and Compliance Committee may consider policies and take other actions as set forth in the Audit and Compliance Committee Charter attached as Exhibit A to these By-laws concerning oversight in areas of financial controls and reporting, administration of the Code of Ethics and Compliance.

## AUM

The Auburn University at Montgomery Committee may consider and provide recommendations to the Board or the appropriate committees of the Board for action policies related to Auburn University at Montgomery.

## EXECUTIVE

During intervals between meetings of the Board, and subject to such limitations as may be required by law or specifically imposed by the Board, the Executive Committee may make recommendations to the President and/or the Board in all areas of University affairs as it may deem appropriate. This committee may provide recommendations for Board action on matters of policy relating to laws and regulations governing duties and powers of the Board. The committee may review matters of University legal involvement, oversee presidential evaluation and make recommendations to the Board concerning the President's compensation package. It may also consider and provide recommendations to the Board on policies related to total compensation of University employees balancing good stewardship of institutional resources with promotion of a quality work force by providing competitive compensation.

Recommendations on commemorative activities of the University, including naming of buildings and awarding of honorary degrees, may be the responsibility of this committee, as well as other matters referred to it by the Board of Trustees or the President of Auburn University.

Should it be necessary, the Committee shall have and may exercise all the powers and authority of the Board in the transaction of the business of the University between meetings of the Board except (a) insofar as such power and authority may have been specifically limited by the Board or applicable law, (b) for selling University- owned real estate, (c) for dismissing or appointing the President of the University, (d) for approving the basic academic program of the University, (e) to discuss vacancies on the Board, and (f) to amend the By-Laws of the Board.

A review of any actions of the Committee shall be a regular order of business at each meeting of the Board, and such actions shall be subject to revision and alteration by the Board, provided that no rights of third parties shall be affected by any such revision or alteration.

## FINANCE

The Finance Committee may have as its responsibility oversight of fiscal policies of the University. Specifically, the Committee may consider and provide recommendations to the Board on annual operating budgets as developed by the President, and general guidelines for proposing legislative budget requests.

## GOVERNMENTAL AFFAIRS

The Committee on Governmental Affairs may consider and provide recommendations to the Board on policies related to governmental relations.

## INSTITUTIONAL ADVANCEMENT (Development and AU Foundation)

The Committee on Institutional Advancement may consider and provide recommendations to the Board on policies related to informational and promotional programs related to development and fund raising effort and relationships with the Auburn University Foundation.

## PROPERTY AND FACILITIES

the President's recommendations for project architects and engineers, and other matters concerning the properties of the University. It may consider the recommendations of the President for capital expenditures and building priorities and make recommendations to the Board.

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## RESEARCH AND TECHNOLOGY (Economic Development)

The Committee on Governmental Affairs may consider and provide recommendations to the Board on policies related to research, technology and economic development.

### STUDENT AFFAIRS

The Student Affairs Committee may review for alignment with institutional mission and student needs - the totality of programs serving students' needs that includes promoting a diverse student body, counseling, remedial programs, career and life-planning, financial aid, and co-curricular activities. In addition, the Committee may assess the current and ideal allocation of resources to those programs; set standards for and keep track of student satisfaction and retention; reflect and make recommendations to meet projected changes and developments in students' needs over the next years; keep current on student support programs in higher education; and determine and review data required from the administration, compare it over time, and assess it in the light of data from other institutions.

### LEAD TRUSTEES

#### ALUMNI -- Lead Trustee

The lead trustee shall serve as a liaison with the Vice President of Alumni Affairs and the Auburn Alumni Association.

#### ATHLETICS Lead Trustee

The lead trustee shall serve as a liaison with the Athletics Department and serve as the trustee representative on the Tigers Unlimited Board.

#### LEGAL --Lead Trustee

The lead trustee shall serve as a liaison with the Office of General Counsel.

institutional compliance operations. The Audit and Compliance Committee shall approve any changes in the position of chief audit and compliance executive.

3.3.2 Internal Audit will maintain an anonymous reporting process to facilitate reporting of alleged unethical behavior involving the University, investigate as appropriate, and provide periodic reports on use of that process.

3.3.3 Institutional compliance will periodically report the results of compliance risk assessments & monitoring to the Committee. In addition, the Committee will receive communications regarding new and emerging risks of significance identified by institutional compliance.

#### Section IV. Meetings

The Committee shall meet as frequently as circumstances dictate but at a minimum twice per year: once prior to the commencement of the annual financial statement audit, and once again prior to the presentation of the audited financial statements to the full Board.

#### Section V. Implementation

The Committee should develop procedures to ensure the implementation of this charter and periodically assess the charter and their compliance with the responsibilities herein defined. As part of their evaluation, the Committee should assess whether modifications are need to the charter.

Revised: November 2012

Revised: \_\_\_\_\_



## COMPENSATION POLICY

Auburn University seeks to attract and retain outstanding faculty, professionals, administrators, and staff by providing total compensation that is competitive in the relevant market considering all appropriate factors. Those factors include, but are not limited to, compensation provided by peer institutions or groups, any compensation for any employee from any affiliated organization and fiscal resources available to the University.

The President is delegated the responsibility to ensure that the University considers those factors in proposing employee compensation upon hire and any changes of compensation proposed in the annual budget.

- Proposed changes in the funds available for employee compensation in the annual budget and the criteria for awarding additional compensation shall be reviewed by the Board of Trustees during the annual budget approval process.
- Except for:
  1. Compensation changes authorized during the annual budget approval process,
  2. Compensation increases in contracts previously approved in accordance with this Policy,
  3. Extensions of multiyear contract for no more than one year:

before approving any proposed annual compensation for non-faculty in excess of \$250,000, as adjusted annually by the consumer price index or a multiyear contract that exceeds the same amount over the life of the contract, the President must discuss such agreements with the Chair of the Executive Committee.

The Board of Trustees shall consider those same factors in establishing an appropriate level of compensation for a new President or for the compensation of a sitting President in approving an annual budget.

This Policy applies to all operating units of the University, including Auburn University at Montgomery.

ADOPTED: November 10, 2006  
REVISED: November 2, 2007  
REAFFIRMED: June 19, 2009  
REVISED: November 13, 2013  
REVISED: September \_\_, 2015



## EXHIBIT A

# Auburn University Board of Trustees Audit and Compliance Committee Charter

### Section I. Purpose

The purpose of the Audit and Compliance Committee (the "Committee") is to assist the Board of Trustees in fulfilling its oversight responsibilities in the areas of financial practices, internal controls, financial management, regulatory compliance and administration of the Board of Trustees' Code of Ethics. The Committee will be the focal point of communication between the Board of Trustees, auditors, and management.

### Section II. Membership

- 2.1 The Committee shall be comprised of at least three (3) Trustees, appointed by the President Pro Tempore, each of whom shall be independent Trustees and free from any relationship that, in the opinion of the President Pro Tem, might impair or interfere with the exercise of his/her judgment as Committee member.
- 2.2 Committee members should have a working familiarity with basic financial and accounting practices and at least one (1) member of the Committee shall have accounting or related financial management expertise. Committee members may enhance their familiarity with finance, accounting, regulatory compliance and internal control issues by participation in educational programs and discussions with both auditors and management.

### Section III. Responsibilities

#### 3.1 Compliance

- 3.1.1 The Committee shall monitor compliance with the Board of Trustees Code of Ethics policy and annually report their results to the full Board and public.

- 3.1.2 The persons responsible for Athletic SEC/NCAA Compliance, Legal Compliance, Affirmative Action/Equal Employment Opportunity Compliance and Research Compliance shall have unrestricted access to the Committee Chair or President Pro Tem to report any failure by the University to properly manage compliance issues arising from those areas.

### 3.2 External Auditors

- 3.2.1 The Committee shall recommend to the Board the appointment or replacement of the independent auditors and approve the terms on which the independent auditors are engaged for the ensuing year. The Committee shall solicit input of management in this process.
- 3.2.2 The Committee should review and approve (or disallow) fees to be paid to the independent auditor, authorize (or prohibit) the provision of any non-audit services.
- 3.2.3 The Committee should meet with the independent auditors before the annual financial statement audit to discuss the nature and scope of the audit. This meeting shall be held in the absence of management if the Committee deems appropriate.
- 3.2.4 The Committee should meet with the independent auditors upon completion of the financial statement audit to discuss findings, recommendations, and management responses.
- 3.2.5 The Committee shall review the independent auditor's management letter and management's responses. This discussion should include any unique or emerging risks the independent auditor notes during the engagement.
- 3.2.6 The Committee shall review any other audit services performed by the independent auditor such as federally required A-133 audit. The Committee shall also review any non-audit services completed by the auditors, if such services have been performed.

### 3.3 Internal Audit and Compliance

- 3.3.1 The Committee shall have general oversight of the University's internal audit and compliance function with the chief audit and compliance executive having access to the Committee through a dual reporting line to the Committee and the President (or his/her designee). The chief audit and compliance executive shall have unrestricted access to the Committee and provide information to the Committee with respect to internal audit and