Section VI
Administrative Processes

Section 6.1: Organization and Administration

Auburn University’s administrative structure is essentially consistent with the prevailing structures in universities of similar size and type with the exceptions noted below.

The absence of a Board of Trustees audit committee poses challenges that the university may want to address in the context of the national movement toward greater board accountability for resources and the integrity of management processes. See audit recommendation in Section 6.3.6, below. An appropriately charged audit committee ought to provide oversight for the internal audit function; charge and respond to the university’s external auditors; address corporate responsibility issues in systematic, effective ways; and provide an appropriate mechanism by which the Board can exercise its fiduciary obligations.

The absence of a university ombudsman or mediator available to hear complaints from students, staff, and faculty and seek peaceable resolutions seems to us to be a possible cause of the sense of estrangement or disenfranchisement reported by various faculty and staff members, including the minority staff members mentioned in the preface to this report. (See also the Addendum on page 74.) In a well-ordered system, an ombudsman or similarly charged officer simplifies the process by which potential grievances are resolved, provides an appropriate forum for complaints raised by students and employees, and brings needed changes to the attention of senior managers (including the President) in a timely, objective fashion. By doing these things, this officer demonstrates the integrity of the university’s governance systems. Existing grievance systems and the Affirmative Action office should continue to exist as means to deal with complaints not resolvable by this officer’s efforts.

Section 6.1.1: Descriptive Titles and terms

The committee has no recommendations or suggestions regarding this section.

Section 6.1.2: Governing Board

This section is beyond the scope of our committee’s charge.
Section 6.1.3: Advisory Committees

The committee has no recommendations or suggestions regarding this section.

Section 6.1.4: Official Policies

The committee has no recommendations or suggestions regarding this section.

Section 6.1.5: Administrative Organization

The committee has no recommendations or suggestions regarding this section. The recent changes in titles and duties described in this section of the self study are consistent with current practice in universities of similar size and type.

Section 6.2: Institutional Advancement

Auburn University has conducted a successful capital campaign in recent years, and it is engaged in the silent phase of yet another. The organization for fund raising has undergone considerable change in recent years, and the resulting organization resembles the structures commonly employed in universities of similar size and type. The new organization places alumni relations (including support for local alumni clubs and support for various university enterprises that depend on alumni support) under a vice president for alumni and development under a vice president for development. The latter officer has responsibility for planning and managing the fund raising enterprise, maintaining the development data base, determining cultivation, approach, and stewardship strategies, and providing staff support for a foundation that oversees approximately half of the university’s endowment. (The Board of Trustees holds the other half of the endowment.)

We found reason to believe that not all elements of these new relationships have been fully developed. We believe that the president and others involved in the campaign will need to continue refining the plan already implemented, and that the President will need to take an active role in the campaign itself. The overall condition of the alumni and development enterprises seems solid, but fund management, the annual giving program, comprehensive cultivation of the alumni and friends population, and the general communication of the university’s culture, mission, and future purposes will all require the president’s attention as the university moves forward.
The committee has no recommendations or suggestions regarding this section.

Section 6.2.1: Alumni Affairs

The committee has no recommendations or suggestions regarding this section.

The self study makes various references to increasing the number and availability of surveys and assessment instruments that pertain to alumni. It is not altogether clear how this information might be used outside the development office. We heard no specific reports of deficiencies in the development database, and the relevant officers reported that the database is accessible and serviceable for their purposes. We feel the obligation to make the observation that sound and continual planning (including continuous improvement cycles), sound management of the enterprise (including the data base), and visionary leadership with the drive to inspire support and carry out a massive human effort are ingredients essential to the university’s eventual success in the current capital campaign.

Section 6.2.2: Fund Raising

The committee has no recommendations or suggestions regarding this section.

One cannot and should not disaggregate the topics discussed above under Sections 6.2 and 6.2.1 from 6.2.2. Alumni services, prospect cultivation, campaign planning and management, the oversight of moves strategies, solicitations, funds management, and ongoing stewardship are components of a continuous, evolving process that must include both of the units covered by these sections. The current organization for fund raising and management is relatively new. It deserves time to prove itself, as we believe it will. As the endowment grows, the university will need to examine more effective ways to manage it, not least because the university will concomitantly become more dependent on the endowment than it is now.

Section 6.3: Financial Resources

Section 6.3.1: Financial Resources

Based on the documentation provided, the committee finds no basis for making a recommendation or suggestion in this section.
Section 6.3.2: Organization for the Administration of Financial Resources

Based on the documentation provided, the committee finds no basis for making a recommendation or suggestion in this area.

Section 6.3.3: Budget Planning

Based on the documentation provided, the committee finds no basis for making a recommendation or suggestion in this area.

Section 6.3.4: Budget Control

Based on the documentation provided, the committee finds no basis for making a recommendation or suggestion in this section.

Section 6.3.5: The Relation of an Institution to External Budgetary Control

Based on the documentation provided, the committee finds no basis for making a recommendation or suggestion in this section.

Section 6.3.6: Accounting, Reporting and Auditing

(Suggestion 16) The committee suggests that the Board of Trustees implement the draft recommendation of the external auditors to create an audit committee. The audit committee should review all internal and external audit reports and receive regular updates from management on the implementation of audit recommendations.

(Suggestion 17) The committee suggests that the university implement the draft recommendation of the external auditors to establish a program for the confidential receipt, retention, and disposition of complaints related to ethical matters.

Based on the documentation provided, the committee finds no basis for making a recommendation in this section.

Section 6.3.7: Purchasing and inventory Control

Based on the documentation provided, the committee finds no basis for making a recommendation or suggestion in this section.

Section 6.3.8: Refund Policy
Based on the documentation provided, the committee finds no basis for making a recommendation or suggestion in this section.

Section 6.3.9: Cashiering

Based on the documentation provided, the committee finds no basis for making a recommendation or suggestion in this section.

Section 6.3.10: Investment Management

Based on the documentation provided, the committee finds no basis for making a recommendation or suggestion in this section.

Section 6.3.11: Risk Management and Insurance

Based on the documentation provided, the committee finds no basis for making a recommendation or suggestion in this section.

Section 6.3.12: Auxiliary Enterprises

Based on the documentation provided, the committee finds no basis for making a recommendation or suggestion in this section.

Section 6.4: Physical Resources

Based on the documentation provided, the committee finds no basis for making a recommendation or suggestion in this section.

(Commendation 3) The committee commends Auburn University for its capital projects plan to provide $350M in new facilities. Much of the funding has come from non-state sources such as federal appropriations and gifts.

Section 6.4.1: Space Management

Based on the documentation provided, the committee finds no basis for making a recommendation or suggestion in this section.

Section 6.4.2: Building, Grounds and Equipment Maintenance

In the mid 1990’s, the university faced serious deferred maintenance needs. A comprehensive analysis of facilities and infrastructure was conducted and a funding plan implemented to address these deficiencies. Annual funding for this purpose has been incorporated into the university’s budget.

(Commendation 4) The committee commends the university for this effort.
(Suggestion 18) The committee suggests that Auburn University develop a plan to fund the operating and maintenance cost of the new facilities which are planned and under construction.

Based on the documentation provided, the committee finds no basis for making a recommendation in this section.

Section 6.4.3: Safety and Security

Based on the documentation provided, the committee finds no basis for making a recommendation or suggestion in this section.

Section 6.4.4: Facilities Master Plan

Based on the documentation provided, the committee finds no basis for making a recommendation or suggestion in this section.

Section 6.5: Externally Funded Grants and Contracts

Based on the documentation provided, the committee finds no basis for making a recommendation or suggestion in this section.

Section 6.6: Related Corporate Entities

Based on the documentation provided, the committee finds no basis for making a recommendation or suggestion in this section.