



NCAA Compliance Internal Audit Report
Project # 2016-20
May 23, 2016

Reviewed by: 
Dr. Ricardo Romo
President

Executive Summary
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Objectives:

Determine if the University of Texas at San Antonio (UTSA) Athletics Department is in compliance with the National Collegiate Athletic Association (NCAA) regulations regarding:

- Camps and Clinics
- Student Athlete Employment
- Rules Education
- Commitment of Personnel – Certifications, Coaching Staff Limits, and Contracts
- Amateurism

Determine that action items to strengthen policies, procedures, and controls to prevent academic fraud per UT System Executive Vice Chancellor for Academic Affairs suggestions in March 2015 have been implemented.

Conclusion:

In our opinion, UTSA Athletics complies with NCAA requirements for Camps and Clinics, Student Athlete Employment, Rules Education, Commitment of Personnel and Amateurism. We did identify opportunities for improvement to strengthen controls to prevent academic fraud, contract execution, and camp and clinic reconciliations.

A Priority Finding is defined as *“an issue identified by an internal audit that, if not addressed timely, could directly impact achievement of a strategic or important operational objective of a UT institution or the UT System as a whole.”* Non-Priority Findings are ranked as High, Medium, or Low, with the level of significance based on an assessment of applicable Qualitative, Operational Control, and Quantitative risk factors and the probability of a negative outcome occurring if the risk is not adequately mitigated. This audit resulted in two High and three Medium-level findings, but no Priority Findings.

Non-Priority Recommendations:

- Utilize UTSA’s Hotline and processes managed by Institutional Compliance and Risk Services for reporting NCAA violations and publicize on the Athletics website. (High)
- Review all coaches’ contracts and follow-up to ensure full execution. (High).
- Perform an annual risk assessment to include identification and prioritization of academic fraud and compliance risks. (Medium)
- Reconcile payments to camp rosters. (Medium)
- Require sign-in for all rules education and training sessions and retain sign-in sheets as evidence of attendance. (Medium)

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Background

Bylaw 22.2.1.2(e) of the NCAA Division I Manual requiring every Division I institution to have its rules-compliance program evaluated every four years was rendered null and void when the Athletics Certification Program was discontinued. The Athletics Certification Program has been replaced with the Institutional Performance Program. The Committee on Institutional Performance has recommended the practice of compliance reviews to continue. While in transition, The Office of Auditing and Consulting Services will continue the standard practice of rotating reviews of the different compliance areas to evaluate UTSA's NCAA Compliance Program.

Audit Results

Determine if the University of Texas at San Antonio (UTSA) Athletics Department is in compliance with the National Collegiate Athletic Association (NCAA) regulations regarding:

- Camps and Clinics
- Student Athlete Employment
- Rules Education
- Commitment of Personnel – Certifications, Coaching Staff Limits, and Contracts
- Amateurism

Camps & Clinics - Reconciliations | The UTSA Financial Management Operation Guidelines (FMOG) Section 1(4) requires the periodic reconciliation of accounts, as is the expectation of management for the UTSA Athletics Business Office. Specifically, the FMOG defines reconciliations as “Comparing information from separate sources (such as the general ledger and subsidiary ledgers) to determine whether the information is consistent, analyzing any differences, and making corrections so that the information in both sources are accurate.”

Observation:	Evidence for reconciliations of camp revenues was not apparent for 78% of sample camps reviewed.
Risk Level:	The lack of revenue reconciliations for camps is considered a Medium risk due to loss of control over monetary assets that could result in financial losses; however, it still could have a negative impact on the institution's reputation and increase negative public perception.
Management's Response:	Upon receipt of the final camp documents from compliance, a person in the Athletics Business Office will be responsible for confirming camp payment for each person on a camp roster. Verification will be by deposit transmittal numbers on the final camp roster that is included in the approved paperwork.
Responsible Person:	Sr. Associate Athletic Director of Business
Implementation	August 31, 2016

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Date:	
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Student Athlete Employment

Student Athletes are required to self-report outside employment within the Athletics Compliance Software (ACS) where it is reviewed and monitored by the Athletics Compliance Department. No exceptions were identified in our sample testing.

Rules Education

Per the UTSA Athletics Compliance Manual, the Assistant AD for Compliance shall “Plan and implement a program of in-service training and staff development for coaches and administrative staff”.

Observation:	The UTSA Athletics Compliance Manual makes no mention of how often Athletics staff and coaches should attend Athletics Compliance Training or whether certain NCAA Bylaw areas are of greatest priority and require additional training. Furthermore, there is no evidence of documentation as to who attended the training courses.
Risk Level:	This is considered a Medium risk due to the fluidity and volume of regulation changes by the NCAA, not educating the coaching and Athletics staff periodically on higher risk bylaws could increase the probability of incurring a compliance violation.
Management’s Response:	Sign-in sheets will be retained for all rules education training sessions in the future. The Athletics Compliance Manual will be updated with the requirement that all coaches attend a rules education session annually. Furthermore, the manual will be updated to document the frequency in which tutors and other athletics non-coaching staff are required to attend rules education sessions.
Responsible Person:	Associate Athletic Director for Compliance
Implementation Date:	November 30, 2016

Commitment of Personnel - Coaches’ Contracts

The UTSA Athletics Compliance Manual states, “coach’s contract will contain a stipulation that failure to abide by the rules of the NCAA and the conference, where applicable, renders his/her contract null and void.” By definition of Bylaw 11.01.2 coaches are: “Coach, Head or Assistant. [A] A head or assistant coach is any coach who is designated by the institution’s athletics department to perform coaching duties and who serves

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in that capacity on a volunteer or paid basis.” Furthermore, NCAA legislation under Bylaw 11.2.2 “requires agreements between specified athletics personnel and the institution to stipulate that a coach found in violation of serious deliberate violations could be reprimanded or terminated”.

Observation:	For FY15, an executed agreement between an assistant coach and the institution was not finalized. Additionally, there were documentation and signatory inconsistencies in the execution of several coach’s contracts.
Risk Level:	The lack of fully executed contracts is considered High due to an elevated probability of negative legal action and the prolonged adverse impact to the institution’s reputation.
Management’s Response:	Sr. Associate Athletic Director of Business will review all coaches’ contracts and follow-up on those not complete.
Responsible Person:	Sr. Associate Athletic Director of Business
Implementation Date:	February 28, 2017

Amateurism

Based on sample testing of UTSA international student athletes, UTSA Athletics complied with NCAA Bylaws related to Amateurism.

Determine that action items to strengthen policies, procedures, and controls to prevent academic fraud per UT System Executive Vice Chancellor for Academic Affairs suggestions in March 2015 have been implemented.

In response to allegations of academic fraud at The University of North Carolina athletic program in 2014, Dr. Reyes, UT System Executive Vice Chancellor for Academic Affairs, requested a summary of policies and procedures in place to ensure the prevention of academic fraud at all UT athletic programs. The UTSA Athletics Department responded to this request in October 2014. Subsequently, in 2015, Dr. Reyes recommended further improvement of the controls presented and UTSA provided management action plans for addressing these recommendations.

Academic Fraud Risk Assessment

Vice Chancellors Reyes’ March 2015 recommendation: “Periodically conducts assessments to determine risks relating to NCAA compliance matters, including academic fraud/integrity, and implements controls to mitigate any identified risks. Conduct Executive Compliance/Risk Management Committee meetings to review and make decisions relative to risk and compliance matters every two months.”

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Response to Vice Chancellors recommendation: "We are working with Institutional Compliance to conduct a risk assessment. Meetings are scheduled every two months beginning in March and will include the Asst. AD- Compliance, Athletics Director, and Deputy Athletics Director."

Observation:	Athletics' risk assessment had not been performed.
Risk Level:	The lack of a current comprehensive athletics compliance risk assessment is considered a Medium risk due to management's allocation of people, process and technology may be inefficient to properly ensure compliance with rapidly changing NCAA regulations.
Management's Corrective Action Plan:	Per request from the Athletics Compliance Office, the UTSA Institutional Compliance and Risk Services will utilize their process to perform a one-time risk assessment that will be updated annually by the Athletics Compliance Office.
Responsible Person:	Associate Athletic Director for Compliance
Implementation Date:	May 31, 2017

Academic Fraud Reporting System

Vice Chancellors Reyes' March 2015 recommendation: "Publicize the violation reporting system, which includes mechanisms that allow for anonymity or confidentiality, so that athletics staff, student-athletes, and other constituencies may report or seek guidance regarding potential compliance issues. Following any violation or instance of inappropriate conduct, measures are implemented (e.g., education, enhancement of policies and procedures) to remediate, prevent and deter future occurrences"

Response to Vice Chancellors recommendation: "The Compliance Manual will be added to the goutsa.com website. Further, the Compliance page of the website will be updated to more visibly provide information on reporting potential rules violations."

Observation:	The compliance page of the UTSA Athletics website does not publicize a violation reporting system, or links to the Athletics Compliance Manual.
Risk Level:	The lack of a publicized reporting system is considered High risk due to an elevated probability that individuals will choose not to participate without anonymity and confidentiality. Additionally, there is an increased probability of a significant prolonged

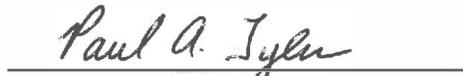
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	adverse impact on the institution's reputation if potential violations are not identified, investigated, and resolved by the Athletics Compliance Office in a timely manner.
Management's Response:	The current manual violation reporting system documented in the Athletics Compliance Manual will be replaced to utilize the existing UTSA Hotline managed by Institutional Compliance and Risk Services, which allows for anonymity and confidentiality. The Athletics Compliance Manual, Athletics website, Student Athletic Handbook, and relevant training materials will be updated to include information regarding usage of the UTSA Hotline managed by Institutional Compliance and Risk Services and associated links.
Responsible Person:	Associate Athletic Director for Compliance
Implementation Date:	Observation corrected during the audit. The Athletics website was updated on 5/11/16 with links to the UTSA Hotline managed by Institutional Compliance and Risk Services for reporting NCAA violations.

CONCLUSION

In our opinion, UTSA Athletics complies with NCAA requirements for Camps and Clinics, Student Athlete Employment, Rules Education, Commitment of Personnel, and Amateurism. We did identify opportunities for improvement to strengthen controls to prevent academic fraud, contract execution, and camp and clinic reconciliations.

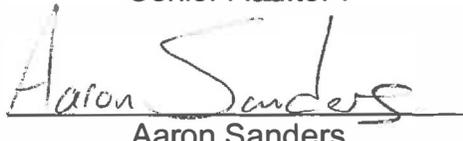

J. Richard Dawson
Institutional Chief Audit Executive


Paul Tyler
Director, Auditing and Consulting Services


Carol Rapps
IT Audit Manager


Jaime Fernandez
Senior Auditor I


Raul Huerta
Auditor III


Aaron Sanders
Auditor III

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