

NCAA Bylaw 13 Athletics Camps and Clinics Audit

Intercollegiate Athletics



May 2017

**The University of Texas at Austin
Office of Internal Audits
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This report has been distributed to Internal Audit Committee members, the Legislative Budget Board, the State Auditor's Office, the Sunset Advisory Commission, the Governor's Office of Budget and Planning, and The University of Texas System Audit Office for distribution to the Audit, Compliance, and Management Review Committee of the Board of Regents.

**NCAA Bylaw 13 Athletics Camps and Clinics
Project Number: #17.011**



OFFICE OF INTERNAL AUDITS
THE UNIVERSITY OF TEXAS AT AUSTIN

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May 15, 2017

President Gregory L. Fenves
The University of Texas at Austin
Office of the President
P.O. Box T
Austin, Texas 78713

Dear President Fenves,

We have completed our audit of Athletics Camps and Clinics. Our scope included the policies, procedures, and controls in place during the FY16 women's softball and soccer camp programs.

Based on the audit procedures performed, we conclude that Athletics has reasonable controls in most of the areas reviewed. However, opportunities for improvement were noted regarding Athletics Camps internal procedures. Our audit report provides detailed observations for the area under review. Suggestions are offered in the report for improvement in the existing control structure.

We appreciate the cooperation and assistance of Intercollegiate Athletics throughout the audit and hope that the information presented herein is beneficial.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael W. Vandervort".

Michael W. Vandervort, CPA
Chief Audit Executive

cc: Institutional Audit Committee Members
Mr. Michael Perrin, Athletics Director, Intercollegiate Athletics
Ms. Christine Plonsky, Women's Athletics Director and Executive Senior Associate
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EXECUTIVE SUMMARY

Conclusion

Based on procedures performed, it appears that Intercollegiate Athletics (Athletics) has reasonable controls in most of the camp areas reviewed, and were in compliance with relevant policies. However, opportunities for improvement were noted for Athletics Camps internal procedures. Three recommendations were made to enhance controls in this area. In addition, two of these recommendations were issues in one or more prior year audits. As it pertains to the background check finding, an additional control has been put in place by UT Austin through the creation of the Youth Protection Program within The Division of Diversity and Community Engagement.

Summary of Recommendations

Each issue has been ranked according to The University of Texas System Administration Audit Issue Ranking guidelines. Please see the Appendix for ranking definitions. The Office of Internal Audits identified two notable issues which led to the following recommendations:

- Placing names on Campus Program for Minors (Audit Issue Ranking: High)
- Background Checks should be conducted (Audit Issue Ranking: High)

One additional recommendation was provided, but is considered minor in significance.

Management agrees with our observations and has provided corrective action plans which are expected to be implemented on or before April 7, 2017.

Audit Scope and Objective

The scope of this audit included the policies, procedures, and controls in place during the FY16 women's softball and soccer camp programs. The audit objective was to determine whether these camps were in compliance with The University of Texas at Austin policies, National Collegiate Athletic Association bylaws, and National Assessment and Accreditation Council's Reasonable Standards.

Background Summary

Each year, pursuant to its mission, Athletics facilitates numerous sports camps that serve the children of the State of Texas and beyond. The goal of these camps is to improve the skill sets of young athletes by providing them with access to top-level coaching and instruction. This audit included women's softball and soccer camp programs. Over the fiscal year of 2015-2016, these two programs facilitated 17 camps serving over 1,700 campers, and employed 124 coaches and staff. Total revenue generated by these camp programs was approximately \$535,000.

This audit was conducted at the request of Athletics as a part of our Fiscal Year 2017 Audit Plan.



BACKGROUND

The University of Texas at Austin (UT Austin) Intercollegiate Athletics (Athletics) website states, “The Athletics Departments at The University of Texas at Austin are committed to The University’s mission of achieving excellence in education, research, and public service. Specifically, the mission is focused on three interrelated communities: student-athletes, the UT Austin community, and the citizens of the State of Texas.”

Each year, pursuant to its mission, Athletics conducts numerous sports camps that serve the children of the State of Texas and beyond. The goal of these camps is to improve the skill sets of young athletes by providing them with access to top-level coaching and instruction. This audit reviewed women’s softball and soccer camp programs. During fiscal year 2016, these two programs facilitated 17 camps serving over 1,700 campers, and employed 124 coaches and staff. Total revenue generated by these camp programs was approximately \$535,000.

UT Austin is a Division I member of the National Collegiate Athletic Association (NCAA). In accordance with legislation enacted by *NCAA Article 2.8.1 Responsibility of Institution*, “Each institution shall comply with all applicable rules and regulations of the Association in the conduct of its intercollegiate athletics programs. It shall monitor its programs to assure compliance and to identify and report to the Association instances in which compliance has not been achieved.” NCAA Bylaw 13.12 defines the many facets of camps and clinics, and provides the criteria to which Athletics must adhere to achieve compliance.

This audit was conducted at the request of Athletics as a part of our Fiscal Year 2017 Audit Plan.

SCOPE, OBJECTIVES, AND PROCEDURES

The scope of this audit included the policies, procedures, and controls in place during the FY16 women’s softball and soccer camp programs. The audit objective was to determine whether camps and clinics comply with:

- UT Austin policies,
- NCAA bylaws, and
- National Assessment and Accreditation Council (NAAC) Reasonable Standards.¹

To achieve this objective, the Office of Internal Audits (Internal Audits):

- Evaluated camp program financials and controls;
- Reviewed employee and student-athlete records;
- Corresponded with relevant staff; and

¹ <http://www.nacda.com/naacc/naacc-reasonable-standards.html>



- Reviewed applicable policies and procedures.

This audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and with *Government Auditing Standards*.

The remainder of this report presents detailed observations and recommendations.

AUDIT RESULTS

Based on procedures performed, it appears that the softball and soccer camps have reasonable controls in most of the areas reviewed. However, opportunities for improvement were noted for Athletics Camps internal procedures.

Three recommendations were made in the following areas: background checks, employee training, and employment/description/admission forms.

Employees on Campus Program for Minors Form Audit Finding Ranking: High

Two soccer camp employees were not listed on the Campus Program for Minors Form that is required by the Youth Protection Program Manager to verify camp employees' background check and awareness training. This was a result of a lapse in the camp director's review process. Without including all the employee names on the Campus Program for Minors Form, the Youth Protection Program Manager cannot verify the employees have completed their mandatory criminal background check and child awareness training. This increases the risk to children attending the athletics camps.

The University of Texas at Austin *Handbook of Operating Procedures 3-1710 VII. 2* states:

Each University academic and administrative unit sponsoring a program in which minors participate, whether located on or off campus, is required to register such programs with the youth protection program manager... Registration will be on forms approved by the department of State Health Services, and will require:

- List all designated individuals and for each of them the following information:
 - UTEID
 - Date employed
 - State approved training course name
 - Course approved number
 - Date training completed
 - Date criminal background check completed



Recommendation #1: The camp director and/or camp coordinator should ensure all employees working the camp(s) are included on the Campus Program for Minors Form for the Youth Protection Program Manager to vet.

Management's Response and Corrective Action Plan: It is management's belief that the director's failure in this instance was due to human error. Effective immediately, the camp coordinator and the office of the Youth Protection Program manager will recommend to all camp directors to conduct a second individual review all names listed on the Campus Program for Minors Form prior to signing and submitting to the camp coordinator and YPP manager. Additionally, the YPP manager is exploring converting the CPM form into a digital format, which will reduce the risk of human error by the individual camp directors.

Responsible Person: Camp Director

Planned Implementation Date: Immediately

Post Audit Review: Internal Audits will follow-up in the fourth quarter of FY17.

Background Checks

Audit Finding Ranking: High

Two (5%) of 39 softball camp employees tested began work before completing the required annual background check process. It should be noted that in the previous year, the camp employees had completed the required annual background check. However, the background checks had expired 4 months for one camp employee and 7 months for the other employee prior to working the camp. The camp manager and/or director did not exercise due diligence in ensuring camp employees had a current background check prior to the start of camp. Without completion of background checks before the first day of camp, there is an increased risk to children at Athletics camps. This has been an issue in the previous two athletics camp audits, which involved other camp programs.

An additional control has been put in place by UT Austin to address this issue. The Division of Diversity and Community Engagement created a new policy, Youth Protection Program, three months prior to the softball camp for which these camp employees worked. The Youth Protection Program is a second level of review to ensure camp employees complete their awareness training and background check. The implementation of this policy helps to ensure that the criteria below is met.

The University of Texas System Policy 124 2.5(c) states, "Youth camps shall ensure that for all employees and final applicants who will work at the camp, and all volunteers and student observers, who will regularly or frequently be at the camp are subject to a criminal background check each year. The check shall be conducted prior to permitting an individual to work, volunteer, or be present."



Recommendation #2: The camp manager and/or director should ensure current background checks are completed prior to employees' first day of camp.

Management's Response and Corrective Action Plan: In the summer of 2016, Athletics HR updated camp appointment and onboarding processing to ensure all background checks are completed prior to an employee beginning work. Specifically, the camp roster is updated daily by Athletics HR and camp directors are required to verify that all employees assigned to work camps are cleared on background checks before being permitted to work. In summer of 2017, Athletics HR also implemented a requirement that all recruiting coaches complete a background check annually during the month of March to ensure they are cleared for camps in advance of camps beginning.

Responsible Person: Camp Director

Planned Implementation Date: Immediately

Post Audit Review: Internal Audits will follow-up in the fourth quarter of FY17.

Free or Reduced Camp Admission

Audit Finding Ranking: Medium

Five (100%) of five Free or Reduced Camp Admission Forms tested for soccer were approved by the camp director the day of or after the completion of the camp. In addition, the Free or Reduced Camp Admission Forms were not sent to the Athletics Compliance Office for review prior to the start of camp. The camp director did not exercise due diligence in ensuring the Free or Reduced Camp Admission Forms were completed and submitted prior to the start of camp. Without submitting the Free or Reduced Camp Admission Form prior to the start of camp, the Athletics Compliance Office may not have sufficient time to review the forms against NCAA Bylaws, which could result in a potential NCAA violation pertaining to letter winners or recruits. This was an issue in the previous audit, which involved other camp programs.

Internal Audits performed follow-up regarding this issue from the previous audit.

Management stated they would conduct meetings and additional review for the free or reduced camp admission process.

Bylaw 13.12.1.7.1 of the *NCAA Manual 13-14* states, "An institution, members of its staff or representatives of its athletics interests shall not employ or give free or reduced admission privileges to a prospective student-athlete who is an athletics award winner or any individual being recruited by the institution per Bylaw 13.02.13.1."

UT Austin's *2014 Department of Intercollegiate Athletics Camp Policy Manual* states, "...a Free or Reduced Camp Admission Form must be completed and approved by the Compliance



Office and the Appropriate Athletic Director prior to the camp... If approved by the Athletics Director, the approval form will be returned to the Compliance Office who will save a copy of the form and forward it to the Camp Director.”

Recommendation #3: The camp director should ensure the Free or Reduced Camp Admission Form is submitted to the Athletics Compliance Office prior to the start of camp for proper review and approval.

Management’s Response and Corrective Action Plan: The compliance staff and camp coordinator review and approve each camp’s free or reduced admission policy in advance of each camp cycle. The camp directors then apply the free or reduced admission policy as approved for qualifying camp participants. Therefore, it was determined a second prior approval via the Free or Reduced Camp Admission Form being submitted to the compliance office is duplicative, and the policy will be changed to simply require the Form be submitted within five days following the conclusion of the camp. This will also allow the Camp Directors the flexibility to have forms completed upon registration when it may be determined the participants qualify for free or reduced admission (e.g., group sign-up).

Responsible Person: ARMCS staff and camp coordinator

Planned Implementation Date: Immediately

Post Audit Review: Internal Audits will follow-up in the fourth quarter of FY17.

CONCLUSION

Based on procedures performed, it appears that Intercollegiate Athletics has reasonable controls in most of the camp areas reviewed. However, opportunities for improvement were noted for Athletics Camps internal procedures. Three recommendations were made to enhance controls in this area. In addition, two of these recommendations were issues in one or more prior year audits. As it pertains to the background check finding, an additional control has been put in place by UT Austin through the creation of the Youth Protection Program.

In accordance with directives from The University of Texas System Board of Regents, the Office of Internal Audits will perform follow-up procedures to confirm that audit recommendations have been implemented.



APPENDIX

Audit Issue Ranking

Audit issues are ranked according to the following definitions, consistent with UT System Audit Office guidance. These determinations are based on overall risk to UT System, UT Austin, and/or the individual college/school/unit if the issues are left uncorrected. These audit issues and rankings are reported to UT System directly.

- **Priority** – A Priority Issue is an issue that, if not addressed immediately, has a high probability to directly impact achievement of a strategic or important operational objective of UT Austin or the UT System as a whole.
- **High** – An issue that is considered to have a medium to high probability of adverse effects to UT Austin either as a whole or to a significant college/school/unit level.
- **Medium** – An issue that is considered to have a low to medium probability of adverse effects to UT Austin either as a whole or to a college/school/unit level.
- **Low** – An issue that is considered to have minimal probability of adverse effects to UT Austin either as a whole or to a college/school/unit level. Issues with a ranking of “Low” are reported verbally to the unit and are not included in the final report.