

Athletics Camps and Clinics

Intercollegiate Athletics



August 2018

The University of Texas at Austin

Office of Internal Audits

UTA 2.302

(512) 471-7117

**The University of Texas at Austin
Institutional Audit Committee**

Mr. William O'Hara, External Member, Chair
Dr. Gregory Fenves, President
Dr. Maurie McInnis, Executive Vice President and Provost
Ms. Patricia Ohlendorf, Vice President for Legal Affairs
Dr. Daniel Jaffe, Vice President for Research
Dr. Soncia Reagins-Lilly, Vice President for Student Affairs and Dean of Students
Mr. Darrell Bazzell, Senior Vice President and Chief Financial Officer
Ms. Mary Knight, CPA, Associate Vice President for Finance
Mr. Leo Barnes, Chief Compliance Officer, University Compliance Services
Mr. Cameron Beasley, University Information Security Officer
Ms. Christine A. Plonsky, Chief of Staff / Executive Senior Associate Athletics Director
(Women's Basketball, Volleyball)
Mr. Tom Carter, External Member
Ms. Susan Whittaker, External Member
Ms. Liz Yant, External Member
Mr. Michael Vandervort, Chief Audit Executive, Office of Internal Audits
Mr. J. Michael Peppers, Chief Audit Executive, University of Texas System Audit Office

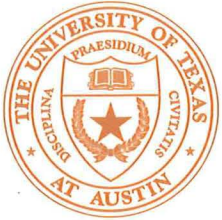
**The University of Texas at Austin
Office of Internal Audits**

Chief Audit Executive:	Michael Vandervort, CPA
Associate Director:	Jeff Treichel, CPA
Assistant Director:	*Angela McCarter, CIA, CRMA Chris Taylor, CIA, CISA
Audit Manager:	Brandon Morales, CISA, CGAP
Auditor IV:	Cynthia Martin, CPA
Auditor III:	*Bobby Castillo, CGAP Kerri Jordan Miranda Pruett, CFE
Auditor II:	Jason Boone
Auditor I:	Ryan Kothlow
IT Auditor II:	Mark Boze, GSEC, GCWN Mike McIntosh, GSEC, GSNA

* denotes project members

This report has been distributed to Institutional 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.

**Athletics Camps and Clinics
Project Number: #18.002**



OFFICE OF INTERNAL AUDITS
THE UNIVERSITY OF TEXAS AT AUSTIN

1616 Guadalupe Street, Suite 2.302 • Austin, Texas 78701 • (512) 471-7117 • FAX (512) 471-8099

August 29, 2018

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. The scope of this audit is camps for FY17. The first objective included a review of policies, procedures, and controls in place during FY17 golf (boys and girls) and rowing. The second objective included reviewing the terms of the contract between Universal Cheerleader Association and The University of Texas at Austin to determine whether the terms are being upheld.

Based on audit procedures performed, we conclude that Athletics has reasonable controls for camps conducted by The University of Texas at Austin personnel; however, two opportunities for improvement were noted regarding the terms of The Contract between Intercollegiate Athletics and Universal Cheerleading Association. Our audit report provides detailed observations for the area concerning The Contract. Suggestions are offered throughout 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,



Michael W. Vandervort, CPA
Chief Audit Executive

cc: Institutional Audit Committee Members
Mr. Christopher Del Conte, Vice President and Athletics Director
Ms. Christine Plonsky, Chief of Staff, Intercollegiate Athletics
Mr. Shawn Eichorst, Executive Senior Associate Athletic Director, Internal Affairs,
Intercollegiate Athletics
Ms. Lori Hammond, Senior Associate Athletics Director, Risk Management and Compliance
Services
Mr. William O'Hara, Chair, Institutional Audit Committee
Ms. Patricia Ohlendorf, Vice President for Legal Affairs
Mr. Carlos Martinez, Chief of Staff, Office of the President
Mr. Jeff Treichel, Associate Director, Office of Internal Audits



TABLE OF CONTENTS

Executive Summary	1
Background	2
Scope, Objectives, and Procedures	2
Audit Results.....	3
Conclusion	5
Appendix.....	6



EXECUTIVE SUMMARY

Conclusion

Based on procedures performed, it appears Intercollegiate Athletics (Athletics) has reasonable controls for camps conducted by The University of Texas at Austin (UT Austin) personnel; however, it appears both Universal Cheerleaders Association (UCA) and Athletics are not adhering to all of the terms reviewed in the contract between UT Austin and UCA (The Contract). Two opportunities for improvement were noted regarding monitoring the terms of The Contract.

Summary of Recommendations¹

The Office of Internal Audits (Internal Audits) identified two notable issues that led to the following recommendation(s):

- Compliance with Criminal Background Checks and Sexual Abuse and Child Molestation Awareness Training (*Audit Issue Ranking: High*)
- Reconciliation of the Financial Arrangement Between Athletics and UCA (*Audit Issue Ranking: High*)

Management agrees with our observations and has provided corrective action plans that are expected to be implemented on or before summer 2019.

Audit Scope and Objective

The scope of this audit includes activity related to three Athletics programs for FY17. The first objective included a review of policies, procedures, and controls in place during FY17 golf (boys and girls) and rowing camps. The second objective included reviewing policies, procedures, and controls in place as well as a review of terms within The Contract between UCA and UT Austin to determine compliance.

Background Summary

Each year, pursuant to its mission, Athletics facilitates numerous sports camps that serve the children of the State of Texas and beyond. Over fiscal year 2017, golf (boys and girls) and rowing camps facilitated a total of five camps serving over 300 campers, and generated revenue of approximately \$310,820 per UT Austin's financial system.

UCA is a third party associated with UT Austin and their philosophy is to provide "high quality educational training for college and high school cheerleaders through summer camps and clinics on college campuses...UCA believes that the primary purpose of a cheerleader is to support athletic programs and lead the crowd before and during games."² UCA and UT Austin renewed The Contract that became effective beginning January 2016 and held five camps during FY17.

This audit was conducted at the request of Intercollegiate Athletics as part of the FY18 Audit Plan.

¹ Each issue has been ranked according to The University of Texas System Administration (UT System) Audit Issue Ranking guidelines. Please see the Appendix for ranking definitions.

² Universal Cheerleader Association website: <https://uca.varsity.com/About/About-UCA>



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. Internal audits reviewed three camps programs conducted by UT Austin personnel: golf (boys and girls) and rowing camps. These three programs facilitated a total of five camps serving over 300 campers, and employed 55 coaches and staff. Revenue generated by these three camp programs was approximately \$310,820 per UT Austin’s financial system.

Universal Cheerleader Association (UCA) was contracted as a third party associate and its philosophy is to provide “high quality educational training for college and high school cheerleaders through summer camps and clinics on college campuses...UCA believes that the primary purpose of a cheerleader is to support athletic programs and lead the crowd before and during games.”³ UT Austin has maintained a business relationship with UCA to conduct all cheer camps occurring on campus. The UCA contract with UT Austin (The Contract) was renewed and effective as of January 1, 2016, and expires on December 31, 2020. UCA held five camps on UT Austin campus during the summer of FY17.

SCOPE, OBJECTIVES, AND PROCEDURES

The scope of this audit includes activity related to the following identified Athletics camps for FY17. The first objective included a review of policies, procedures, and controls in place during FY17 golf (boys and girls) and rowing camps. The second objective included a review of policies, procedures, and controls in place as well as a review of terms within The Contract between UCA and UT Austin to determine compliance.

To achieve these objectives, The Office of Internal Audits (Internal Audits):

- Evaluated camp program controls;
- Reviewed employee and student-athlete records;
- Corresponded with relevant staff;
- Reviewed applicable policies and procedures; and
- Compared the terms in The Contract with performance and controls concerning UCA camps.

³ Universal Cheerleader Association website: <https://uca.varsity.com/About/About-UCA>



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

AUDIT RESULTS

Based on procedures performed, it appears Athletics has reasonable controls for camps conducted by UT Austin personnel; however, two recommendations are noted regarding terms of The Contract between Athletics and UCA.

Two recommendations were made in the following areas: Compliance with Criminal Background Checks and Sexual Abuse and Child Molestation Awareness Training, and Reconciliation of the Financial Arrangement Between Athletics and UCA. The issues have been ranked according to The University of Texas System Administration (UT System) Audit Issue Ranking guidelines. Please see the Appendix for ranking definitions.

Compliance with Criminal Background Checks and Sexual Abuse and Child Molestation Awareness Training **Audit Issue Ranking: High**

Athletics was unaware that at least 17 UCA employees worked camps without having completed a required criminal background check and 45 did not complete the required Sexual Abuse and Child Molestation Awareness Training. Athletics did not maintain a list of the employees hired by UCA to work the camps held on UT Austin premises. In addition, per The Contract Internal Audits did not receive a letter signed by an authorized representative of UCA certifying compliance that criminal background checks were completed for personnel working on campus. If Athletics is not monitoring documentation for employees hired by a third party to work with minors on campus, then UT Austin is unaware whether a criminal background check and child awareness training are completed. This creates an increased risk to minors on campus and does not comply with The Contract. In addition, if Athletics is unaware of individuals who are allowed to work with minors on campus without proper training and background checks, then UT Austin could suffer reputational damage. UT Austin could also be liable for not maintaining documentation regarding criminal background checks and Child Molestation Awareness Training.

Section 27 of The Contract states, “UCA will ensure that annual in-state and out-of-state criminal background checks, which shall include a sex offender registry check, have been conducted for all personnel who will be interacting or may interact with the program participants prior to commencing service...UCA is responsible for ensuring that the required annual in-state and out-of-state criminal background checks are conducted so that no person convicted of a sexual offense, drug offense, weapon offense, theft, assault, or any other crimes against persons or crimes involving moral turpitude, will be employed or volunteer in any capacity.”

Section 28 states, “Each individual who is assigned to perform the Services under this Agreement will be an employee of UCA or an employee of a sub UCA engaged by



Contractor...UCA will (1) provide University with a list of all individuals who may be assigned to perform the Services, and (2) have an appropriate criminal background screening performed on all the individuals on the list...UCA will provide University a letter signed by an authorized representative of UCA certifying compliance with this Section.”

Section 29 states, “UCA certifies that its employees, who will have direct contact with Campers in performance of services outlined in this Agreement, will have completed a University approved Sexual Abuse and Child Molestation Awareness training and examination course within two years prior to the commencement of services.”

Recommendation #1: Athletics management should ensure background checks and the required Sexual Abuse and Child Molestation Awareness Training are complete for all UCA personnel who work with minors on the UT Austin campus. In addition, a staff member should be assigned to verify that terms of The Contract between UT Austin and UCA are being upheld to include:

- Receiving a list of employees who will work with minors on UT Austin campus;
- Verifying all employees have completed criminal background checks and received Sexual Abuse and Child Molestation Training; and
- Maintaining a letter signed by an authorized representative of UCA certifying that criminal background checks were completed.

Management’s Response and Corrective Action Plan:

Cheer Head Coach will receive and review the complete list of the UCA employee pool and cross reference with dates of completed background checks and Sexual Abuse and Child Molestation Training of employees prior to the start of camp. Athletics camps manager will complete secondary review and communicate with the Youth Protection Program Director to verify fulfillment of the Youth Protection Program Requirements. Any employee without a cleared background check or training requirement will not be permitted to work the camp.

Responsible Person: Blair Brown, Cheer Head Coach and Luke Nelson, Athletics Camps Manager

Planned Implementation Date: May 2019

Post Audit Review: Internal Audits will do follow-up fourth quarter FY19.

**Reconciliation of Financial Arrangements Between Athletics and UCA
Audit Issue Ranking: High**

Financial information generated by Athletics as listed in The Contract regarding funds owed by UCA camps does not match the remuneration received from UCA. Athletics



does not reconcile financial reports as stated in The Contract to ensure UT Austin is receiving the correct amount from UCA. If Athletics does not reconcile financial documents regarding the terms of The Contract with UCA, then UT Austin may not receive the correct amount owed.

Section 7 states, “UCA shall pay University:

- 95% prepayment of previous year total Net Revenue by June 1;
- 50/50 split net revenue;
- 20% of net merchandise and souvenir sales revenue from summer camps;
- 50% of net profit from “co-branded” shirts; and
- [Section 3.G of the contract] a custodial fee.

UCA shall provide University with a detail report by Camp of Gross Revenue and Allowable Expenses. Said reports shall be provided to University no later than 30 days after each camp. A Final Summary Report of all camp revenue and allowable expenses will be provided to University by August 31st of each year of this Agreement...”

Recommendation #2: Athletics management should ensure a staff member is assigned to reconcile financial information listed in The Contract with compensation received by UCA.

Management’s Response and Corrective Action Plan: Cheer Head Coach will submit camp expenses to UCA at the completion of camp. UCA will respond with a final financial report to be reviewed and approved by the Cheer Head Coach and Athletics Camps Manager. Pursuant to the UCA agreement, the Athletics Camps Manager will request and review financial records to support the final financial report from UCA.

Responsible Person: Blair Brown, Cheer Head Coach and Luke Nelson, Athletics Camps Manager

Planned Implementation Date: July 2019

Post Audit Review: Internal Audits will do follow-up fourth quarter FY19.

CONCLUSION

Based on procedures performed, it appears Athletics has reasonable controls for camps conducted by UT Austin personnel; however, two recommendations were made in the following areas: Compliance with Criminal Background Checks and Sexual Abuse and Child Molestation Awareness Training, and Reconciliation of the Financial Arrangement Between Athletics and UCA.



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.

A P P E N D I X

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.