

NCAA Bylaw 16: Awards and Benefits

Intercollegiate Athletics



February 2018

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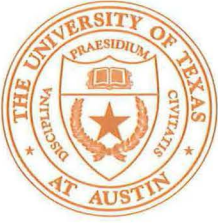
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This report has been distributed to Internal Audit Committee members, the Legislative Budget Board, the State Auditor's Office, the Sunset Advisory Commission, the Governor's Office of Budget and Planning, and The University of Texas System Audit Office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

**NCAA Bylaw 16: Awards and Benefits
Project Number: 17.008**



OFFICE OF INTERNAL AUDITS
THE UNIVERSITY OF TEXAS AT AUSTIN

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February 28, 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 Intercollegiate Athletics compliance with National Collegiate Athletics Association (NCAA) Bylaw 16: Awards and Benefits. Our scope included NCAA legislation regarding Bylaw 16 requirements in place during fiscal year 2017.

Based on the procedures performed, we conclude that The University of Texas at Austin complies with NCAA regulations regarding student-athlete awards and benefits and no recommendations were necessary.

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 blue ink, appearing to read "Mike Vandervort".

Michael W. Vandervort, CPA
Chief Audit Executive

cc: Institutional Audit Committee Members
Mr. Christopher Del Conte, Vice President and Athletics Director
Ms. Christine Plonsky, Women's Athletics Director and Executive Sr. Associate AD
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Ms. Lori Hammond, Senior Associate Athletics Director, Risk Management and
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EXECUTIVE SUMMARY

The Office of Internal Audits has completed the National Collegiate Athletic Association (NCAA) Bylaw 16: Awards and Benefits audit. This audit was requested by Intercollegiate Athletics as part of a memorandum of understanding and was completed as part of the Fiscal Year 2017 Audit Plan.

Conclusion

Based on the completed questionnaire, subjective testing, a review of The University of Texas at Austin (UT Austin) policies and procedures, correspondence with Athletics, and NCAA Bylaw 16 guidelines, UT Austin has proper controls in place to monitor awards and benefits compliance. UT Austin complies with NCAA regulations regarding student-athlete awards and benefits and no recommendations were necessary.

Audit Scope and Objective

The scope of this audit includes NCAA legislation regarding Bylaw 16 requirements in place during fiscal year 2017. The audit objective is to assess whether UT Austin complies with certain elements of NCAA Bylaw 16 legislation governing awards and benefits for enrolled student-athletes.

Background Summary

Intercollegiate Athletics Risk Management and Compliance Services works to ensure compliance with Bylaw 16. The department continuously monitors compliance regarding areas of Bylaw 16 such as student-athlete awards, complimentary admissions and tickets, team travel, and student-athlete vehicles. Athletics requires a thorough review and approval process for any aspect of Bylaw 16.



BACKGROUND

The University of Texas at Austin (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 program. It shall monitor its programs to assure compliance and to identify and report to the Association instances in which compliance has not been achieved.”* The operating bylaws consist of legislation, adopted by the membership, to promote the principles enunciated in the constitution and to achieve NCAA purposes. NCAA Bylaw 16, which comprises the awards and benefits legislation, was the basis of this audit.

Intercollegiate Athletics Risk Management and Compliance Services works to ensure compliance with Bylaw 16. The department continuously monitors compliance regarding areas of Bylaw 16 such as student-athlete awards, complimentary admissions and tickets, team travel, and student-athlete vehicles. Intercollegiate Athletics (Athletics) requires a thorough review and approval process for any aspect of Bylaw 16.

SCOPE, OBJECTIVES, AND PROCEDURES

The scope of this audit includes NCAA legislation regarding Bylaw 16 requirements in place during fiscal year 2017. The audit objective is to assess whether UT Austin complies with certain elements of NCAA Bylaw 16 legislation governing awards and benefits for enrolled student-athletes.

Internal Audits assessed whether Athletics complied with NCAA Bylaw 16 legislation governing awards and benefits by:

- Reviewing the 2016-2017 NCAA Division I Manual and National Association for Athletics Compliance Reasonable Standards;
- Surveying via questionnaire to gain an understanding of Athletics’ policies and procedures for awards and benefits;
- Conducting subjective testing to verify compliance with NCAA Bylaw 16; and
- Clarifying follow-up questions through emails, meetings, and other correspondence.

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 audit procedures performed, it appears that Athletics is in compliance with NCAA Bylaw 16 rules and regulations. Audit results were generated by:

- Identifying all responsible parties and efforts for monitoring compliance with NCAA legislation pertaining to Bylaw 16;
- Confirming that written policies and procedures concerning student-athlete awards, complimentary admissions and tickets, team travel, and student-athlete vehicles complies with NCAA Bylaw 16;
- Verifying that a sample of awards presented to student-athletes during fiscal year 2017 were permissible based on the limitations of NCAA Bylaw 16; and
- Testing a sample of Athletic events to ensure student-athletes and guests received appropriate complimentary admissions based on NCAA legislation.

CONCLUSION

Based on the completed questionnaire, subjective testing, a review of UT Austin policies and procedures, correspondence with Athletics, and NCAA Bylaw 16 guidelines, UT Austin has proper controls in place to monitor awards and benefits compliance. UT Austin complies with NCAA regulations regarding student-athlete awards and benefits and no recommendations were necessary.