

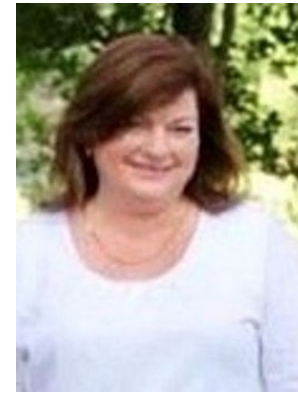




- Don't forget to connect with us on social media!



ACUA Virtual Learning Director
Lisa Gendusa, CIA, CFE
Internal Auditor
Texas State University System



ACUA Virtual Learning Volunteer
Connie Applebach, CISA
Auditor III
University of Houston System



Athletic Auditing 101

Establishing an Athletic Auditing Foundation



Starting Line-up



Head Coach, aka Joe Cannella, III, CPA
Audit Director, Office of Internal Audit
University of Florida



Defensive Coordinator, aka Rachel Flenner, CIA, CRMA
Audit Director, Office of Internal Audit
University of Minnesota



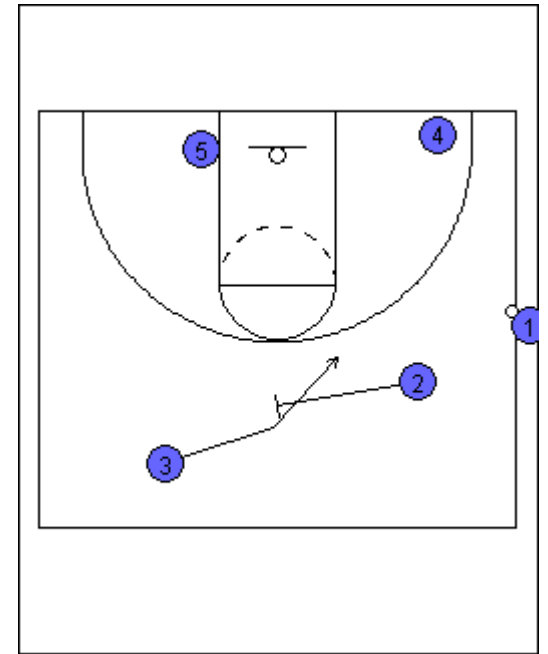
The Rookie, aka Megan Graham
Senior Auditor, Office of Internal Audit
Texas Tech University System

ACUA Sideline Committee



The Playbook

1. Gain an understanding of risks associated with Athletics
2. Learn how to start an Athletics-focused audit program
 - Cover foundational information to Athletics
 - Discuss options for starting an Athletics-focused audit program
 - Explain available resources
 - Introduce High-Risk areas for future webinar topics





Time Out- Polling Question

How often do you audit Athletics?

- a) Annually - They are typically on our annual workplan
- b) Occasionally - We do an Athletics audit every 3-5 years
- c) Rarely - Have done a few
- d) Never - Have not been able to get in there yet
- e) Never - Not sure what to do
- f) I am not an auditor





Background Information

Athletic Associations



Athletics Compliance

- NCAA Compliance Philosophy
- Institutional Control
- Involved Compliance Groups



Types of Violations

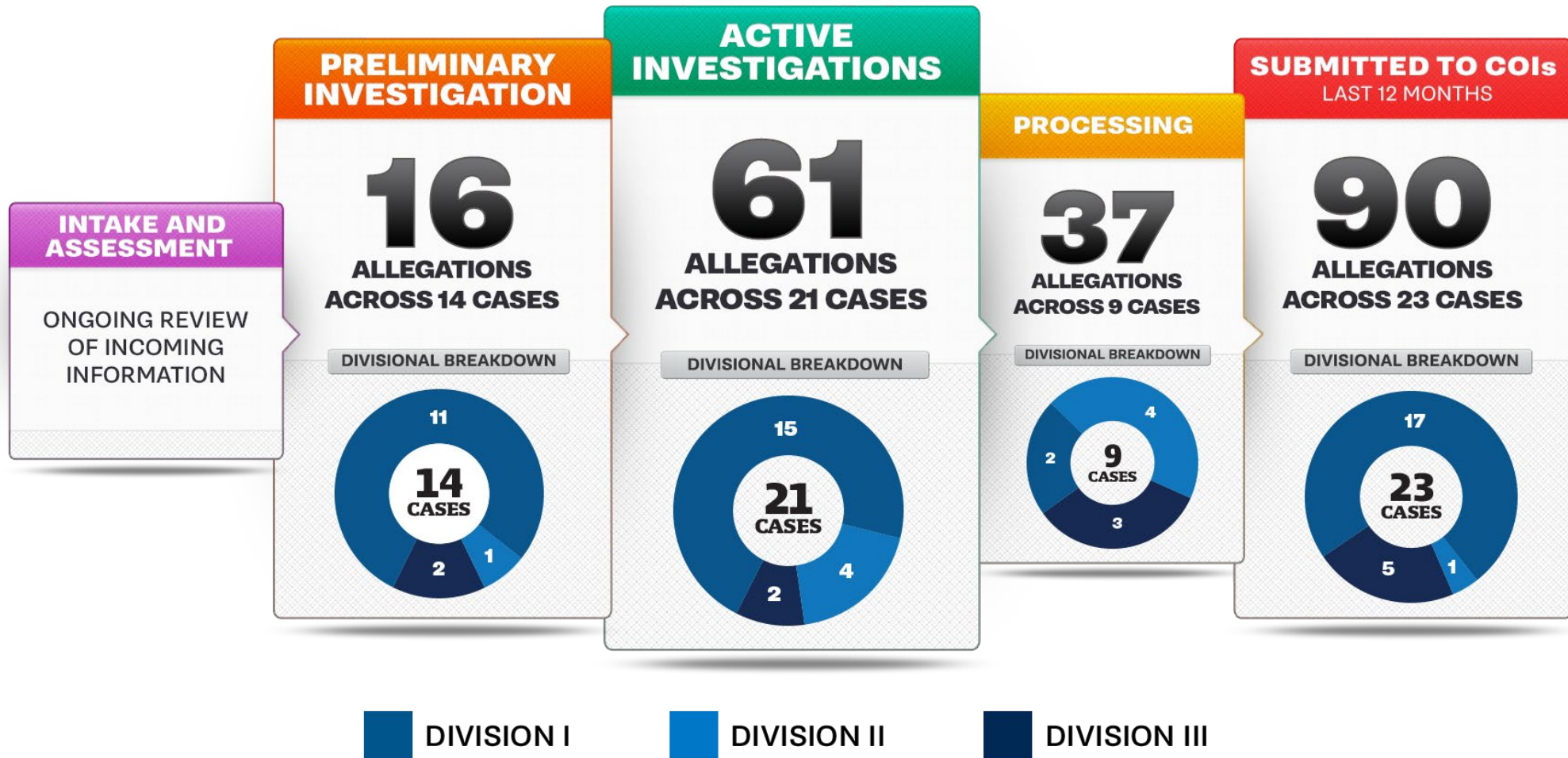
- Division I
 - Level I: Severe Breach of Conduct
 - Level II Significant Breach of Conduct
 - Level III Breach of Conduct
- Division II & III
 - Secondary Violations
 - Major Violations





ENFORCEMENT BY THE NUMBERS

CASE ACTIVITY REPORT AS OF OCTOBER 2021





Time Out- Polling Question

Which Athletic Association is your institution a member of?

- a) NCAA Division I – Bowl
- b) NCAA Division I – FCS
- c) NCAA Division II
- d) NCAA Division III
- e) NJCAA
- f) NAIA
- g) Other



Risk Universe





Risk Universe

- Sports
 - Athletics Compliance
 - Sports Camps
- Events
 - Facilities
 - Safety
- Revenue
 - Revenue agreements
 - Ticket Sales
- Expenses
 - Travel
 - Contracting
- Fundraising
- Student Athletes
 - Privacy
 - Safety
 - Academics
 - Wellness
- Organizational structure



Things to Consider...

- Athletic Association Criteria - NCAA, NJCAA, NAIA, etc.
- Athletic Conference Bylaws and Requirements
- Institutional Policies
- Internal Athletic Department Policies
- We (ACUA) provided a sample of a risk universe for athletics

Time Out- Polling Question

What do you perceive is the biggest barrier to auditing athletics?

- a) Specific knowledge required
 - This isn't for accountants
 - We don't have knowledge/expertise
- b) They don't want us because
 - They don't see value
 - They don't trust us
- c) Sensitivity (public relations concerns)
- d) Other





Option 1: First Quarter

Easy entry because **you are already familiar** with these risks and rules:

- Cash-handling/PCI related audits *
- Travel Expense Compliance *
- Purchasing Process
- Third Party Contract management *
- Facility Rental and/or Facility Use Agreements *
- Payroll/timecard management *
- Information system management (data security, access rights, disaster recovery)



Option 2: On deck

Easy entry because they are **common topics with plenty of resources**

- Admissions/Eligibility
- Safety of Minors / Sports Camps
- Safety & Student Wellness / Privacy
- Fiscal Stress Test (Data analytics)
- Fundraising/Boosters
- Facility / Event Management



Option 3: 3rd and Long – The Risk Assessment

Background: This could be a perfect time for these questions as the Athletics environment is changing significantly and most expect it will not be the same in five years. Financial pressures are so variable.

- Step 1 – What is your universe
 - See next slide
- Step 2 – Determine priorities
 - Consider control self-assessment for various sports and operating units?
 - Rate at executive and operational levels
 - University-wide and/or unit-level scale - this can help explain why you need to do the audit.
- Step 3 – Develop ideas (where can we add value)



Risk Assessment – What is your Athletics Universe

What does your athletics unit do?

How is athletics organized?

Where does athletics need to coordinate with the university, and where do they feel they are unique?

Where are external and/or compliance risks? Who is covering them?

Time Out- Polling Question

When was the last time you did an athletics risk assessment?

- a) Last year
- b) 2-3 years ago
- c) 5 or more years
- d) Never





Option 4: The Hail Mary – Current and High Risk Areas

Potentially big rewards/value if you can help manage high risk areas that are causing organizations trouble.

- #1 What is going on in your campus – Have there been a notice of allegations or any other compliance issues? Whomever is responding – have they done it right. Don't want a repeat offense or did not satisfy terms.
- #2 We will provide resources to help you identify some trends and high risk issues. Some topics of interest we have been discussing in the Sideline group include...



Addressing High Risk Areas

- Consider “risky” sports beyond Football/Basketball, such as those with high international student-athlete population or a sport with a recently turned over coaching staff
- Consider topical areas covered by current NCAA Committee on Infractions cases, use decision to determine audit standards
- High - Risk Topics continue include Institutional Control & Head Coach Control, Student Health/Safety, Academic Integrity
- Changing landscape - NIL, Transfer Portal, Conference Realignment



MOST COMMONLY VIOLATED BYLAWS

| BYLAW | KEYWORDS | ALLEGATIONS |
|-------|---|-------------|
| 13 | Contacts and Evals | |
| 2 | Failure to Monitor | |
| 19 | Failure to Cooperate | |
| 11 | Head Coach Responsibility | |
| 10 | Un Conduct, Furnish/Influencing False or Misleading Info | |
| 10 | Unethical Conduct | |
| 13 | Offers and Inducements | |
| 15 | Financial Aid | |
| 10 | Un Conduct, Receipt of benefits by institutional staff member arranging | |
| 11 | Noncoaching Staff Duties | |
| 11 | Off-Campus Recruiting Certification | |
| 13 | Other | |
| 14 | Academic Certification | |
| 17 | Countable Athletically Related Activities (CARA) | |
| 16 | Impermissible Extra Benefit | |
| 11 | Other | |
| 12 | Amateurism Certification | |



Emerging & High Risk Topics

Friday, June 17, 2022

NIL Summit a glimpse into the present and future of college athletes' opportunities

Media Center | 4/15/2021 12:00:00 PM | Meghan Durham

Former Southern California associate head coach violated NCAA ethical conduct rules



NCAA Cites "Lack of Institutional Control" Within LSU Athletic Department

Tigers have seven Level I violations in the men's basketball program, one for football

GLEN WEST • MAR 12, 2022

COLLEGE

College Power-Brokers Poised to Turn NCAA Upside Down

The Transformation Committee is considering wholesale changes that would make the NCAA's post-Mark Emmert era a completely different experience.

ROSS DELLENGER • APR 27, 2022

Thursday, June 16, 2022

NCAA recommends transfer portal windows, changes to infractions process to expedite outcomes

COLLEGE FOOTBALL

NCAA Says It's Investigating 'Potential Violations' Regarding NIL

DANIEL CHAVKIN • JUN 9, 2022

College football realignment news: Notre Dame on deck; Pac-12, Big 12 could merge; SEC vs. Big Ten playoff?

Realignment may cool off for the holiday, but it's about to pick up again any day now



By Dennis Dodd Jul 3, 2022 at 12:30 pm ET • 5 min read

<https://www.espn.com> > college-sports > story > ncaa-pres...

NCAA president Mark Emmert steps down - What comes next?

Apr 26, 2022 — Mark Emmert's 12-year tenure as the head of the NCAA is coming to a close. Emmert and the NCAA's Board of Governors announced Tuesday that ...



Reviewing the Playbook

Option 1 – Examples where Athletics is not fundamentally unique

Option 2 – Tackle “Common” or Starter Topics

Option 3 – Risk Assessment

Option 4 – Current Issues and/or High Risks



Time Out- Polling Question

Given everything we've told you, what would you want to hear more about?

- a) More about the NCAA and compliance
- b) Common athletic audit topics applicable for every unit
- c) High risk and emerging athletic audit topics/areas
- d) Doing an athletics risk assessment
- e) Athletic Audit Resources



Put specific topics in the chat!





Resources

ACUA Kick Starters

Audit Tests

Ticketing System:

- Obtain departmental policies and procedures for adding and removing users from the ticketing system. Obtain a listing of current users and access levels. Review to ensure there are no terminated employees listed as current users and that user profiles are appropriate for the position held by the employee.
- Inquire about the security of the ticketing system. Is there a backdoor into the system? Can accounting records in the ticketing system be altered?
- Ensure user accounts have user-specific passwords, passwords are not shared, and computers have lock functions that will lock the computer after periods of non-use.
- Obtain information regarding back up of the ticketing system and ensure it is sufficient.
- Inquire regarding ticket office employees' ability to sell themselves tickets.

Complimentary Tickets:

- Inquire with legal counsel about the complimentary ticket policy. Was it approved?
- Review contracts for the sport(s) you are auditing. Obtain a listing of complimentary tickets given to athletic department staff. Ensure the number of complimentary tickets given to coaching staff agrees with individual contracts. Ensure the staff member has signed a complimentary ticket affidavit (if applicable) and it is on file with the ticket office.
- Review the file for athletics staff complimentary ticket forms. Ensure all athletics staff members receiving complimentary tickets signed the complimentary ticket affidavit and it is on file with the ticket office. Ensure the number of season complimentary tickets given matches the policy.
- Contact Human Resources to determine whether the athletics department communicated complimentary ticket information for inclusion on employee W-2 forms. Inquire about the





NCAA Audit Guides

- Guides available for Division I and II, updated September 2021
- Division I includes 21 possible areas of review
- Division II includes 15 possible areas of review
- Includes the Institutional Control Matrix

| Component/Bylaw | Training Programs | Monitoring Programs | Administrative Procedures (Within and Outside of Athletics Department) |
|----------------------------------|---|--|---|
| Boosters | Mailing of Brochures; Distributing overview sheets at meetings | Developing master list of boosters; Reviewing expense reports for booster involvement | Requiring all payments greater than \$100 from booster clubs to be approved by compliance coordinator |
| Recruiting | | | |
| Initial & Continuing Eligibility | | | |



NAAC Reasonable Standards

- National Association for Athletics Compliance (NAAC) current Reasonable Standards for Division I and Division II published at: <https://nacda.com/sports/2018/7/17/naacc-naacc-reasonable-standards-html.aspx>
- Example Topics Include:
 - Division I: COVID-19 Best Practices, NCAA Transfer Portal Standard, Off-Campus Recruiting, Eligibility, Financial Aid Monitoring, Playing & Practice Season Declaration, Countable Athletically Related Activities
 - Division II: COVID-19 Standard, Transfer Portal, Financial Aid Activities, Eligibility Reasonable Standards, Recruiting Logs Reasonable Standards

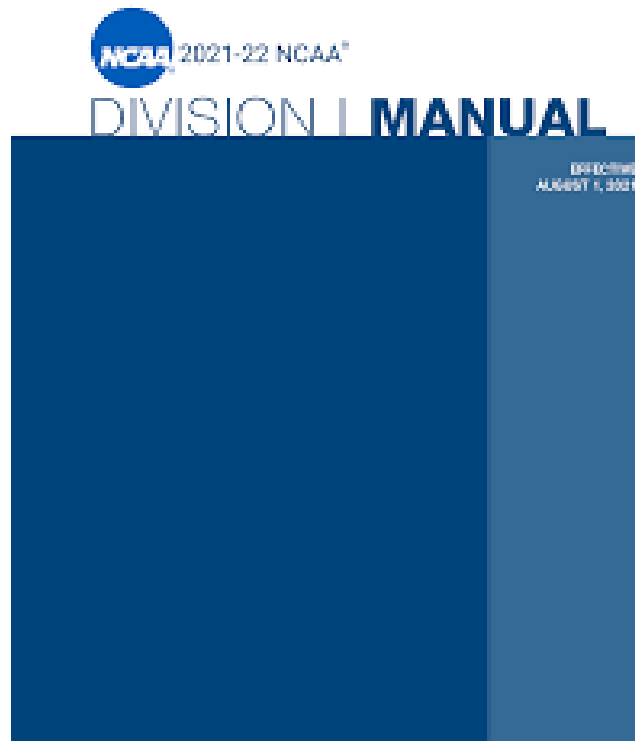


Association Resources

- The NCAA website: <https://www.ncaa.org/>
- The NCAA Publications: <https://www.ncaapublications.com/>
- The NCAA Compliance Assistant (CA) Software
- Conference Association Resources



NCAA Manual



| | Division I | Division II | Division III |
|------------|---|--|---------------------------------|
| Article 8 | Institutional Control | Division II Organizational Structure | n/a |
| Article 9 | Legislative Authority & Process | Legislative Process | Legislative Authority & Process |
| Article 10 | Ethical Conduct | | |
| Article 11 | Conduct and Employment of Athletics Personnel | | |
| Article 12 | Amateurism and Athletics Eligibility | Amateurism | |
| Article 13 | Recruiting | | |
| Article 14 | Academic Eligibility | Eligibility: Academic and General Requirements | |
| Article 15 | Financial Aid | | |
| Article 16 | Awards, Benefits and Expenses for Enrolled Student-Athletes | | |
| Article 17 | Playing and Practice Seasons | | |
| Article 18 | Championships and Postseason Football | Championship | |
| Article 19 | Infractions Program | | |
| Article 20 | Division Membership | | |
| Article 21 | Governance Structure and Committees | Committees | |



Commercial Software

- Commercial software packages are also available to NCAA member institutions for monitoring and compliance:
 - ACS
 - Jump Forward
 - TeamWorks
 - ARMS
- NIL Software programs are also available:
 - Athliance
 - SpryNIL
 - Opendorse



Listserv

- ACUA Listserv
- D1 Ticker
- College AD
- Google Alerts (Keywords)



Time Out- Polling Question

What is your favorite mascot

- a) Minnesota Golden Gophers - Goldy
- b) Florida Gators - Albert and Alberta
- c) Texas Tech - Raider Red
- d) Other





Questions & Wrap-up



Upcoming ACUA Events

Webinars

August 11, 2022 – Data Analytics

August 25, 2022 – Auditing Retroactive Withdrawals or Hardship Petitions

AuditCon 2022

September 11-15, 2022

Las Vegas, NV

Audit Interactive

March 27-29, 2023

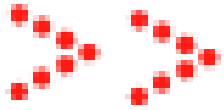
Denver, CO



Did you know that Connect ACUA allows you to post new messages directly from your email without logging in to the Connect ACUA website?

For more details, check out the Quick Tip post on [Connect.ACUA.org](https://connect.acua.org)

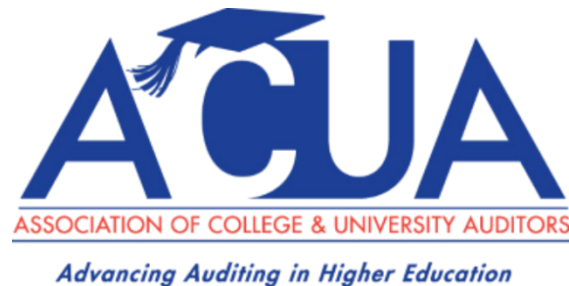
Your Higher Education Auditing Connection

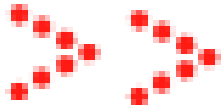


Latest Kick Starter Released!

Property Management

Download today in the members-only Audit Tools section of www.ACUA.org





ACUA Kick Starters

Use a Kick Starter to launch your next audit!

- Developed by ACUA members with subject matter expertise
- Focused on higher education specific topics

<https://acua.org/Audit-Tools/ACUA-Kick-Starters>



Do you have a great idea for an ACUA Kick Starter? Contact John Winn at HJWINN@mailbox.sc.edu.



ACUA Mentorship Program

- Mentorship is a proven method to help colleagues feel supported, drive workplace satisfaction, and foster member engagement in higher ed auditing.
- The program is no longer focused on only small audit shops! The program has been expanded to be more inclusive of all types of shops.
- The program is only a one-year commitment, but we encourage the mentorship to continue even after one year.
- Consider signing up! Watch for registration deadlines to be communicated via email. For more information, go to <https://acua.org/Member-Resources/Mentorship-Program>



Stay Updated

- The College and University Auditor is ACUA's official journal. Current and past issues are posted on the ACUA website.
- News relevant to Higher Ed internal audit is posted on the front page. Articles are also archived for your reference under the Resources/ACUA News.

Get Educated

- Take advantage of the several FREE webinars held throughout the year.
- Attend one of our upcoming conferences:
Audit Interactive
March 27 – 29, 2023
Denver, CO
AuditCon
September 11 - 15, 2022
Las Vegas, NV
- Contact ACUA Faculty for training needs.

Get Involved

- The latest Volunteer openings are posted on the front page of the website.
- Visit the listing of Committee Chairs to learn about the various areas where you might participate.
- Nominate one of your colleagues for an ACUA annual award.
- Submit a conference proposal.
- Present a webinar.
- Become a Mentor
- Write an article for the C&U Auditor.
- Write a Kick Starter.

Connect with us



www.ACUA.org

Connect with Colleagues

- Subscribe to one or more Forums on the Connect ACUA to obtain feedback and share your insights on topics of concern to higher education internal auditors.
- Search the Membership Directory to connect with your peers.
- Share, Like, Tweet & Connect on social media.

Solve Problems

- Discounts and special offers from ACUA's Strategic Partners
- Kick Starters
- Risk Dictionary
- Mentorship Program
- NCAA Guides
- Resource Library
- Internal Audit Awareness Tools
- Governmental Affairs Updates
- Survey Results
- Career Center.....and much more.