

University of Texas at Austin Intercollegiate Athletics

Integrating Institutional Risk Management into Athletics at The University of Texas

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Integrating Institutional Risk Management into Athletics

- Evolution of the Idea and Structure
- Implementation of the Concept
- Vision for Future

Evolution of the Idea

How and why we established athletics risk management department:

- UT System Initiative
- UT Austin Presidential Reorganization
- Athletics Department Evolution

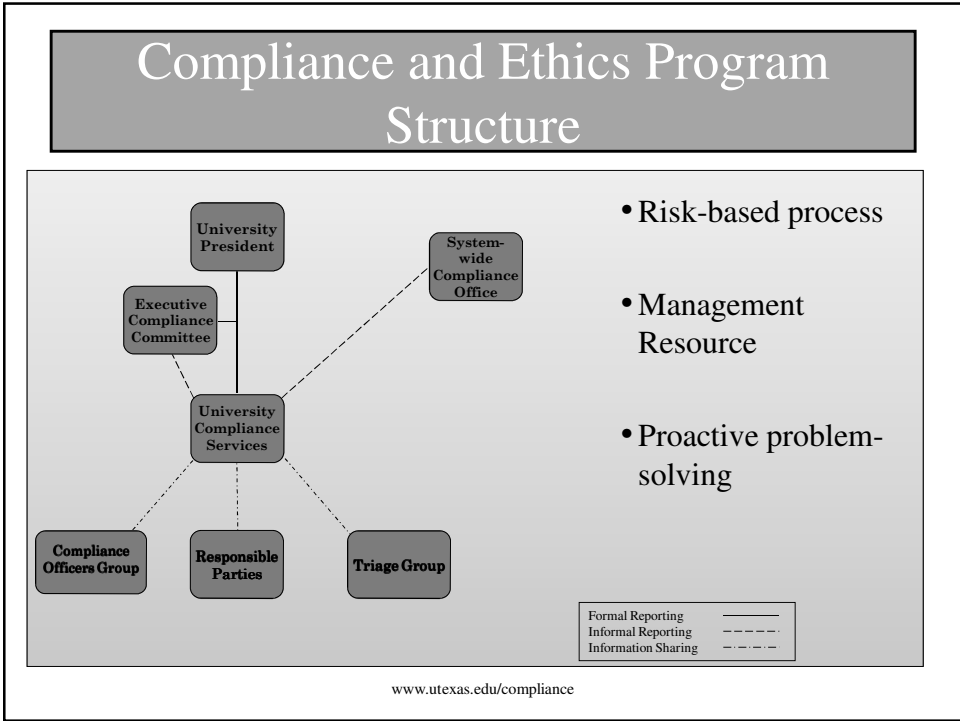
Evolution of the Idea

UT System

- 1998 Plan of Action
- Development of institutional level compliance programs

UT Austin President's Office

- President's Background in Compliance
- Efforts to Heighten Status of Institutional Compliance Office
- Establishment of Executive Compliance Committee



- ## Executive Compliance Committee Membership
- | | |
|---|---|
| <ul style="list-style-type: none"> • President • Deputy to the President (Internal) • Provost • VP – Legal Affairs • VP – Research • Chief Financial Officer • VP – Employee and Campus Services | <ul style="list-style-type: none"> • VP – Information Technology • VP – Student Affairs • Athletics Director • Director of Internal Audits • Presidential Appointees |
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Evolution of the Idea

Managing the change in Athletics

- Athletics Director on Executive Compliance Committee
- Departmental Growth
- Financial Growth
- Compliance Grass Roots Observations

Gaps in Athletics Department Operations

Athletics Directors' Perspective

Areas of need:

- Support campus culture of compliance
- Become **proactive** vs. reactive
- Programmatic education and effective communication on compliance and risk expectations
- Have adequate checks and balances
- Assurance that the department is adequately protecting reputation and assets

Implementation of the Concept

- Integration of NCAA Compliance
- Institutional risks
- Departmental legal risks
- Departmental financial and operational risks

Organization and Structure

- Creation of the Executive Risk Management/ Quality Assurance Committee
- Defined objectives
- Hired two risk managers
- Expanded to Athletics Compliance Services

Rebranding of Athletics Compliance

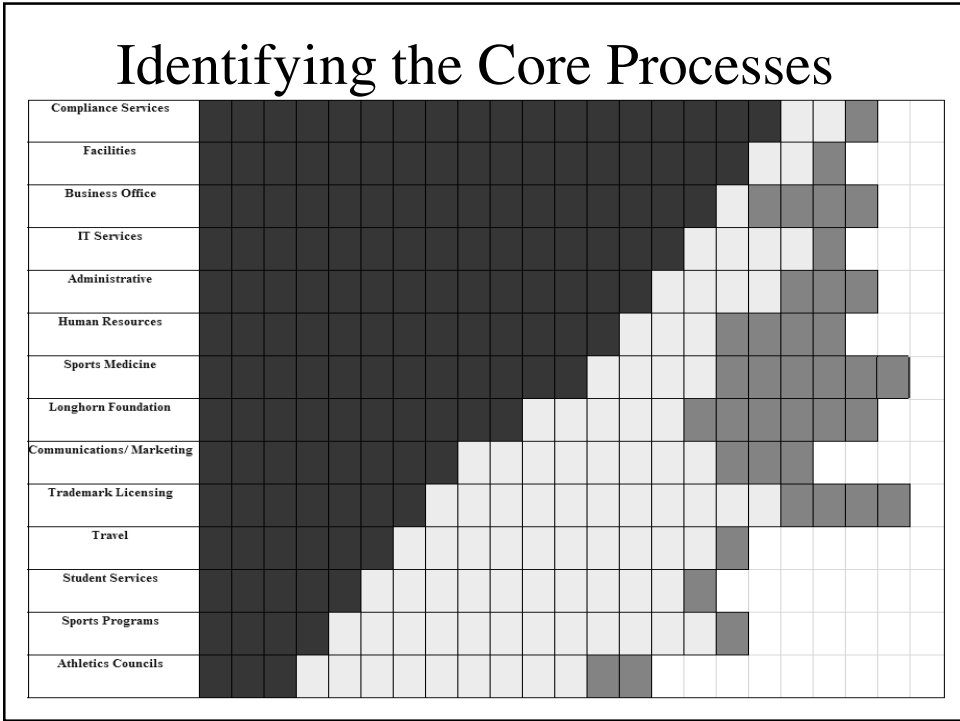
- From Athletics Compliance Office to Athletics Compliance Services
- Obtained Society of Corporate Compliance and Ethics designations
- Initial introduction to Coaches and Athletics Staff

Implementation of the Concept

Created Institutional Checks and Balances

By Consulting with:

- President's Office, Deputy to the President
- University Compliance Services, Director
- Office of Internal Audits, Director



Travel Risks and Controls

Example of risks

- Failure to ensure that employees are appropriately prepared for travel before leaving
- Failure to ensure all supplier contracts are best value for Athletics
- Failure to ensure database of traveler’s critical information is maintained and up to date

Example of controls

- All trips include an itinerary which is generated automatically and delivered to traveler/ admin when booked
- The Travel Manager negotiates best rates/ services with all suppliers
- All personal information required by the Transportation Security Administration is maintained and updated in all airline reservation systems

Trademark Licensing Risks and Controls

Example of Risks

- Failure to protect and maintain brand integrity
- Failure to manage external contractual relationships
- Failure to conduct accurate cost/benefit analysis when deciding to initiate lawsuits over trademark

Example of Controls

- All samples of finished products are reviewed and approved prior to production and distribution
- TL staff attends ICLA and CLC seminars
- Legal counsel is obtained when warranted (both outside counsel and CLC legal)

Development of an Athletics Education Plan

- Identify staff education needs
- Identify training currently available
- Identify appropriate trainers
- Work with trainers to develop additional needed training
- Identify best delivery methods

Development of an Athletics Education Plan

Description	Class	Trainer	Who is required	Length	Frequency	Description
Use of UT Austin Property	CW 102	University Compliance Module	All employees	4 minutes	Once	This module covers the proper use of U.T. Austin property.
Gifts and Gratuities	CW 106	University Compliance Module	All employees	4 minutes	Once	This Compliance Program training module on Gifts and Gratuities will provide you with some guidelines on what you may and may not accept in exchange for conducting your official job duties. These guidelines will help protect you and the University from perceptions that you are mishandling your responsibility.
Safety and Security	UTPD	UTPD	All Athletics Staff	1 hour	Every 2 years	UTPD has offered to speak to all Athletics employees regarding things to help protect both employee safety and University equipment.

Merging Two Worlds into One

Optimizing Institutional Control by merging

- NCAA risks
- Legal, financial and operational risks

Contact Information

Athletics Compliance Services

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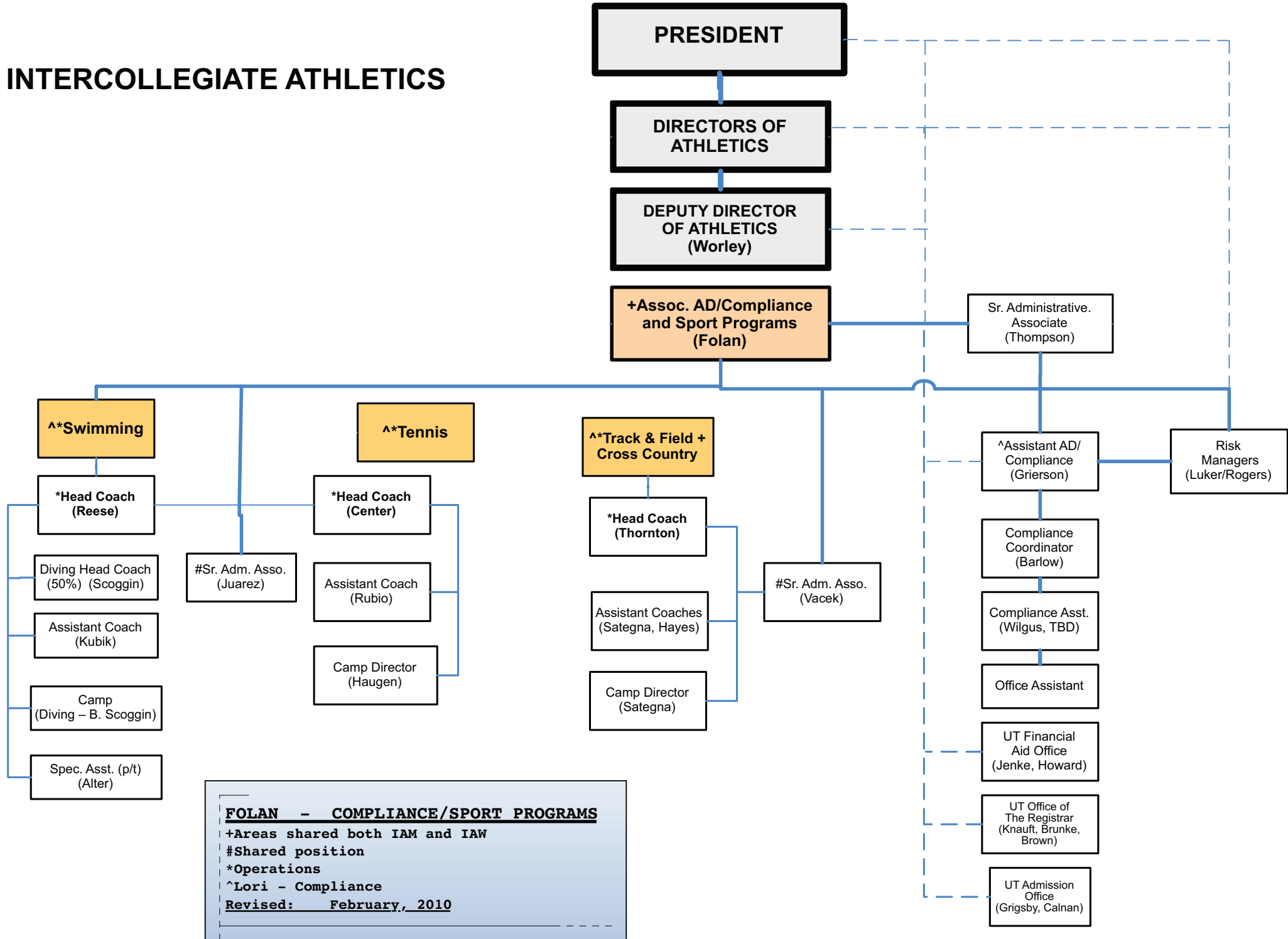
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INTERCOLLEGIATE ATHLETICS



Risk Management/Quality Assurance Team

Objectives

Our objectives are to 1) mitigate risks to protect assets and sustain the departments' reputation, 2) assess operations for optimal efficiency and effectiveness, and 3) reduce costs for the athletics departments.

We will achieve our objectives to assist Athletics' management by:

- developing and implementing controls to mitigate identified risks to an acceptable level and monitoring those controls to verify they are working as intended,
- identifying significant risks that could prevent the department from meeting stated goals and objectives, and
- reviewing ways current operations can avoid costs, enhance revenues, and become more efficient.

Executive Committee on Risk Management and Quality Assurance

Athletics Director for Men

Athletics Director for Women

Senior Associate Athletics Director for Sports Programs

Associate Athletics Director for Business

Associate Athletics Director for Athletics Compliance Services

Associate Athletics Director for the Frank C. Erwin, Jr., Special Events Center

Risk and Quality Assurance Team

Amy Folan, Associate Athletics Director for Athletics Compliance Services

Lori Smith, Assistant Athletics Director for Athletics Compliance Services

Mark Luker, Manager of Risk/Quality Assurance

Glyn Rogers, Manager of Risk/Quality Assurance

Control Footprint - Travel

	Risks		
	Failure to ensure that employees are appropriately prepared for travel before leaving	Failure to ensure all supplier contracts are best value for Athletics	Failure to ensure database of travelers critical information is maintained and up to date
All trips include an itinerary which is generated automatically and delivered to traveler/ admin when booked	95%		
All trips require an approved Travel Authorization prior to travel	15%	30%	
Travel alerts are sent to travelers that notify them of potential political, security, labor and travel risks and concerns as situations arise	80%		
Only charter airlines with an ARG/US gold rating or above are used for team travel		40%	
The Travel Manager negotiates best rates/ services with all suppliers		75%	
All suppliers recommended by athletics staff are reviewed to ensure fair pricing and service levels		40%	
All personal information required by the Transportation Security Administration is maintained and updated in all airline reservation systems	70%		90%

Monitoring Plan

Responsible Person (title)	Evidence of Control
Account Manager, Travel Consultant	email, SABRE record (*HEM)
Athletic Directors	Approved Travel Authorization
Director of University Travel	email (International SOS)
Athletics Travel Manager	ARG/US, FlightTime
Athletics Travel Manager	email, signed contract
Athletics Travel Manager	emails
Account Manager, Travel Consultant	Travel Profiles in SABRE

Is the above risk mitigated to an acceptable level?	Yes	No	Yes
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Possible Future Controls

Take more active ownership in non-NCAA sponsored team travel	50%	50%	
Reduce number of exceptions to Athletics' travel rules and regulations		50%	
Supplier rates should not be based on loyalty programs		80%	
Require employees and student-athletes to update their personal travel profiles with the Travel Office each September 1st to ensure they will be able to travel			90%

Athletics Travel Manager	
Athletics Travel Manager	
Athletics Travel Manager	
Athletics Travel Manager	

NOTES:

This example includes 3 of 10 documented Travel risks, 7 of 24 current controls, and 4 of 17 possible future controls.

Controls shaded in purple are being considered for implementation in the future.	HH, HM	HL, MH	MM, ML, LH
	Critical Risk	Near Critical Risk	Moderate Risk

Controls shaded in blue are managed outside the authority of Athletics.	A percentage in a cell represents management's opinion on how effective the control on the left mitigates the risk above.
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Control Footprint - Trademark Licensing

	Risks		
	Failure to protect and maintain brand integrity	Failure to manage external contractual relationships	Failure to conduct accurate cost/benefit analysis when deciding to initiate lawsuits over trademark infringement
Licensee renewals from Collegiate Licensing Company (CLC) are reviewed quarterly to determine if we will continue to license the companies	40%	10%	
All samples of finished products are reviewed prior to production and distribution	70%		
Marketplace research and game day/ event enforcement is conducted by CLC staff periodically	80%		
TL staff attends ICLA and CLC seminars		75%	
Legal counsel is obtained when warranted (both outside counsel and CLC legal)			30%
Phone messages and calls are processed within 24 hours		30%	
All finished samples are photographed and electronically filed on a weekly basis	70%		
Color swatches are provided to assist licensees in developing products that accurately represent our brand	60%	10%	

Monitoring Plan

Responsible Person (title)	Evidence of Control
Assistant Athletics Director for Trademark Licensing	signed and dated Quarterly Renewals report
Assistant Athletics Director for Trademark Licensing	signed and dated Finished Sample Approval form
Director of University Services	Enforcement Report
Assistant Athletics Director for Trademark Licensing	notes taken at event, travel expense report completed
Assistant Athletics Director for Trademark Licensing	email, invoice for services
Coordinator	electronic call log (<i>New Call Log</i>)
Coordinator	Electronic file of photographs (<i>UT Austin Products</i>) maintain in shared folder
Coordinator	Scanned copy of letter

Is the risk above mitigated to an acceptable level?	Yes	Yes	No
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Possible Future Controls

Conduct Brand Value Analysis every 10 years to determine value of the University brand	15%		
Develop and provide Brand Style Guide to licensees to standardize institutional identity	90%	25%	

Assistant Athletics Director for Trademark Licensing	Completed Brand Value Analysis
Assistant Athletics Director for Trademark Licensing	Completed Brand Style Guide

NOTES:

This example includes 3 of 9 documented Trademark Licensing risks, 10 of 42 current controls, and 2 of 3 possible future controls.

Controls shaded in purple are being considered for implementation in the future.	HH, HM	HL, MH	MM, ML, LH
	Critical Risk	Near Critical Risk	Moderate Risk

Controls shaded in blue are managed outside the authority of Athletics.	A percentage in a cell represents management's opinion on how effective the control on the left mitigates the risk above.
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