NCAA Bylaw 15
Intercollegiate Athletics &
Office of Student Financial Services

November 2014

The University of Texas at Austin
Office of Internal Audits
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NCAA Bylaw 15
Project Number: 14.018
November 7, 2014

President William C. Powers, Jr.
The University of Texas at Austin
Office of the President
P.O. Box T
Austin, Texas 78713

Dear President Powers,

We have completed our audit of Intercollegiate Athletics (Athletics) and the Office of Student Financial Services (OSFS) regarding National Collegiate Athletics Association (NCAA) Bylaw 15. Our scope included the policies, procedures, and controls in place regarding student-athlete financial aid during the 2013-2014 academic year.

Based on the completed questionnaire, limited testing, a review of The University of Texas at Austin (UT Austin) policies and procedures, correspondence, and NCAA Bylaw 15 guidelines, it appears that UT Austin has proper student-athlete financial aid controls in place, and is in compliance with NCAA regulations. No recommendations were necessary.

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

Sincerely,

Michael W. Vandervort, CPA
Director

c: Internal Audit Committee Members
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Mr. Steve Patterson, Athletic Director, Intercollegiate Athletics
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EXE C U T I V E S U M M A R Y

This audit was requested by Intercollegiate Athletics (Athletics) as a consulting engagement and was conducted as a part of our Fiscal Year 2014 Audit Plan.

The scope of this audit included the policies, procedures, and controls in place during the 2013-2014 academic year. The specific audit objectives were to identify and evaluate The University of Texas at Austin’s (UT Austin) policies and procedures used to calculate and monitor student-athlete financial aid in accordance with National Collegiate Athletic Association (NCAA) Bylaw 15.

Student-athlete financial aid is coordinated between Athletics and the Office of Student Financial Services (OSFS). These two groups work together to maintain a written operations manual that provides policies and procedures governing NCAA Bylaw 15 compliance. The financial aid coordinator within OSFS is responsible for obtaining, creating, and completing necessary documentation to demonstrate compliance with NCAA Bylaw 15.

Based on the completed questionnaire, limited testing, a review of UT Austin policies and procedures, correspondence, and NCAA Bylaw 15 guidelines, it appears that UT Austin has proper student-athlete financial aid controls in place, and is in compliance with NCAA regulations regarding student-athlete financial aid. No recommendations were necessary.
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 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.” The operating bylaws consist of legislation, adopted by the membership, to promote the principles enunciated in the constitution and to achieve the NCAA purposes. NCAA Bylaw 15, which comprises the financial aid legislation, was the basis of this audit.

Student-athlete financial aid is coordinated between Intercollegiate Athletics (Athletics) and the Office of Student Financial Services (OSFS). These two groups work together to maintain a written operations manual that provides policies and procedures governing NCAA Bylaw 15 compliance. The financial aid coordinator within OSFS is responsible for obtaining, creating, and completing necessary documentation to demonstrate compliance with NCAA Bylaw 15.

Internal Audits (IA) reviewed financial aid awarded during the 2013-2014 academic year for football, women’s basketball, men’s track & field, and women’s track & field. OSFS awarded these student-athletes a total of $3,856,820 in financial aid; this total includes tuition (in-state and out-of-state), fees, books, and room and board.

This audit was requested by Athletics as a consulting engagement and was conducted as a part of our Fiscal Year 2014 Audit Plan.

SCOPE, OBJECTIVES, AND PROCEDURES

The scope of this review includes the policies, procedures, and controls that were in place during the 2013-2014 academic year. The specific audit objectives were to identify and evaluate UT Austin’s policies and procedures used to calculate and monitor student-athlete financial aid in accordance with NCAA Bylaw 15.

To achieve these objectives, IA:

- Reviewed the 2013-2014 NCAA Division I Manual;
- Surveyed via questionnaire to gain an understanding of Athletics and OSFS policies and procedures for student-athlete financial aid;
- Conducted limited testing to verify compliance with NCAA Bylaw 15; and
- Clarified follow-up issues 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*.

The remainder of this report presents detailed observations.

**AUDIT RESULTS**

Based on the audit procedures performed, it appears that Athletics and OSFS are in compliance with NCAA Bylaw 15 rules and regulations. Audit results were generated by:

- Identifying all responsible parties in the financial aid process and all educational efforts on NCAA Bylaw 15;
- Confirming that written policies and procedures are in compliance with NCAA Bylaw 15 including the requirement for a complete squad list for each team;
- Testing samples of student-athletes for compliance with NCAA Bylaw 15 legislation regarding outside awards, renewed and reduced aid, letters of intent, and eligibility requirements;
- Testing a sample of student-athletes' individual maximum limits on financial aid to confirm that aid was not awarded in excess of the full grant-in-aid, and dining table meals and summer aid were issued according to NCAA guidelines; and
- Testing the maximum institutional grant-in-aid limitations by reviewing equivalency sports (men’s and women’s track & field) and head count sports (football and women’s basketball) to confirm student-athletes are correctly accounted for with regard to financial aid.

**CONCLUSION**

Based on the completed questionnaire, limited testing, a review of UT Austin policies and procedures, correspondence, and NCAA Bylaw 15 guidelines, it appears that UT Austin has proper student-athlete financial aid controls in place, and is in compliance with NCAA regulations regarding student-athlete financial aid. No recommendations were necessary.