



UNIVERSITY OF
TEXAS
ARLINGTON

NCAA COMPLIANCE AUDIT: ELIGIBILITY

NOVEMBER 29, 2017

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MEMORANDUM

TO: Dr. Vistasp Karbhari
President

FROM: Dana J. Nuber *djn*
Interim Chief Audit Executive

Omar Elsaad
Senior Auditor II

DATE: November 29, 2017

SUBJECT: **FY 2017 Audit Plan Engagement:**
NCAA Compliance Audit: Eligibility Report Dated November 29, 2017

EXECUTIVE SUMMARY

There were no reportable findings noted in this engagement.

We have completed the NCAA Compliance Audit: Eligibility included in our Fiscal Year 2017 Audit Plan. The objective for this engagement was to provide assurance that the University is in compliance with the NCAA 2015-16 Division I Manual, Bylaws: Article 12, *Amateurism and Athletics Eligibility*, and Article 14, *Eligibility: Academic and General Requirements*.

Based on the audit procedures performed, overall, we determined that the University complied with the NCAA Bylaws, Articles 12 and 14 above, and we noted no exceptions to the eligibility requirements during the audit. Additionally, management is effectively monitoring eligibility determination activities to mitigate the risks of violating any NCAA Division I guidelines.

We appreciate the courtesy and cooperation we received from the Athletics Department staff throughout this audit.

MEMORANDUM: November 29, 2017

SUBJECT: NCAA Compliance Audit: Eligibility Report Dated November 29, 2017

cc: Jean Hood, Vice President for Human Resources, UT Arlington
Jennifer Chapman, Executive Director, University Compliance Services, UT Arlington
Jim Baker, Director of Athletics, UT Arlington
Debbie Garcia, Executive Senior Associate Director of Athletics/ Senior Woman Administrator, UT Arlington
Mishael Berger, Associate AD for Eligibility and Certification, UT Arlington

Institutional Audit Committee Voting Members:

Chairman: Randal Rose, Managing Director, JP Morgan Chase
Brian Gutierrez, Vice Chancellor for Finance and Administration, Texas Christian University
Stephen Frimpong, Vice President, Internal Audit, Kimberly-Clark Corporation
Teik Lim, Provost and Vice President for Academic Affairs, UT Arlington
Kelly Davis, Chief Financial Officer and Vice President, UT Arlington
John Hall, Vice President for Administration and Campus Operations, UT Arlington
Chandra Subramaniam, Interim Dean, College of Business, UT Arlington

BACKGROUND INFORMATION

The National Collegiate Athletic Association (NCAA) governs all aspects of intercollegiate sports, and participating institutions must comply with its bylaws and legislations. The purpose of the National Collegiate Athletic Association (NCAA) is to maintain intercollegiate athletics as an integral part of the educational program and the athlete as an integral part of the student body and, by so doing, retain a clear line of demarcation between intercollegiate athletics and professional sports (2015-16 NCAA Division I Manual, Article 1.3.1 – note that further references to the NCAA manual will indicate the Article number only).

Based on this premise, legislation governing the conduct of intercollegiate athletic programs of member institutions shall apply to basic athletics issues such as admissions, financial aid, eligibility and recruiting. Member institutions shall be obligated to apply and enforce this legislation, and the infractions process of the NCAA shall be applied to an institution when it fails to fulfill this obligation (Article 1.3.2).

The specific principle of the NCAA governing eligibility states that eligibility requirements shall be designed to assure proper emphasis on educational objectives, to promote competitive equity among institutions, and to prevent exploitation of student-athletes (Article 2.12).

The University holds a membership in the NCAA Division I and competes as a member of the Sun Belt Conference. The University is committed to the purposes and principles set forth by these two organizations and, as such, has adopted various mechanisms including audit engagements and monitoring programs, to ensure compliance with the NCAA requirements. These mechanisms serve as a basis for evaluating the effectiveness of the athletics program at UT Arlington.

Per NCAA guidance for Division I Institutions and based on highest risk consideration, the Office of Internal Audit (Internal Audit) annually performs a compliance audit of one of the three more complex areas of the athletic program (i.e. recruiting, student financial aid and eligibility) on a rotating basis.

OBJECTIVES

To provide assurance that the University is in compliance with the NCAA regulations by establishing whether the Athletics Department has policies and procedures in place to determine and monitor student-athlete eligibility regarding:

1. General Eligibility Certification
2. Initial Eligibility Certification
3. Continuing and Transfer Eligibility Certification

CRITERIA

- NCAA 2015-16 Division I Manual, Bylaws:
 - Article 12, *Amateurism and Athletics Eligibility*,
 - Article 14, *Eligibility: Academic and General Requirements*
- Department of Intercollegiate Athletics, *Policy and Procedure Manual*

SCOPE AND METHODOLOGY

Scope: Athletics Department's responsibility for determining, certifying and monitoring of general, initial, continuing, and transfer eligibility activities for FY 2016. Internal Audit selected three sports from the Intercollegiate Athletics program for review and testing: Men's Baseball, Women's Softball and Women's Basketball.

Methodology: We utilized the Association of College and University Auditors NCAA Division I Compliance Audit Guide and comprehensive audit program and the following techniques to support our verification and validation:

- Interviewed key personnel from the Athletics Department;
- Reviewed available policies/procedures that govern eligibility;
- Reviewed a sample of sports teams to determine completeness of squad lists and to verify whether proper eligibility documentation is maintained for each of the team members;
- Reviewed a sample of student-athletes to:
 - verify eligibility documentation and accuracy of information
 - assess existing processes of verifying and monitoring eligibility activities

AUDIT RESULTS

Objective 1 General Eligibility:

Per NCAA Bylaw, *Article 14.01.1*, an institution shall not permit a student-athlete to represent it in intercollegiate athletics competition unless the student-athlete meets all applicable eligibility requirements, and the institution has certified the student-athlete's eligibility.

To determine whether the Athletics Department complied with general eligibility requirements, Internal Audit identified and verified the following without exception:

- Individuals with primary responsibility for determination and monitoring student-athletes eligibility have their responsibilities reflected in their job descriptions;
- Final eligibility certification for each student-athlete eligibility is completed by the University Institutional Representative to the NCAA;

- The University has an Athletics Council, an oversight committee, who monitors the intercollegiate athletics compliance program including student-athlete eligibility and certification;
- The Athletics Department has an internal policy and procedure manual that complies with NCAA regulations to govern the student-athlete eligibility.

We determined that the sample of student-athletes tested met the NCAA general eligibility requirements, without exception, by verifying that the student-athletes:

- who competed in FY 2016 were all on their relative squad lists;
- Statement and Drug-Testing Consent Forms were completed by the student-athlete prior to participating in any competition;
- admitted to the institution met the criteria assigned;
- were within the NCAA prescribed number of seasons of eligibility based on their initial eligibility status;
- with exhausted eligibility status did not compete in FY 2016.

Objective 2 Initial Eligibility:

The initial eligibility rules apply to freshman student-athletes. A prospective student-athlete who becomes immediately eligible for financial aid, practice and competition upon initial enrollment is called a “qualifier.” A student who does not satisfy the requirements to be a “qualifier” is called a “non-qualifier.” UT Arlington does not recruit “non-qualifiers.” To meet initial eligibility, the student-athlete must meet the academic requirements outlined in the NCAA regulations and be certified by the NCAA Eligibility Center. For a freshman, the NCAA Eligibility Center provides the official document of certification of eligibility (NCAA Bylaw, *Article 14.3.1*).

Internal Audit tested a sample of freshmen student-athletes from the three sports programs noted previously. We reviewed the eligibility documentation and verified the following without exception:

- The initial-eligibility report was obtained from the NCAA Eligibility Center for each student-athlete and the eligibility certification was completed prior to the student-athlete’s first competition;
- The eligibility status for each student-athlete selected was as qualifier and all met the NCAA’s eligibility requirements.

Objective 3 Continuing and Transfer Eligibility:

Continuing Eligibility:

Student-athletes who are entering second thru fifth year of collegiate enrollment must meet specific academic standards for continuing eligibility such as percentage of credit hours earned, GPA maintained and declaration of degree program.

From the three sports programs noted previously, Internal Audit judgmentally selected a sample of student-athletes: who first enrolled after August 1, 2008; who completed at least one academic year at the institution; and used at least one season of eligibility in a sport at the University. We examined the information documented in the squad lists, eligibility verification forms and other supporting documents in addition to information in MyMav, a web-based student information system, and verified that the NCAA continuing eligibility requirements were met without exception.

Transfer Eligibility:

A transfer student-athlete is required to complete one full academic year of residence at the University before being eligible to compete, unless the student satisfies the applicable NCAA transfer exception requirements of NCAA Bylaw, *Article 14.5.1*.

Internal Audit selected a judgmental sample of student-athletes transferred to the University during FY 2016 as follows: nine from a two-year college, three “4-2-4” college transfers, and one from a four-year college. The 4-2-4 college transfer is a student who transfers from a four-year college to a two-year college and then to the certifying institution.

We determined that the student-athletes tested met the NCAA transfer eligibility requirements, without exception, by reviewing the eligibility documentation and verifying that:

- Student-athletes:
 - satisfied the transfer exception requirements to be eligible to compete;
 - were within their NCAA prescribed number of seasons of eligibility to compete based on their initial enrollment date;
 - had declared a program of study leading toward a specific degree if they had entered their third year of college.
- Release forms from the student-athletes’ prior institutions granting permission to contact and the NCAA granted waivers were obtained and retained.

CONCLUSION

There were no reportable finding noted in this engagement.

Based on the audit procedures performed, overall, we determined that the University complied with the NCAA Bylaws, Articles 12 and 14 above, and we noted no exceptions to the eligibility requirements during the audit. Additionally, management is effectively monitoring eligibility determination activities to mitigate the risks of violating any NCAA Division I guidelines.

Our examination was conducted in accordance with guidelines set forth in the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*. These *Standards* set criteria for internal audit departments in the areas of independence, professional proficiency, scope and performance of audit work, and management of the internal auditing department. UT System policy UTS 129 titled "Internal Audit Activities" requires that we adhere to the *Standards*.

We appreciate the courtesy and cooperation we received from the Athletics Department staff throughout this audit.