

The University of Texas
Rio Grande Valley™

NCAA Compliance-Recruiting Audit

Report No. 17-RBA-015

January 5, 2018

Office of Audits & Consulting Services

January 5, 2018

Dr. Guy Bailey, Founding President
The University of Texas Rio Grande Valley
1201 West University Drive
Edinburg, Texas 78539

Dear Dr. Bailey,

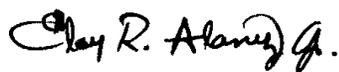
The Office of Audits & Consulting Services has completed the NCAA Compliance-Recruiting Audit as part of our fiscal year 2017 Audit Plan. The audit objective was to evaluate Athletics' recruiting processes and procedures for compliance with the NCAA bylaws. The audit focused on prospective student-athlete (PSA) recruiting activity for fiscal year 2016, and procedures were performed to satisfy the audit objective.

This audit was conducted in accordance with The University of Texas System's (UTS) Policy 129 *Internal Audit Activities*, the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing (Standards)* and *Generally Accepted Government Auditing Standards (GAGAS)*. The *Standards and GAGAS* set criteria for internal audit departments in the areas of independence, professional proficiency, scope and performance of audit work, and management of audits. We are required to adhere to these *Standards* and UTS 129.

Overall, Athletics complied with *NCAA Bylaw, Article 13 Recruiting*. However, the Athletics Compliance Office (ACO) needs to strengthen its monitoring of recruiting activities, ensure that the JumpForward recruiting software is consistently used and that the *UTRGV Athletics Compliance Policies and Procedures Manual* is consistently followed.

We appreciate the assistance provided by UTRGV's Athletics staff throughout the audit.

Sincerely,



Eloy R. Alaniz, Jr., CPA, CIA, CISA
Chief Audit Officer

cc: Mr. Chris King, Athletics
Ms. Farrah Manthei, Senior Associate Athletic Director for Student Services
UTRGV Internal Audit Committee
UT System Audit Office
Governor's Office of Budget, Planning and Policy
Sunset Advisory Commission
State Auditor's Office
Legislative Budget Board

Office of Audits and Consulting Services
.....

The Woods, 140 utrgv.edu One West University Blvd. Brownsville, Texas 78520 (956) 882-7023	CHUR, 1.101 1201 West University Blvd. Edinburg, Texas 78539 (956) 665-2110
---	--

Table of Contents

<i>EXECUTIVE SUMMARY</i>	<i>2</i>
<i>BACKGROUND</i>	<i>3</i>
<i>AUDIT OBJECTIVE</i>	<i>4</i>
<i>AUDIT SCOPE & METHODOLOGY</i>	<i>4</i>
<i>AUDIT RESULTS</i>	<i>4</i>
<i>CONCLUSION</i>	<i>9</i>

EXECUTIVE SUMMARY

The University of Texas Rio Grande Valley (UTRGV) Department of Intercollegiate Athletics (Athletics) supports and complements the educational mission of the institution by providing student-athletes the academic resources to obtain their baccalaureate degrees while participating in athletics competition as a Division I member of the National Collegiate Athletic Association (NCAA) and the Western Athletic Conference. Athletics is responsible for the operation of the Men's and Women's Intercollegiate Athletics Program, which includes sixteen sports.

The NCAA has numerous bylaws that must be followed when conducting recruiting activities both on and off campus. The bylaws create an equitable recruiting environment that promotes student-athlete well-being. The bylaws also define who may be involved in the recruiting process, when recruiting may occur and the conditions under which recruiting may be conducted.

The objective of this audit was to evaluate Athletics' recruiting processes and procedures for compliance with the NCAA bylaws. The audit focused on prospective student-athlete (PSA) recruiting activity for fiscal year 2016, and procedures were performed to satisfy the audit objective.

The Assistant Athletic Director for Compliance left Athletics in December 2016 and a new person will assume this role November 28, 2017. During this time period, the duties were distributed amongst the Senior Associate Athletic Director for Student Services/Senior Woman Administrator and the Compliance Coordinator.

Overall, Athletics complied with *NCAA Bylaw, Article 13 Recruiting*. However, the Athletics Compliance Office (ACO) needs to strengthen its monitoring of recruiting activities, ensure that the JumpForward recruiting software is consistently used and that the *UTRGV Athletics Compliance Policies and Procedures Manual* is consistently followed.

BACKGROUND

The vision of the Department of Intercollegiate Athletics (Athletics) is to become the standard of Division I college athletics as a nationally recognized program excelling at the highest level of competition while preparing student-athletes for excellence in life. Athletics is responsible for the operation of the Men’s and Women’s Intercollegiate Athletics Program, which includes sixteen sports.

As a member of the NCAA, the institution and the student-athlete must abide by various rules set by the NCAA administration office and provided in the NCAA manual. *Bylaw, Article 13, Recruiting* details the rules and regulation for recruiting a student-athlete. The purpose of NCAA recruiting legislation is to balance the interests of the prospect being recruited and the interests of the NCAA member institution that is attempting to gain the enrollment of the prospect.

The NCAA defines recruiting as any solicitation of a prospective student-athlete (PSA) or their relatives by an institutional staff member or by a representative of the institution’s athletics interests for the purpose of securing enrollment and ultimate participation in the institution’s athletics program.

The following table represents the recruiting costs reported in the Statement of Revenues and Expenses for each sport during FY 2016:

Sport	FY 2016
Men’s Basketball	\$83,502
Women’s Basketball	\$22,547
Men’s Baseball	\$31,994
Women’s Volleyball	\$12,294
Men’s Tennis	\$3,609
Women’s Tennis	\$4,510
Men’s Golf	\$979
Women’s Golf	\$5,223
Men’s Soccer	\$19,406
Women’s Soccer	\$15,358
Men’s Cross Country/Track & Field	\$776
Women’s Cross Country/Track & Field	\$2,428
Non-Program Specific	\$259
Total Expenditures	\$202,885

AUDIT OBJECTIVE

The objective of the NCAA Compliance Recruiting audit was to evaluate Athletics' recruiting processes and procedures for compliance with NCAA bylaws.

AUDIT SCOPE & METHODOLOGY

The Association of College and University Auditor's (ACUA) *Guide to Audits of NCAA Athletics Compliance Comprehensive Program* was used in performing the audit. Compliance references included the *2015-2016 NCAA Division I Manual*. The *UTRGV Compliance Policies and Procedures Manual* was also referenced; it functions to assist employees with compliance related tasks.

We tested four sports - men's basketball, men's baseball, women's volleyball, and women's basketball. The scope of the audit was UTRGV's Athletics recruiting activities for fiscal year 2016, and procedures were performed to satisfy audit objective.

This audit was conducted in accordance with The University of Texas System's (UTS) Policy 129 *Internal Audit Activities*, the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing (Standards)* and *Generally Accepted Government Auditing Standards (GAGAS)*. The *Standards and GAGAS* set criteria for internal audit departments in the areas of independence, professional proficiency, scope and performance of audit work, and management of audits. We are required to adhere to these *Standards* and UTS 129.

AUDIT RESULTS

Compliance Education and JumpForward

Educational efforts on NCAA legislation undertaken by Athletics are identified in the *UTRGV Department of Intercollegiate Athletics Compliance Policies and Procedures Manual*. This manual includes departmental recruiting policies.

Rules education is an integral part of the Athletics Compliance Office (ACO). The Director of Athletics, Faculty Athletic Representative, Senior Associate Athletic Director for Student Services/Senior Woman Administrator, and the Compliance Coordinator share the responsibility of overseeing rules-education efforts. A variety of methods are used to educate coaches, staff, faculty, student-athletes, representatives of athletics interests and fans. One of those is that Athletics conducts an annual Compliance Orientation with their staff at the beginning of every academic year to educate their coaching staff on NCAA legislation, in all areas including

recruiting. The educational materials include references to the appropriate NCAA bylaws and adequately educate the coaches on the compliance requirements that are related to recruiting activities.

The ACO uses the JumpForward software and the NCAA Eligibility Center to monitor NCAA recruiting rules compliance. The JumpForward software includes a compliance recruiting database. It monitors contacts, evaluations, calls, emails and texts. All coaches are required to install the Jumpforward app on their phone and use it to track recruiting activities.

Off-Campus Recruiting

We identified all institutional staff members who were authorized as off-campus recruiters and determined that they had successfully completed the NCAA annual certification. We obtained copies of the individual NCAA tests for the coaches permitted to recruit off-campus for the 4 sports selected for testing.

Recruiting logs should be maintained in the JumpForward software. Based on testing, appropriate expense documentation was submitted to the Athletics Business Office following the recruiting trips. However, we noted that supporting documentation for recruitment activity is not consistently submitted to the ACO to ensure compliance with NCAA Bylaws and the *UTRGV Department of Intercollegiate Athletics Compliance Policies and Procedures Manual*. This was evident in two tests conducted.

General Recruiting Activities Test:

- 6 out of 10 recruiting trips were not recorded in the JumpForward recruiting program
- 3 out of 10 recruiting trips did not have all of the required signatures on the Application for Official Travel form and 1 of the 10 did not have the form
- ACO does not receive lists of all participants observed for evaluations during tournaments nor do they receive any team rosters.

Contacts/Evaluations Test:

- 1 of the 8 prospects was not recorded in the JumpForward recruiting system and therefore we were unable to verify if the contact and evaluation was appropriate. All others tested occurred during the appropriate periods.

The ACO uses the Jumpforward recruiting software to document monitoring of the off-campus recruiting conducted by the coaches. However, the report being used does not indicate the approval date of the trip and the trip is not matched to the Application for Official Travel Form.

Recommendations:

1. The ACO should ensure all recruiting activities are recorded in the JumpForward software system. By recording all recruiting activities into the system, the JumpForward software can account for all recruiting activities and assist in monitoring NCAA compliance.
2. The ACO should ensure that the recruiting logs are updated to include the approval of the trip and that the log is reconciled to the Applications for Official Travel forms. This will help ensure the accuracy of the information and will also help monitor the number of coaches recruiting at one time.
3. The ACO should ensure that all the required signatures on the Application for Official travel are obtained.
4. The ACO should ensure supporting documentation for off-campus recruiting at Tournaments/Competitions is submitted after the recruiting trip to properly document the number of contacts/evaluations.

Management's Responses:

The new Associate Athletic Director for Compliance will ensure adherence to institutional and NCAA compliance rules and regulations. The ACO will audit monthly all recruiting records in the JumpForward software system. All Official Visit/Unofficial Visit forms will be automated electronically with a workflow to ensure all required parties are included in the approval process.

Implementation Dates:

October 1, 2017

Telephone Call Summaries

The ACO relies on the coaches to record the initial contact and monitors any exceptions noted in the JumpForward program to indicate a PSAs' initial recruitment.

Recommendation:

5. The ACO should ensure that all initial telephone calls are recorded in JumpForward recruiting system to monitor compliance with bylaws for telephone calls.

Management's Response:

The NCAA legislation in regards to telephone legislation has been deregulated significantly in the last few years. The ACO will educate the coaching staff on the importance of tracking the first recruiting contact and telephone communication with all PSAs. The ACO will also send recruiting calendar email reminders to coaches to ensure adherence to applicable telephone and recruiting contact legislation. The ACO will run monthly reports to audit this institutional policy.

Implementation Date:

Immediately

Recruiting Materials

NCAA Bylaws 13.4 Recruiting Materials prohibits providing recruiting materials, including general correspondence related to Athletics, to an individual until September 1 at the beginning of his or her junior year in high school and, in men's basketball, until June 15 at the conclusion of his sophomore year in high school. Currently, coaches do not submit lists of recruiting materials given to PSAs. The *UTRGV Compliance Policies and Procedures Manual* states that all recruiting materials must be pre-approved by the ACO prior to printing.

Recommendation:

6. The ACO should monitor recruiting materials provided to PSAs to ensure compliance with *Bylaw 13.4 Recruiting Materials* and *UTRGV Compliance Policies and Procedures Manual*.

Management's Response:

New proposed legislation potentially effective August 1, 2018 will eliminate *Bylaw 13.4* recruiting materials requirement. The ACO will monitor the implementation of this new legislation. The ACO will monitor all hard copies of the recruiting materials sent to PSAs per *NCAA Bylaw 13.4* until further notice.

Implementation Date:

Immediately

On-Campus Recruiting

On campus recruiting involves a PSA visit to the institution. There are two types of visits: official and unofficial. Only one official visit per PSA may be financed by the institution. A PSA may have several unofficial visits to campus at his or her own expense. The NCAA developed specific Bylaws for official on-campus visits, *13.6 Official (Paid) Visit* and unofficial visits, *13.7 Unofficial (Nonpaid) Visit*.

Official Visits

Based on testing, Athletics complied with NCAA bylaws for Official Visits. We selected a sample of 10 official visits with the largest expenditures based on accounts payable voucher amounts for the 4 sports selected for review. Lodging, meals, transportation and entertainment were provided on these official visits as allowed by NCAA bylaws.

Official Visits are currently monitored through JumpForward. Each visit is entered into the recruiting program by the coach. We obtained the Official Visits Summary for the 4 sports tested

and determined the official visits did not exceed the number of visits allowed per *Bylaw 13.6.2.6 Number of Official Visits*.

However, the ACO is not ensuring that all required supporting documentation such as the Official Paid Visit Prospect Declaration Form and Student Host Forms are completed and/or completed timely in accordance with the *UTRGV Compliance Policies and Procedures Manual*. We noted 1 of the 10 on campus visits was missing the Official Paid Visit Prospect Declaration Form. In addition, 4 out of the 5 Student Host Forms were signed after the official visit.

Recommendation:

7. The ACO should ensure that the Official Paid Visit Prospect Declaration Form and the Student Host Form are completed in accordance to the *UTRGV Compliance Policies and Procedures Manual* to assist in monitoring NCAA compliance.

Management's Response:

The ACO will audit monthly to ensure the Official Paid Visit Prospect Declaration Form and the Student Host Forms are completed in accordance to the *UTRGV Compliance Policies and Procedures Manual* to assist in monitoring. The ACO has electronically automated the Official Paid Visit Prospect Declaration. The Student Host form procedure has been updated to ensure compliant cash handling. All student hosts are required to review, sign and collect host monies from the Senior Associate Director for Business Operations instead of from a coach.

Implementation Date:

August 1, 2017

Unofficial Visits

We obtained the JumpForward documentation for Unofficial Visits for the 4 sports tested. The process for unofficial (nonpaid) visits is outlined in the *UTRGV Compliance Policies and Procedures Manual*. It states that "Coaches must fill out and forward the UTRGV Unofficial Visit Record Form to the ACO immediately following the PSAs visit. Both the coach and the PSA must sign."

The ACO was unable to provide the UTRGV Unofficial Visit Record Form for 1 of the 3 unofficial visits selected for testing. We reviewed FY16 Athletics financial transactions and determined that PSAs did not receive payments from UTRGV Athletics accounts in accordance with *Bylaw 13.7 Unofficial (Nonpaid) Visit*.

Recommendation:

8. The ACO should ensure that the “Unofficial Visit Record Forms” are completed in accordance to the *UTRGV Compliance Policies and Procedures Manual* to assist in monitoring NCAA compliance.

Management’s Response:

The additional staff member in compliance as well as the new electronic process and automation of the *Unofficial Visit Record Forms* will afford better record keeping and more efficient PSA tracking of unofficial visit record forms.

Implementation Date:

October 1, 2017

CONCLUSION

Overall, Athletics complied with *NCAA Bylaw, Article 13 Recruiting*. However, the ACO needs to strengthen its monitoring of recruiting activities, ensure that the JumpForward recruiting software is consistently used and that the *UTRGV Athletics Compliance Policies and Procedures Manual* is consistently followed.

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



Norma Ramos, CIA, CGAP
Director



Isabel Benavides, CIA, CGAP, CFE
Assistant Director