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# **Athletics Equipment**

## *Intercollegiate Athletics*

***July 2025***

**Office of Internal Audits**  
*UT Austin's Agents of Change*



**OFFICE OF INTERNAL AUDITS**  
**THE UNIVERSITY OF TEXAS AT AUSTIN**

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## Executive Summary

**Athletics Equipment**  
Intercollegiate Athletics  
Project Number: AUS25AS0001

### Audit Objective

The objective of this audit was to determine if Intercollegiate Athletics (Athletics) has effective controls for managing sports apparel and equipment, including Nike apparel and non-Nike equipment.

### Conclusion

Athletics has opportunities to strengthen equipment management policies and procedures to ensure they are aligned with established risk management thresholds and minimize the risk of equipment loss or theft.

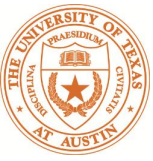
### Audit Observation<sup>1</sup>

Recommendation	Risk Level	Estimated Implementation Date
Inventory Risk Management	High	November 2025

### Engagement Team

Jason Boone, CFE, Auditor III  
Patrick McKinney, CIA, Director  
Anthony Orange, Auditor I

<sup>1</sup> The observation has been ranked according to The University of Texas System Administration (UT System) Audit Risk Ranking guidelines. Please see the last page of the report for ranking definitions.



## Detailed Audit Results

### Observation #1 Inventory Risk Management

Athletics' inventory management procedures do not fully align with established policies and may increase risks related to equipment and apparel beyond an acceptable level. Policy and procedure gaps include:

### Notable Practices

Equipment Operations uses an inventory system to track Nike equipment and apparel and ensures student-athletes' equipment and apparel needs are consistently met.

*Tracking of non-Nike equipment* – Athletics' inventory procedures only require tracking of Nike apparel items received as part of the contract with Nike. The Equipment Operations team tracks a few additional high-value items (e.g., football helmets); however, most equipment that Athletics purchases is not monitored.

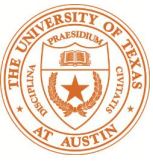
*Annual Inventory Inspection and Audit* – Policy requires an annual audit and inspection of Nike inventory; however, it does not establish an acceptable variance. Currently, if the Athletics Business Office is able to account for 80 percent of the sampled Nike inventory, the team/equipment room reviewed passes the inspection.

*Annual Distribution Audits* – Athletics has not seen the value in conducting annual audits of apparel and equipment distributed to student-athletes and staff given other enhanced controls in place. The distribution audits were not performed during Fiscal Years 2023 and 2024 as required by policy because of staff transitions. Responsibility for oversight of the distribution audits has transitioned to the Sports Administration team, which has begun the process for the current fiscal year.

*Equipment Room Access* – Access to equipment rooms is not restricted to authorized individuals, and there is not a documented process for periodically reviewing access. Policy restricts equipment room access from coaches, student managers, and other employees unless authorized by an equipment manager or Equipment Operations team member. We identified 31 individuals that had access to the Soccer/Track & Field equipment room, 26 to the Women's Tennis equipment room, and 87 to the Football equipment room. This included access granted to coaches, student managers, and some Athletics executive and administrative personnel. It is unclear if all individuals have a business function for their access.

*Deliveries Outside of North End Zone (NEZ)* – Athletics policy requires equipment and apparel to be delivered to the NEZ. Occasionally, equipment may need to be delivered offsite (e.g., team hotel) to ensure a student-athlete has the necessary equipment for competition. However, the policy does not allow for exceptions to NEZ delivery. We identified one instance of equipment delivered to a sports director of operation's personal residence without a documented business reason.

**Recommendation:** Athletics leadership should evaluate equipment management policies, procedures, and risk tolerance thresholds. Policies should be updated to align with leadership's



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established risk appetite, and appropriate procedures and controls should be implemented to enforce policy and minimize the risk of equipment loss, mismanagement, or theft.

**Management’s Corrective Action Plan:** The results of the audit will be reviewed with a workgroup comprised of representatives in Sport Administration, Equipment, Business Office, and Risk Management and Compliance. This workgroup will prepare recommendations for consideration by the Athletics Executive Risk Management Committee for their recommendations on policy enhancements to the Vice President and Athletics Director (AD). Following the AD’s approval, the policy will subsequently be updated and approved in accordance with the Athletics policy process.

**Responsible Person:** Executive Senior Associate Athletics Director for Sports Administration and the Assistant Athletics Director for Equipment Operations.

**Planned Implementation Date:** November 1, 2025

## Conclusion

Athletics has opportunities to strengthen equipment management policies and procedures to ensure they are aligned with established risk management thresholds and minimize the risk of equipment loss or theft.

**Table: Controls Assessment**

Audit Objective	Controls Assessment
Determine if Athletics has effective controls for managing sports apparel and equipment, including Nike apparel and non-Nike equipment.	Generally Effective with High-Risk Opportunities

## Scope, Objectives, and Methodology

This audit was conducted in conformance with The Institute of Internal Auditors’ Global Internal Audit Standards. Additionally, we conducted the audit in accordance with Generally Accepted Government Auditing Standards and meet the independence requirements for internal auditors. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions on our audit objectives.

The scope of the engagement includes current equipment controls and processes that Athletics manages centrally, as well as those specific to the following teams: Football, Baseball, Men’s Swimming, Women’s Tennis, Soccer, and Track and Field.



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Specific audit objectives and the methodology to achieve the objectives are outlined in the table below.

**Table: Objectives and Methodology**

Audit Objective	Methodology
Determine if Athletics has effective controls for managing sports apparel and equipment, including Nike apparel and non-Nike equipment.	<ul style="list-style-type: none"><li>• Reviewed equipment and apparel management processes and related controls.</li><li>• Conducted walkthroughs of equipment rooms to verify controls effectiveness.</li><li>• Reviewed whether individuals with access to equipment rooms and the inventory system were appropriate.</li><li>• Determined reasonableness of equipment issued to a sample of student-athletes.</li><li>• Tested a sample of Nike orders to verify appropriate controls are in place.</li><li>• Reviewed annual inventory and distribution audit processes.</li></ul>

### Criteria

- UT Austin Athletics Handbook of Equipment and Operating Procedures
- UT Austin Athletics Equipment Operations and Audit Policy
- NCAA Bylaws
  - Bylaw 13, *Recruiting*
  - Bylaw 16, *Awards, Benefits and Expenses for Enrolled Students*



## Observation Risk Ranking

Audit observations are ranked according to the following definitions, consistent with UT System Audit Office guidance.

Risk Level	Definition
Priority	If not addressed immediately, has a high probability to directly impact achievement of a strategic or an important operational objective of The University of Texas at Austin (UT Austin) or the UT System as a whole.
High	Considered to have a medium to high probability of adverse effects to UT Austin either as a whole or to a significant college/school/unit level.
Medium	Considered to have a low to medium probability of adverse effects to UT Austin either as a whole or to a college/school/unit level.
Low	Considered to have minimal probability of adverse effects to UT Austin either as a whole or to a college/school/unit level.

In accordance with directives from UT System Board of Regents, Internal Audits will perform follow-up procedures to confirm that audit recommendations have been implemented.

## Report Submission

We appreciate the courtesies and cooperation extended throughout the audit.

Respectfully Submitted,

Sandy Jansen, CIA, CCSA, CRMA, Chief Audit Executive

## Distribution

Mr. James E. Davis, Interim President

Ms. Nancy Brazzil, Deputy to the President

Ms. Sarah Baumgartner, Executive Senior Associate Athletics Director, Sports Administration

Mr. Chris Del Conte, Vice President and Lois and Richard Folger Athletics Director

Ms. Lori Hammond, Senior Associate Athletics Director, Athletics Risk Management and Compliance Services

Ms. Christine Plonsky, Executive Senior Associate Athletics Director, Chief of Staff/SWA

Ms. Christy Sobey, Director of President's Office Operations

UT Austin Institutional Audit Committee

UT System Audit Office

Legislative Budget Board

Governor's Office

State Auditor's Office