



Internal Audit Department

NCAA Compliance

**March 2017
Report Number FY 17-05**

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Northern Arizona University
NCAA Compliance Audit
Audit Report
March 22, 2017

Summary

Our audit of compliance with NCAA regulations by Athletics is in our Annual Audit Plan for FY 2017, as approved by the Audit Committee of the Arizona Board of Regents. This audit links to Northern Arizona University's strategic goals of student success and sustainability and effectiveness and is part of an ongoing cycle of periodic compliance audits performed on selected areas within Athletics. Previously, the NCAA required every Division I institution to have its athletics rules-compliance program evaluated at least every four years by an authority outside of the athletics department. That requirement was discontinued when the Athletics Certification Program was replaced with the Institutional Performance Program (IPP). To fill the gap not currently served by IPP the Committee on Institutional Performance determined a regular review of rules compliance designed to help schools improve is essential to the success of athletic departments.

Background: Currently, Athletics is comprised of approximately 350 student-athletes, 72 full-time employees and 64 part-time and student personnel. NAU sponsors 15 NCAA Division I athletic programs which compete as members of the Big Sky Conference and Western Athletic Conference. NAU is one of 125 members of the Football Championship Subdivision of Division I and participates in fifteen Division I sports:

Men's Teams

- Basketball
- Cross Country
- Football
- Tennis
- Indoor Track and Field
- Outdoor Track and Field

Women's Teams

- Basketball
- Cross Country
- Golf
- Soccer
- Swimming and Diving
- Tennis
- Indoor Track and Field
- Outdoor Track and Field
- Volleyball

Athletic facilities used for practice and competition include the J. Lawrence Walkup Skydome (Football, Men's and Women's Basketball, Men's and Women's Indoor Track and Field), Aquatic and Tennis Complex (Swimming and Diving, Men's and Women's Tennis), J.C. Rolle Activity Center (Volleyball, Men's and Women's Basketball), Max Spilsbury Field at Lumberjack Stadium (Soccer, Men's and Women's Outdoor Track and Field), several golf courses in Northern Arizona and the Track and Field Throws Facility.

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The core goals of Athletics are:

- Provide student-athletes with an exceptional experience culminating in graduation;
- Compete for Big Sky and WAC Championships while operating with integrity;
- Bring positive national exposure to NAU and the NAU community; and
- Provide NAU fans, alumni and supporters a place to unite and connect to the institution and celebrate NAU.

During the 2016-17 school year, the men's cross country team won the NCAA national championship and was recognized as Scholar Team of the Year by the United States Track & Field and Cross Country Coaches' Association. During the 2016-17 academic year, the Lumberjack men and women were the cross country and indoor track and field champions of the Big Sky Conference and Northern Arizona swimming and diving teams won their fourth straight Western Athletic Conference championship. During the 2015-16 school year, the athletic department won seven conference championships, including the Women's Volleyball team capturing the 2015 Big Sky Volleyball Championship. The Lumberjacks earned Big Sky Presidents' Cups in 2012-13 and 2013-14. The Presidents' Cup is awarded based on academic achievement of student-athletes at Big Sky institutions as well as athletic performance.

NAU finished with a department-wide 3.12 cumulative GPA for the 2015-16 academic year. A total of 123 Northern Arizona student-athletes from all sports were named to the Big Sky Conference and Western Athletic Conference All-Academic team. A total of 59 student-athletes received their degrees for academic year 2015-16, 15 student-athletes received their degrees in Fall 2016 and approximately 36 student-athletes are expected to receive their degrees in Spring 2017.

Each Lumberjack student-athlete is required to complete a minimum of ten hours of community service each academic year, with the departmental goal of contributing 4,500 hours of service in Northern Arizona. They exceeded that goal by logging 5,428 services hours during FY16. The most recent service event was on Dr. Martin Luther King, Jr. Day when Lumberjack student-athletes, coaches and administrators made bag lunches at a food kitchen, prepared meals for the homeless, cleaned neighborhood streets, installed smoke alarms, sorted donations and visited with Flagstaff youth. During the academic year, Northern Arizona University student-athletes provide community services hours through the following events:

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- Welcome Back Jacks
- Special Olympics
- MLK Jr. Day of Service
- National Girls & Women's Sports Day
- Red Ribbon Week
- Student-Athlete for a Day
- Make a Difference Day
- Operation Christmas Child

The NCAA governs all aspects of intercollegiate sports, and participating institutions must comply with its bylaws and legislation. In FY 2015, Internal Audit reviewed Financial Aid, Governance and Organization, Student-Athlete Employment and Playing and Practice Seasons. In FY 2016, Internal Audit reviewed Eligibility, Investigations and Self-Reporting of Rules Violations, Rules Education and Commitment of Personnel to Rules-Compliance Activities.

The Athletics Compliance Office, with a staff of two, is responsible for ensuring compliance with NCAA and Big Sky rules and regulations. To help in this endeavor, Athletics utilizes Compliance Assistant (CA) and JumpForward software. As part of their NCAA membership, the NCAA provides the Compliance Assistant to help the Compliance Office ensure that the athletics department and student-athletes are in compliance with NCAA legislation. CA enables monitoring of financial aid, eligibility, recruiting, athletics personnel and playing and practice seasons. Athletics primarily uses it to maintain squad lists and monitor financial aid by calculating equivalency percentages. The equivalency percentage is calculated by dividing the amount received by the student-athlete (up to the value of a full grant-in-aid) by the full grant-in-aid value for that student-athlete based on the actual cost or average cost of a full grant for all students at NAU.

JumpForward is a web-based tool that offers convenient paperless reporting to facilitate NCAA compliance. Athletics uses JumpForward to monitor practice, phone and recruiting logs, track complimentary admissions, approve and monitor official and unofficial visits, maintain team rosters, track communication with prospects and current student-athletes, monitor camps, create and customize numerous compliance forms, monitor student-athlete employment, track coach roster designations, monitor eligibility and to store documents.

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Audit Objectives: The objectives of the compliance audit were to:

- determine whether Athletics is maintaining proper documentation to establish compliance with NCAA legislation governing off-campus and on-campus recruiting activities and whether the department is in compliance with these recruiting regulations;
- establish whether Athletics has policies and procedures in place to gather and submit academic data under the NCAA's Academic Performance Program;
- determine whether Athletics maintains a system adequate to establish compliance with NCAA bylaws governing sport camps and clinics;
- determine whether the institution has controls to monitor and account for athletic equipment and apparel for student-athletes as required by NCAA legislation, and to ensure that prospects are not receiving and student-athletes are not retaining athletic equipment and apparel unless permitted;
- determine whether Athletics policies and procedures, and practices are in compliance with NCAA legislation governing complimentary admissions and ticket benefits;
- determine whether student-athlete vehicles are effectively monitored by Athletics;
- determine whether Athletics has controls in place to monitor and control team travel expenses and whether team travel activities meet NCAA standards;
- determine whether the institution maintains adequate control over known groups representing the institution's athletics interests and that they comply with applicable NCAA legislation, and;
- determine whether Athletics maintains and adequately monitors compliance with NCAA bylaws governing amateurism.

Scope: The scope of our audit included a review of documents and system reports supporting transactions that occurred from Fall 2015 to Spring 2016, as well as current practices and procedures.

Methodology: Our audit procedures were based on audit programs in the Association of College and University Auditor's NCAA Division I Compliance Audit Guide, dated October 7, 2015. The guide contains a basic audit program and a comprehensive audit program for each possible area of review. We chose to use the comprehensive audit program for recruiting, a critical area of compliance for Athletics, and to use the basic audit programs for the academic performance program, camps and clinics, extra benefits and amateurism.

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Conclusion: Athletics complies with NCAA Bylaws governing Recruiting, Academic Performance Program, Camps and Clinics, Extra Benefits and Amateurism.

The audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*.

Observations: We noted:

- Effective Summer 2017, the system used to track equipment and apparel will be used to not only issue non-expendable items, but to accept it back into the system to accurately track the physical movement of inventory.
- Forms that will effectively and efficiently monitor camps and clinics will be incorporated into JumpForward effective for Summer 2017 camps and clinics.

The control standards we considered during this audit and the status of the related control environment are provided in the following table.

| General Control Standard (The bulleted items are internal control objectives that apply to the general control standards, and will differ for each audit.) | Control Environment | Recommen- dation No. | Page No. |
|--|--|-------------------------|-------------|
| Recruiting | | | |
| <ul style="list-style-type: none"> • Athletics is maintaining proper documentation to establish compliance with NCAA legislation governing off-campus recruiting activities | Reasonable to Strong Controls in Place | | |
| <ul style="list-style-type: none"> • Athletics is maintaining proper documentation to establish compliance with NCAA legislation governing on-campus recruiting activities | Reasonable to Strong Controls in Place | 1 | 7 |
| Academic Performance Program | | | |
| <ul style="list-style-type: none"> • Athletics has policies and procedures in place to gather and submit academic data required under the NCAA's Academic Performance Program | Reasonable to Strong Controls in Place | | |
| Camps and Clinics | | | |

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| General Control Standard (The bulleted items are internal control objectives that apply to the general control standards, and will differ for each audit.) | Control Environment | Recommendation No. | Page No. |
|---|--|--------------------|----------|
| <ul style="list-style-type: none"> Adequate controls and policies ensure NAU is complying with NCAA legislation in this area | Reasonable to Strong Controls in Place | | |
| Extra Benefits | | | |
| <ul style="list-style-type: none"> NAU has controls to monitor and account for athletics equipment and apparel for student-athletes | Reasonable to Strong Controls in Place | | |
| <ul style="list-style-type: none"> Policies, procedures and practices are in compliance with NCAA legislation governing complimentary admissions and ticket benefits | Reasonable to Strong Controls in Place | | |
| <ul style="list-style-type: none"> Student-athlete vehicles are monitored by Athletics | Reasonable to Strong Controls in Place | | |
| <ul style="list-style-type: none"> Athletics has controls in place to monitor and control team travel expenses | Reasonable to Strong Controls in Place | | |
| <ul style="list-style-type: none"> NAU maintains adequate control over known groups representing NAU's athletics interests | Reasonable to Strong Controls in Place | | |
| Amateurism | | | |
| <ul style="list-style-type: none"> Controls and policies ensure only amateur athletes compete for NAU | Reasonable to Strong Controls in Place | | |

We appreciate the assistance of the staff of the Athletics Compliance Office.

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Audit Results, Recommendation and Response

1. Complimentary admissions should be requested using JumpForward and monitoring of complimentary admissions should be improved.

Condition: Complimentary admissions to on-campus athletic events for prospects are not consistently requested using JumpForward. The official and unofficial visit paperwork used to capture quantity and athletic event description for complimentary admissions is not compared to the electronic request in JumpForward.

Criteria: Coaching staff members that wish to provide prospects and their coaches, parents, or guardians with complimentary admissions to an on-campus, regular season athletics event should submit a request through JumpForward at least 24 hours prior to the event. Coaching staff members are required to document all official and unofficial visits using the appropriate forms in JumpForward.

Cause: Manual requests via email are permitted. Official and unofficial visit documentation are not compared to ticket requests per JumpForward.

Effect: Monitoring of complimentary admissions is subject to error.

Recommendation: Require complimentary admissions to be requested using JumpForward. Ensure complimentary admissions are traced to visit documentation.

Response: All complimentary admissions provided to prospects will be documented in JumpForward. Complimentary admissions requests (pass lists) for prospects will be compared to official and unofficial visit documentation following the visit. Any discrepancies between pass lists and visit documentation will be noted monthly in the prospect's profile in JumpForward (e.g., cancelled visit). This will be implemented by August 2017.

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This report is intended for the information and use of the Arizona Board of Regents, NAU administration, the Arizona Office of the Auditor General, and federal awarding agencies and sub-recipients.

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