Internal Audit Department

NCAA Compliance

March 1, 2019
Report Number FY 19-02

Distribution:
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Syed Moinuddin, Associate Athletics Director for Compliance
Michelle Parker, General Counsel
Robyn Sharp, Senior Associate Athletics Director/Senior Woman Administrator
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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.
Summary

Audit of the NCAA Compliance for NAU Athletics (Athletics) is in the Annual Audit Plan for Fiscal Year 2019, as approved by the Audit Committee of the Arizona Board of Regents. This audit supports Northern Arizona University’s (NAU / University) strategic goals of Engagement and Stewardship by ensuring NAU complies with the NCAA Bylaws 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: For Academic Year 2018-2019, Athletics is comprised of approximately 361 student-athletes, 76 full-time employees, 5 part-time employees and 180 student personnel that work in Athletics and the Skydome. 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: (see additional Athletics information and statistics at Exhibit A and B, respectively).

<table>
<thead>
<tr>
<th>Men’s Teams</th>
<th>Women’s Teams</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basketball</td>
<td>Basketball</td>
</tr>
<tr>
<td>Cross Country</td>
<td>Cross Country</td>
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<tr>
<td>Football</td>
<td>Golf</td>
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<tr>
<td>Tennis</td>
<td>Soccer</td>
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<tr>
<td></td>
<td>Swimming &amp; Diving</td>
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<tr>
<td></td>
<td>Tennis</td>
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<tr>
<td>Indoor Track &amp; Field</td>
<td>Outdoor Track &amp; Field</td>
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<tr>
<td>Outdoor Track &amp; Field</td>
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Audit Objectives: The primary audit objectives were to develop an understanding of the institution’s NCAA compliance program and ensure that the basic components of an effective institutional compliance program are in place to ensure compliance with NCAA Bylaws related to:

- Awarding financial aid to student-athletes in accordance with NCAA legislation;
- Monitoring student-athlete employment and maintaining adequate documentation to establish compliance with NCAA bylaws governing employment; and,
- Maintaining proper documentation regarding the limits and restrictions on team and individual practice and competition activities per applicable NCAA standards.

Scope: The scope included a review of all policies, procedures and practices governing the NCAA compliance areas mentioned above, including review of documents and system reports supporting compliance and reporting requirements during the 2017-2018 Academic Year through Fall 2018. We conducted such analysis, tests and other procedures as we deemed necessary to address the audit objectives.

Methodology: Audit procedures were applied based upon the Association of College and University Auditor’s NCAA Division I Compliance Audit Guide, dated March 1, 2018. The guide contains a basic audit program and comprehensive audit program for each possible area of review. We applied the comprehensive audit program for financial aid administration, a critical
area of compliance for Athletics, and the basic audit programs for governance and organization, playing and practice seasons and student-athlete employment (past audits indicated relatively effective and consistent controls in these areas with the same individual serving as the Associate Athletics Director for Compliance (Compliance AD)).

The audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* promulgated by the Institute of Internal Auditors and accordingly, included such tests considered necessary under the circumstances.

**Conclusion:** Athletics complies with NCAA Bylaws governing Governance and Organization, Financial Aid, Student-Athlete Employment and Playing and Practice Seasons. The Athletics Compliance Process appears to be functioning as intended under the leadership of a dedicated leader. Compliance data is materially accurate and internal controls are functioning as intended. Work continues on finalizing policies and procedures and process effectiveness could be improved by more fully using existing systems to help manage the compliance processes related to governance and organization, financial aid, student-athlete employment and playing and practice seasons. Management is currently prioritizing related solutions.

**Observations:**
Overall, the Athletics department has a positive tone at the top related to NCAA compliance, including the following notable items:

- The new Vice President for Intercollegiate Athletics (Athletics VP) appears to have set a positive tone for compliance. For example:
  - The Athletics VP includes the Compliance AD as an Athletics Leadership Team member.
  - The Athletics VP supports institutional control by speaking about the importance of rules compliance at Athletics department staff meetings and promotes transparency, including reconciliations and accountability of Athletics operations related to sporting events.
- All interviews included a focus on understanding Athletic department and coaching staff focus on student-athlete development. There appears to be a proper focus on student-athlete academic achievement first and foremost.
- The Compliance AD uses a risk assessment approach to direct compliance resources available and thereby ensure effort is focused on the most important compliance matters.
- A full-time position, with a dotted reporting line to the Registrar, was moved under direction of the Compliance AD to improve assurance of compliant student-athlete eligibility determinations.
- To efficiently obtain signatures from student-athletes for financial aid award statements, the NAU Athletics Compliance Office now uses a software program called Sign Now.
- JumpForward has enhanced its system capabilities, which provides greater incentive to use this system to manage and monitor compliance activities.

We identified improvement opportunities related to policy and procedure improvement and implementation, enhanced use of existing information systems, and directed use of staff resources, for which management is implementing solutions as outlined in this report.
The control standards considered, related control environment assessment and any related improvement opportunities (IO) identified are summarized in the following table.

<table>
<thead>
<tr>
<th>General Control Standard</th>
<th>Control Environment/Assessment</th>
<th>IO No.</th>
<th>Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance and Organization:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Adequate policies and procedures exist and are effectively communicated</td>
<td>Yellow</td>
<td>1, 3</td>
<td>5, 8</td>
</tr>
<tr>
<td>• NAU coaches, students, staff, boosters and other affiliates of Athletics are periodically instructed on NCAA rules regulations</td>
<td>Green</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Sufficient activities are undertaken to monitor overall compliance</td>
<td>Yellow</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>• Job responsibilities and accountabilities are defined and cover all aspects of NCAA compliance</td>
<td>Green</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• On-going and independent oversight of NAU Athletics are in compliance with NCAA regulations (Intercollegiate Athletics Committee)</td>
<td>Green</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Aid:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Eligibility of students receiving athletic financial aid were verified</td>
<td>Green</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Maximum team limits by sport were not exceeded</td>
<td>Green</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Cost of attendance limits were not exceeded</td>
<td>Green</td>
<td></td>
<td></td>
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<tr>
<td>• Award notifications met NCAA requirements</td>
<td>Yellow</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>• Grant-in aid calculations and application of equivalency percentages met NCAA requirements</td>
<td>Green</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Post-eligibility financial aid was properly monitored</td>
<td>Green</td>
<td></td>
<td></td>
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<tr>
<td>Student-Athlete Employment:</td>
<td></td>
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</tr>
<tr>
<td>• Student-athletes are aware of, and adhere to, the policies and procedures established by the Athletics Compliance Office</td>
<td>Yellow</td>
<td>5</td>
<td>11</td>
</tr>
<tr>
<td>• Job responsibilities and accountabilities are defined and cover student-athlete employment</td>
<td>Yellow</td>
<td>6</td>
<td>12</td>
</tr>
<tr>
<td>• The Athletic Compliance Office performs sufficient activities to monitor and evaluate compliance with NCAA regulations related to student-athlete employment</td>
<td>Yellow</td>
<td>5, 6</td>
<td>11, 12</td>
</tr>
<tr>
<td>Playing and Practice Seasons:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Dates of practices, competition and required off-days are adequately declared and match Countable Athletically Related Activities (CARA) logs</td>
<td>Yellow</td>
<td>7</td>
<td>14</td>
</tr>
<tr>
<td>• CARA logs are available for all sports and appear complete</td>
<td>Yellow</td>
<td>7</td>
<td>14</td>
</tr>
<tr>
<td>• Student-athletes act as a control mechanism by reviewing and signing CARA logs affirming that hours reported are accurate</td>
<td>Yellow</td>
<td>7</td>
<td>14</td>
</tr>
</tbody>
</table>

**Legend:**
- Reasonably Strong Controls In Place
- Opportunity for Improvement
- Significant Opportunity for Improvement
We appreciate the assistance and cooperation provided by Athletics, Financial Aid, Institutional Research and Analysis, and Student Employment personnel.

Karletta Jones, CPA, CIA
Senior Internal Auditor
Northern Arizona University
(928) 523-4136
karletta.jones@nau.edu

Mark P. Ruppert, CPA, CIA, CISA
Chief Audit Executive
Northern Arizona University
(928) 523-6438
mark.ruppert@nau.edu

Robin Mosness
Senior Internal Auditor
Northern Arizona University
(928) 523-6459
robin.mosness@nau.edu
Audit Results: Improvement Opportunities & Solutions

1. Formally maintained and up-to-date Athletics and related Compliance Policies and Procedures (P&Ps) provide a reference that sets the desired tone at the top and helps ensure consistency in maintaining effective compliance monitoring processes.

Solution: Required policies based on NCAA bylaw, recently obtained consulting guidance, and feedback from this audit will be identified and prioritized for completion, including:

1. Prioritizing the review and completing the formal update of the current P&Ps in line with determined priorities.
2. Setting individual policy and procedure review cycles to ensure P&Ps do not go stale and staggering individual policy review dates to avoid the burden of trying to update all P&Ps at one time.
3. Updating policy language to improve overall policy usefulness including but not limited to:
   a. Identifying the Compliance reporting structure.
   b. Updating policy language to remove terms such as "continuous" to ensure policies and procedures can be effectively implemented and documented in practice.
   c. Documenting the risk assessment process for determining annual / periodic compliance monitoring focus with available compliance resources. Risk assessments will be updated periodically to reflect NAU changes, industry changes, NCAA Bylaw Changes, audit results and any other matters that may indicate a need for reassessment and refocus of compliance monitoring activities.

Responsible Parties: Syed Moinuddin, Associate Athletics Director for Compliance

Implementation Date: May 31, 2020

DETAILS:

Condition: The 2017 Athletics P&P and Compliance specific P&P revisions included out of date P&Ps and references / statements that could be updated to better serve NAU Athletics personnel and student-athletes. Notable P&P improvement opportunities include:

- Most of the policy manual shows a last revision date of 2011.
- Policy and procedure statements appear comingled. The overall P&P layout could be improved by separating policy statements from procedural steps. Athletics should consider working with the NAU Policy Management Office to improve its P&P format and organization. Additional considerations include:
  - Diagramming some of the critical process flows such as those around student-athlete eligibility and financial aid could be more useful to users.
  - Adding a record retention schedule delineating each type of record, which office maintains the source file and for how long (or referencing any applicable existing NAU or State of Arizona retention requirements).
  - Updating the numbering approach. While there is an overall policy reference or numbering process, the numbering within the major sections appears inconsistent and
Audit Results: Improvement Opportunities & Solutions

is sometimes difficult to follow.

- Avoiding duplication. Information appears duplicated in certain areas that could be combined for easier reference and review.
- Updating specific wording. We provided management with a list of specific policy and procedure feedback for consideration as they finalize the policies and procedures.

Compliance-specific P&Ps could be improved as follows:

- Including reference to compliance reporting relationships: There is no mention of the compliance reporting relationships. Identifying critical reporting relationships such as the dotted line to the NAU President and to the Athletics VP highlights NAU's commitment to compliance and reinforces the authority of the compliance position. This could be added as a separate section following 1.1 Mission and 1.2 Objectives, and labeled as something like "Compliance Reporting Structure" with perhaps a reference to external reporting as detailed in the "Violations" section of the P&Ps.
- Avoiding language that may over commit Compliance: Certain wording, such as 1.2.2. "continually educate" and 1.2.8. "continuously evaluate," may be difficult to achieve and document in practice. In these situations, specifying a period like "annual" or using a more flexible modifier like "periodic" is easier and more reasonable to achieve and document.
- Documenting the compliance risk assessment approach used to allocate resources.

NCAA Compliance monitoring activities are adjusted periodically based on an informal risk assessment process. Given limited compliance resources, using a risk assessment approach to manage those resources can be a very effective approach to managing compliance in a manner that best supports NAU while ensuring compliance with applicable NCAA Bylaw provisions. The risk assessment is completed by the Compliance AD but nothing is documented to support this assessment.

Criteria: Good business practices support up-to-date and clearly articulated policies and procedures to ensure consistency in the application of the key processes and internal controls used to support and maintain an effective compliance monitoring program. Guidance issued by organizations like the Society for Corporate Compliance & Ethics supports the application of risk assessment to support more effective decision-making in the allocation of limited compliance resources.

Cause: A P&P update was in progress at the time we started audit fieldwork. Approaching P&P updates in whole as opposed to on a staggered basis can be a difficult and time-consuming task. Additionally, applying a risk assessment approach to compliance monitoring is not a formal part of NCAA required compliance processes; as such, there is no real impetus for doing or documenting such an assessment.

Effect / Impact: Consistency in process could be compromised resulting in inability to support effective NCAA compliance. Risk assessment should result in more effective management of limited compliance resources but lack of related documentation may result in negative feedback from the NCAA since there would be no obvious justification supporting less compliance oversight effort in one compliance area versus another.
2. The scholarship request and award process should be improved to ensure all teams are following policy, to encourage an appropriate authorization process, to connect awards to specific student athletes (SA), and to promote timely award notifications.

Solution: A workflow will be established for scholarship requests as well as a reporting mechanism to allow for an overall review of all sports teams' requests to encourage all sports teams to follow policy related to scholarship requests. To ensure a complete authorized award process, the Compliance Office will provide the Financial Aid Office with access to its electronic storage location to allow Financial Aid access to financial aid award letters at all times, thereby avoiding the additional focus and time required to send such documents. The existing notification process will be evaluated to identify efficiencies to timely notify SAs in writing that their financial aid is being renewed on or before July 1st. Changes in award amounts subsequent to July 1st will be documented and saved electronically at the same storage location made available to the Financial Aid Office to ensure a related audit trail is maintained.

Responsible Parties: Syed Moinuddin, Associate Athletics Director for Compliance

Implementation Date: August 31, 2019

DETAILS:

Condition: Not all coaches are following policy related to scholarship requests. In particular, Football coaches and Football support personnel are not requesting scholarships using the designated JumpForward system, which provides for notable efficiency in the process over paper; instead, Football personnel are printing the forms, completing them and hand delivering them to the Athletics Compliance Office, which would likely increase processing time. As such, copies of financial aid award letters are not maintained in JumpForward for each related student-athlete; instead, they are scanned and maintained on the Compliance Office’s server. Due to efficiency, the Financial Aid Office does not generate the financial aid award letters. Instead the Compliance Office generates the award letters with the authorized use of the Financial Aid Officer’s electronic signature; however, the Compliance Office is not able to award or disburse financial aid from the accounting system. Although the Compliance Office has authority to use the Financial Aid Officer’s electronic signature, there is no copy of the signed award letter provided to the Financial Aid Office.

Because of the fast paced nature in Athletics regarding scholarships requests as well as a lack of an efficient notification process for scholarship renewals that is based more on a general understanding as opposed to a documented process, two student-athletes were not timely notified by July 1st of their aid renewal year as their award letters were dated two to five weeks late. However, there were no negative consequences as a result of the late formal notification.

Criteria:

• Per Athletics Compliance policy under Athletics Financial Aid - Scholarship Requests,
Audit Results: Improvement Opportunities & Solutions

"Coaches submit a 'Request for Scholarship' form in JumpForward."

- An award letter should be associated with the appropriate student-athlete to whom it benefits and serve as approval and acceptance of the award amount, terms and conditions.
- NCAA Bylaw 15.3.7.1 - Institutional Obligation states: "The renewal of institutional financial aid based in any degree on athletics ability shall be made on or before July 1 prior to the academic year in which it is to be effective. The institution shall promptly notify in writing each student-athlete who received an award the previous academic year and who has eligibility remaining in the sport in which financial aid was awarded the previous academic year (under Bylaw 12.8) whether the grant has been renewed or not renewed for the ensuing academic year. Notification of financial aid renewals and non-renewals must come from the institution's regular financial aid authority and not from the institution's athletics department."
- The NAU Athletics policy in Section 9.12 - Renewals, Reductions, and Cancellations of Athletics Aid states: "All renewal, reduction, and cancellation notices will be mailed on or prior to July 1 of each year."

Cause: JumpForward is not consistently used by all coaches and coaching staff. JumpForward routing functionality has been identified by the Office of Compliance but it has not been fully implemented. While an efficient award process has been implemented, the manual work around results in the notification of financial aid renewals being made by the Compliance Office instead of the Financial Aid Office, which may not be consistent with NCAA bylaws requiring that all financial aid notifications be made through a University’s financial aid office.

Effect / Impact: There is no assurance that scholarship requests are complete and accurate. No reporting mechanism has been identified to help with reviewing total and by sport scholarship requests. Financial Aid approved awards are not provided to the Financial Aid Office thus creating a disconnect between determining the amount approved and accepted by the student-athlete. The existing process of the award letters not issued from the Financial Aid Office and not having the award letters consistently issued by the July 1st due date is not consistent with NCAA bylaw 15.3.7.1. For the students issued awards late, we could determine no direct negative impact as they remained enrolled student-athletes.

3. To ensure equity among student-athletes, a meal plan policy for on-campus student-athletes receiving full board will be established.

Solution: Athletics Compliance will work with Athletics Leadership on an approach that ensures equity and implement that change for the 2019-2020 Academic Year.

Responsible Parties: Syed Moinuddin, Associate Athletics Director for Compliance

Implementation Date: August 31, 2019

DETAILS:
Audit Results: Improvement Opportunities & Solutions

**Condition:** Two student-athletes in our sample received $340 more in meal plan benefits as a result of selecting the 19 "Platinum" meals per week instead of the 19 meals per week.

**Criteria:** Good business practice supports cost effective and consistent processes. As such, the application of meal awards should be handled in a manner that ensures equality among student-athletes and per NCAA guidance to treat student-athletes like any other student for matters that are not specific to Athletics.

**Cause:** There is no policy adopted by Athletics that clearly outlines and states the required meal plan that student-athletes should be selecting and there are no system edit controls that limit student athletes to meal plan selections included as part of their financial aid.

**Effect / Impact:** There is potential for students and / or student-athletes to raise concerns related to unfair practices when awarding scholarships related to board (meals) and / or result in student-athletes incurring costs they did not expect to incur.

**4. Using available technology more effectively can improve efficiency and help avoid or reduce the potential for manual entry errors in maintaining approved squad lists in accordance with NCAA bylaws.**

**Solution:** Compliance will identify an integration solution including possibly replacing JumpForward or working with NAU Information Technology Services to integrate common data across its systems. In the meantime, Compliance issued a survey to all coaches to obtain feedback on JumpForward and related compliance monitoring practices to help improve the process and provide additional insight as it evaluates JumpForward against other options.

**Responsible Parties:** Syed Moinuddin, Associate Athletics Director for Compliance  
**Implementation Date:** August 31, 2019

**DETAILS:**

**Condition:** The Compliance Office completes the squad lists in the NCAA Compliance Assistant (CA) system on line. The squad lists includes years of eligibility used by the student-athlete. The Coaches help with roster changes (e.g., athlete addition or removal, injured, etc.) by notifying the Compliance Office of such who then updates the squad lists in CA.

- Squad lists drive practice log set-up in JumpForward (JF). However, there is no interface, so Compliance manually enters data into both CA and Jump Forward.
- Accuracy of squad list data in CA and JF is ensured via a number of crosschecks that occur in the course of administering the applicable sports program: others also review and use the squad lists regularly, including coaches, trainers, strength and condition coaches, etc.
- However, updating the same data manually in multiple systems (namely Compliance
Audit Results: Improvement Opportunities & Solutions

Assistant and JumpForward) creates opportunities for error and results in the inefficient use of limited compliance resources. Athletics Compliance should pursue the development of a CA to JF or similar interface to minimize the time spent completing data entry and thereby reduce the possibility for manual entry errors.

Even given the noted crosschecks that help keep squad list current and accurate, fiscal year 2019 squad lists errors occurred:

- There were two squad lists that were not maintained in the Compliance Files (men's basketball and women's golf).
- Two squad lists were not signed by the Athletics Director or a designee of the Athletics Director (men's and women's tennis).
- The women's swimming and diving squad list was signed by the head coach after their first competition.

Criteria: Good business practice supports pursuit of process efficiencies to better manage resources and strong internal controls to ensure data consistency and accuracy.

Policy 8.7 - Completing the Certification of Eligibility Process - states: "After all student-athletes have been certified, the Athletics Compliance Office will update the relevant team's squad list on the NCAA Compliance Assistant Program and JumpForward to reflect that those individuals have been certified as eligible for competition. A copy of the sports program's squad list reflecting those eligible student-athletes, signed by the sport's head coach and the Vice President for Intercollegiate Athletics (or designee), will be kept on file by the Athletics Compliance Office".

NCAA Bylaw 15.5.11.2 Squad-List Form states, “The institution shall compile a list of the squad members in each sport on the first day of competition and shall indicate thereon the status of each member in the categories listed”. Further, NCAA Bylaw 15.5.11.2.1 (d) Procedures states, “The athletics director (or his or her designee, who may not be a coaching staff member) shall sign the form for each sport. The head coach in each sport shall sign the form for the applicable sport”.

Cause: An interface has not been formally pursued given other priorities.

Employee turnover in Compliance Staff resulted in irregular squad list errors (as noted above).

The existing process is manual intensive requiring meetings with each coach and the subsequent tracking down of coaches to obtain signatures. There is no efficient process for retaining the signed squad lists such as use of scanned or electronic forms.

Effect / Impact: Unidentified data entry errors may occur. Such errors could result in false exceptions or notable exceptions being unidentified. As such, Athletics may appear not be
Audit Results: Improvement Opportunities & Solutions

meeting bylaw 15.5.11.2.1 related to the Squad List Procedures by having all signed squad lists available, signed by the appropriate individuals and signed by the first day of competition.

5. Monitoring of student-athlete employment could be improved by periodically reviewing NAU payroll and updating employment form language to provide negative assurance for outside employment.

Solution: Compliance will run periodic NAU HR payroll reports to monitor student-athletes that work at NAU to ensure their pay rates are reasonable and consistent with student pay ranges. Additionally, the student-athlete employment form will require completion for only those student-athletes employed outside of NAU. The form as well as the student-athlete handbook will be updated to include language that provides negative assurance for those student-athletes that do not turn in a form if they work outside of NAU, such that not completing a form by a required date is the same as the SA formally responding that they have no outside employment.

Responsible Parties: Syed Moinuddin, Associate Athletics Director for Compliance

Implementation Date: August 31, 2019

DETAILS:

Condition: We identified the following exceptions related to student-athlete employment:

- For FY18 and FY19, 95 student-athletes did not have completed employment forms in JumpForward due to a technical issue. Because of this technical issue, students were not able to log into JumpForward and instead were asked to complete required NCAA forms on paper to begin practice (note: the employment form is not required by NCAA; instead it is deemed a best practice form).
- For FY18 and FY19, three student-athlete employment forms provided incorrect or insufficient information.
- For FY18 and FY19, of the 62 student-athlete employment forms reviewed, 48 indicated the student-athlete was not employed and four indicated the student-athlete was employed off-campus; however, all received pay from the University within the semester.
- The JumpForward roster is not updated with active vs. inactive student-athletes.

Criteria: Athletics Policy and Procedures Manual, Policy Section 6.4, Student-Athlete Employment Registration, requires student-athletes to register employment within 14 days of beginning work by completing the employment form in JumpForward. Section 6.5, Monitoring of Student-Athlete Employment Registration and Practices, states, "The Athletics Compliance Office will review the registration of student-athlete employment on a semesterly basis".

Cause: Lack of scheduled monitoring in this area has resulted in exceptions to stated policies and best practices.

A review of student-athlete employment forms reflected many exceptions possibly associated with student-athletes' misconception of employment or not placing as much importance on the
Audit Results: Improvement Opportunities & Solutions

employment form than other forms that are required by the NCAA to practice and compete, especially within NAU, given that many student-athletes receiving paychecks from NAU indicated they were not employed.

**Effect / Impact:** Misunderstanding student-athlete employment and required documentation appears to result in inconsistent collection of data, making monitoring and oversight of student-athlete employment activity a challenge for Compliance, which leads to procedures inconsistent with NCAA bylaws related to student-athlete employment.

**6. Student-athlete employment could be improved by coordinating with the NAU Student Employment Office to create compensation plans and position classifications for all NAU student-athlete employee roles.**

**Solution:** Athletics will work with the NAU Student Employment Office to support the application of consistent pay practices for all NAU student employees, including the creation of standardized student-athlete job descriptions and pay rates based on level of responsibility using the Student Employment Job Code Classification matrix (see matrix at Exhibit C). As such, all student employment positions will require positive indication by students supporting actual hours worked (i.e., timesheets). ePars and new hire packets will be created prior to positions being filled and will reflect correct rates of student-athlete pay.

**Responsible Parties:**
- Syed Moinuddin, Associate Athletics Director for Compliance
- Corie Bangle, Assistant Business Manager
- Bryan Cornn, Assistant Athletic Director for Fiscal Operations
- Diana Sundermeyer, Program Director for Student Employment

**Implementation Date:** August 31, 2019

**DETAILS:**

**Condition:** Variation in approaches to paying student athletes result in real and perceived inconsistencies in the pay rates among NAU-employed students and student athletes. There are four primary factors contributing to these inconsistencies:

- **Payroll Records Do Not Reflect Actual Pay Rates:** Payroll records showing actual dollars paid and corresponding hourly rates reflect inaccurate pay rates since the total dollars paid are divided by the corresponding ePAR rate. For example, since the ePAR rate for the fiscal year 2018 Volleyball Camp SAs were established at $50 per hour and the Women’s Volleyball Assistant Coach reports total amount to be paid to an SA for supporting that camp, the payroll calculations show an hourly pay rate of $50 for the SAs who work that camp. Actual hourly rates earned (determined according to the Assistant Coach’s calculations) were $17.50 to $20.41 for fiscal year 2018. The inaccurate rates are caused by the following:
Audit Results: Improvement Opportunities & Solutions

- An arbitrary ePAR hourly rate is established to process required hiring paperwork (e.g., for FY2018 the ePAR rate was set at $50 per hour; for FY2019 the rate was set at $10 per hour).
- Total dollars due per student and hours documented by the coach are reported to the Athletics Assistant Business Manager. As such the Assistant Business Manager enters gross pay which, when divided by the pre-assigned ePAR rate is not reflective of actual hours and thereby pay rates as noted above for FY2018. If such data was ever disclosed, it would appear as if SAs assigned to the Volleyball camp are paid excessively. Given current student employee pushback on regular student employee wage levels, any resulting media attention would likely reflect very poorly on NAU.

The Volleyball Camp Pay Process Is Inconsistent and Lacks Independent Validation: The Women’s Volleyball Assistant Coach does not require SAs working summer camps to complete timesheets documenting hours actually worked. Instead the coach assigns SAs to various shifts with each shift allocated a set dollar amount ranging from $50 to $300 and corresponding hourly rates per shift of $12.50 to $21 per hour. Rates vary based on the nature of the shift and total hours worked. The coach then documents SA participation in an Excel spreadsheet, reflecting SA name, shift, and missed time. If an SA worked less than the full assigned shift, the coach deducts from the flat rate; however, the coach’s deductions are not at rates consistent with the per shift corresponding hourly rates (deductions appear to be typically at a higher rate). As such, resulting actual rates paid to the SAs ranged from $18.25 to $20.28 per hour for fiscal year 2019.

- Hourly Pay Rates for SAs working the Volleyball Camp are notably higher than those paid to both SAs working at NAU in other roles and non-athlete students working at NAU:
  - As noted above, the hourly rates paid to Volleyball camp SAs appear higher than wages for summer camps offered by the Flagstaff Athletic Club paying minimum wage; higher than the NAU Student Employment Office student employment hourly wage ranges of $8.50 per hour to $11.99 per hour (Volleyball camp pays approximately $10 per hour higher on average); and, higher than the $10 per hour rate paid to SAs working other NAU sports camps.

- While not a matter in Athletics control, the current HR process and system allows for actual pay rates higher than the rates established by an approved ePAR:
  - For FY2019 when the ePAR approved rate for Volleyball camp SAs was $10 per hour, SAs were still paid an actual rate of $18.25 to $20.28 per hour.

Criteria: NCAA Bylaw 12.4.1 states, "Compensation may be paid to a student-athlete: (a) Only for work actually performed; and (b) At a rate commensurate with the going rate in that locality for similar services". NAU Human Resources Policy 2.09, Time Records, provides Time Sheet Requirements for Non-Exempt Employees as follows: "Each two-week pay period, non-exempt employees must complete a time record. An employee must use approved university procedures and systems to accurately record hours worked, hours paid, overtime earned, and compensatory time earned or used. An employee's supervisor is responsible for review and
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approval of recorded time to verify accuracy and compliance with the Fair Labor Standards Act (FLSA)’.

**Cause:** Lack of formal processes for hiring and paying student-athletes within Athletics has resulted in relaxed procedures and inconsistent pay rates.

**Effect / Impact:** Current practices are not consistent with NAU policies and procedures, including FLSA and thereby, instances of hourly pay rates exceeding established wage ranges based on applicable responsibility level appear questionable and not standardized across Athletics positions. Such inconsistencies and rates of pay could be regarded as unfair if compared to rates paid to other NAU student employees, especially given recent local media attention related to NAU student employee pay rates.

Also, inconsistent pay rates may not be commensurate with NCAA Bylaws Article 12.4.1(b), Criteria Governing Compensation to Student-Athletes, which requires paying student-athletes at the going rate in the locality for similar services

7. Monitoring of playing and practice seasons could be improved by formalizing declaration forms, designating compliance staff to monitor related activity and using feedback from the coaches survey related to countable athletically related activities (CARA).

**Solution:** Compliance is analyzing the continued use of JumpForward, including obtaining feedback through aforementioned survey process (see IO 4) while also evaluating new options that include using a calendaring approach that appears more user-friendly and efficient. In the meantime, the following improvements will be implemented:

- The graduate student position will be assigned to monitor compliance with NCAA Bylaw 17, Playing and Practice Seasons ensuring the maintenance or proper, necessary audit trails for communications across applicable parties; creation and maintenance of applicable reporting; and, centralized storage of related data for ease of reference.
- Staff entering, reviewing, and approving CARA will be trained to ensure they have appropriate knowledge in this area. More specifically, periodic email notifications will be sent to staff reminding them to enter CARA and student-athletes will be selected that serve in leadership roles to approve CARA.
- The Compliance Assistant and JumpForward processes will be reviewed to determine viable approaches for recording all pertinent CARA activity across all sports pending review of coach responses to the aforementioned survey. Additionally, sub-calendars will be required in JumpForward for all sports to assist coaches in reporting CARA activity.
- Automating the Playing and Practice Season Declaration Forms will be pursued with NAU ITS and in the meantime, applicable information will be monitored and reconciled between systems to prevent exceptions and manage compliance in a timely manner.

**Responsible Parties:**

**Implementation Date:**
DETAILS:

Condition: Athletics does not have staff assigned to monitor Bylaw 17 compliance. In the 2015 audit response, Athletics agreed to add a graduate assistant to assist with monitoring this area. While a graduate student position exists, keeping the position filled has not been consistent. However, per review of the playing season calendars generated in Compliance Assistant and review of calendars and practice logs entered in JumpForward, we noted several types of errors: 1) data entry errors; 2) inconsistency errors; 3) required day off errors; 4) week start date fluctuations; 5) unreported 8-hour off segments; 6) practice log errors; and 7) no approvals of CARA logs. These errors resulted in the systems identifying potential “violations”; timely monitoring may have prevented or detected the errors for prompt remediation. Some of the specific errors noted included:

- Four sports reflected Required Day Off exceptions.
- Data entry of CARA activities in two sports reflect student-athlete participation above NCAA limits for competition days. NCAA Bylaw 17.1.7.3.2, Competition Day, states, “All competition and any associated athletically related activities on the day of competition shall count as three hours regardless of the actual duration of these activities”.
- Weekly practice logs are required for both 8-hour off segments and 20-hour segments throughout the playing season. Inaccurate practice logs were noted in each sport, and two sports had no data recorded in JumpForward.
- CARA logs submitted in 2016/2017 and 2017/2018 were not approved; CARA logs submitted in 2018/2019 were approved during fieldwork.
- No Declaration of Playing Season forms were provided for four sports.
- Of the 17 seasons reviewed, 11 reflected changes to week start dates, generating additional exceptions (noted in the first paragraph above – i.e. data entry errors, inconsistency errors, etc.).

The Compliance Office determined that using the NCAA monitoring tool to record playing seasons provided accurate start and end dates based on NCAA length of playing seasons for each sport. However, JumpForward is also used to record practice and playing seasons and CARA activities. Because dual entry is occurring, the week start dates and subsequent activities recorded in JumpForward are not aligned with dates recorded in Compliance Assistant (see also IO 4).

Criteria: NCAA Bylaw 17, Playing and Practice Seasons, imposes several detailed principles around CARA, including institutional limitations, practice units, playing season regulations, daily and weekly hour limitations, declarations of playing seasons, all requiring continuous and timely input by coaching staff and monitoring by Compliance staff.

Per NCAA Bylaw 17.1.3, Declaration of Playing Season, "Each member institution shall determine the playing season for each of the sports referenced under Bylaw 17.02.18. Declaration of the institution’s playing season in each such sport shall be on file in writing in the
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department of athletics prior to the beginning of the institution's playing season for that sport. Changes in the declaration for a particular sport are permissible and also shall be filed in writing in the office of the institution's athletic director”.

Cause: There is no formal process for ensuring declarations are signed, received, and monitored between two systems. While an existing automation opportunity appears to exist, related JumpForward functionality has not been utilized to provide efficiencies for monitoring the playing and practice seasons, posing higher risk of NCAA violations. Other JumpForward inefficiencies and complex data entry requirements contribute to the Compliance Office’s non-pursuit of such features as it is currently analyzing potential replacements for JumpForward.

Effect / Impact: Data input errors caused JumpForward to generate system violations, including daily and weekly hour limitations, and provided no CARA log or required day off approvals.

The inconsistent data input caused JumpForward to generate additional exceptions.
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.

The core goals of Athletics are:
- Provide student-athletes with an exceptional experience culminating in graduation;
- Compete for Big Sky, WAC and NCAA 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 2018-19 school year, the men’s cross country team won their third NCAA national championship in a row and the Women’s Volleyball team captured the 2018 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. Northern Arizona swept the men’s and women’s Big Sky All Sports Trophy in 2016-17 and 2017-18. The Trophy is designed to award schools for overall athletics excellence.

NAU finished with a department-wide 3.02 cumulative GPA for the 2017-18 academic year. A total of 137 Northern Arizona student-athletes from all sports were named to the Big Sky Conference and Western Athletic Conference All-Academic team. A total of 75 student-athletes received their degrees for academic year 2017-18, 17 student-athletes received their degrees in Fall 2017 and 58 student-athletes received their degrees in Spring and Summer 2018.

Each Lumberjack student-athlete is required to complete a minimum of ten hours of community service each academic year. They logged 3,731 services hours during FY18. During the academic year, Northern Arizona University student-athletes provide community services hours through the following events:

- Killip Elementary Classroom Assistance
- American Red Cross / Flagstaff Fire Department
- Coconino Humane Society
- Flagstaff Family Food Center
- Summer Café Activities for Local Youth
- Hope Cottage
- Phoenix Suns’ Youth Basketball Clinic
- Peak Seniors Living Community
- Swimming Lessons for Local Youth

The Athletics Compliance Office, with a staff of three, 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.

Additional software used by Athletics is RealRecruit and Sign Now. RealRecruit is a survey tool used primarily for graduating student-athletes to obtain responses to their NAU experience. Sign Now is primarily used to obtain signatures from student-athletes for financial aid awards.
Exhibit B – Statistics

The following are the amounts expensed for Athletic Student Aid for the year ended June 30, 2018 per the Independent Accountant’s Report on the Application of Agreed-Upon Procedures report:

<table>
<thead>
<tr>
<th>Sport</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Football</td>
<td>$1,722,154</td>
</tr>
<tr>
<td>Men’s Basketball</td>
<td>448,090</td>
</tr>
<tr>
<td>Women's Basketball</td>
<td>412,496</td>
</tr>
<tr>
<td>Other Sports*</td>
<td>2,569,574</td>
</tr>
<tr>
<td>Non-Program Specific**</td>
<td>977,360</td>
</tr>
<tr>
<td>**</td>
<td>**</td>
</tr>
<tr>
<td>**</td>
<td>$6,129,674</td>
</tr>
</tbody>
</table>

* Includes men's track & field, men's tennis, women's track & field, women's tennis, women's golf, women's swimming & diving, women's volleyball and women's soccer.

** Includes expenses related to other Athletics departments that help with student-athletes (i.e. strength & conditioning, academic coordinator, sports information, etc.).
Exhibit C – Student Employment Job Code Classification
(Page 1 of 3)

The purpose of the new student employment job codes is to create consistent classification and compensation for student employment positions across NAU. The first part of the Job Code Description (i.e. Student Academic, Student Administrative, Student Financial, etc.) represents the role category that the majority of the job duties fall under. Role categories are intentionally broad and include the following:

<table>
<thead>
<tr>
<th>Role Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic</td>
<td>Assist in the delivery of academic courses, and/or those who help students reach their academic potential. (Tutors, Teaching Assistants, etc.)</td>
</tr>
<tr>
<td>Administrative / Reception</td>
<td>Perform administrative duties in direct support of University projects, programs, and/or departments, with varying degrees of public contact based on department. (Student Admin Assistants, Receptionists, etc.)</td>
</tr>
<tr>
<td>Financial</td>
<td>Perform accounting and/or financial transactions and are charged with the responsible use of university funds. (Accounting Assistants, etc.)</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Support University operations, ensuring safe, compliant, and efficient practices. (Grounds Crew, Custodial Support, Police Aides, etc.)</td>
</tr>
<tr>
<td>Marketing / Advancement</td>
<td>Represent the University in person or via phone, or create content that represents the University in print or online, with the objective of promoting University projects, programs, and/or departments. (Social Media, Photographers, Graphic Designers, Communications Assistants, etc.)</td>
</tr>
<tr>
<td>Research</td>
<td>Assist in the collection, analysis, and/or reporting related to specimens, data, or other research material. (Research Technicians, Lab Assistants, etc.)</td>
</tr>
<tr>
<td>Peer / Youth Educator</td>
<td>Interface with other students or with youth, resolving questions and/or contributing to others’ personal, professional, and or physical wellness. (Peer Mentors, Intramural Supervisors, Youth Programs staff, etc.)</td>
</tr>
<tr>
<td>Technology</td>
<td>Support computer software and/or other forms of technology and/or interact with end users to document and/or troubleshoot technical challenges. (Tech Support, Coding Assistants, Software Engineers, etc.)</td>
</tr>
</tbody>
</table>
Next, the overall level of responsibility is identified based on the areas of responsibility as follows:

### Areas of responsibility

Areas of responsibility are defined to provide context and encourage consistency in classification.

<table>
<thead>
<tr>
<th>Job Duties</th>
<th>Experience</th>
<th>Skill</th>
<th>Supervision</th>
<th>Public Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job duties are those functions described in the job description as written</td>
<td>Previous experience required to be successful in the position.</td>
<td>Specific skills required prior to hiring/training to be successful in the position.</td>
<td>Both the extent to which this position is supervised or works independently and the mentoring/training responsibilities required of the position.</td>
<td></td>
</tr>
<tr>
<td>(not assumptions about what the position might require an employee to do).</td>
<td>Questions to ask yourself: Do the minimum qualifications, as written, include required classes or a number of semesters the student must have been at NAU?</td>
<td>Questions to ask yourself: Are the skills used in the job specialized? i.e. fluent in another language or proficiency with a specific lab instrument (both would result in higher levels in this column) or generalized i.e. “excellent communication” or “self-starter” (lower levels in this column)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Questions to ask yourself: Does the supervisor provide clear instructions, guidelines, or processes for the tasks at hand?</td>
<td>Will the employee in this position need to create their own projects and/or processes to accomplish the job?</td>
<td>Questions to ask yourself: How much supervision, guidance, training, mentoring, and autonomy is provided for the position?</td>
<td>Questions to ask yourself: Does this position have responsibility for the reputation of NAU or the department? (i.e. Admissions Ambassadors or Social Media employees or Police Aides would have higher public contact than a Desk Attendant in a college, who would have more public contact than a lab assistant)</td>
<td></td>
</tr>
<tr>
<td>How difficult are those tasks or projects?</td>
<td></td>
<td>Questions to ask yourself: Does the job require the employee to formally supervise other students or informally mentor or train others?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Using the areas of responsibility, the following matrix is used to quantify each responsibility (i.e. job duties, experience, etc.). The point total determines the pay range the student worker should receive based on their level of responsibility. Student pay ranges are still in the process of being approved.

<table>
<thead>
<tr>
<th>Level Matrix</th>
<th>Job Duties</th>
<th>Experience</th>
<th>Skill</th>
<th>Supervision</th>
<th>Public Contact</th>
<th>Pt. Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level I</td>
<td>student performs general, routine work; clear guidelines and processes are provided</td>
<td>student may have no previous work experience, or experience in an unrelated area</td>
<td>student needs few or no special skills to perform work satisfactorily</td>
<td>student is closely supervised; work requires little independent judgment or initiative</td>
<td>student has no or minimal public contact</td>
<td>&lt;8</td>
</tr>
<tr>
<td>Level II</td>
<td>student performs work requiring some level of independent judgment and initiative; working within general guidelines</td>
<td>student typically has a year of experience requiring similar skills (can be acquired prior to employment at NAU)</td>
<td>student requires some related skills to perform work satisfactorily</td>
<td>student is closely supervised, and is beginning to use independent judgment and initiative</td>
<td>student has no supervisory duties</td>
<td>9.12</td>
</tr>
<tr>
<td>Level III</td>
<td>student performs work requiring a moderate level of difficulty and complexity; student performs work in an area of specialized knowledge and utilizes independent judgment and decision-making ability</td>
<td>student typically has two years of experience requiring similar skills (can be acquired prior to employment at NAU)</td>
<td>student requires a moderate level of related skills to perform work satisfactorily; work is often specialized</td>
<td>student performs independently with moderate supervision, exercising independent judgment and initiative</td>
<td>student has no supervisory duties but may interview or liaison with students, student employees, or faculty/staff</td>
<td>13.17</td>
</tr>
<tr>
<td>Level IV</td>
<td>student performs highly skilled duties that require considerable internal/external knowledge</td>
<td>student typically has three or more years of experience requiring similar skills (can be acquired prior to employment at NAU)</td>
<td>student has a high level of related skills to perform work satisfactorily; work is highly specialized</td>
<td>student performs independently with minimal supervision, exercising independent judgment and initiative</td>
<td>student may supervise, train, and/or evaluate other students, student employees, or faculty/staff</td>
<td>18.23</td>
</tr>
<tr>
<td>Level V</td>
<td>student has responsibility for managing assigned projects</td>
<td>student typically has four or more years of experience requiring similar skills (can be acquired prior to employment at NAU)</td>
<td>student is considered a subject matter expert in a given discipline</td>
<td>student performs independently with minimal supervision, exercising considerable independent judgment and initiative</td>
<td>student generally supervises, trains, and/or evaluates other students, student employees, or faculty/staff</td>
<td>24.85</td>
</tr>
</tbody>
</table>