



Item: AC: I-2

AUDIT AND COMPLIANCE COMMITTEE

Tuesday, February 16, 2021

**SUBJECT: REVIEW OF AUDITS: FAU 20/21-2, AUDIT OF NCAA COMPLIANCE
RECRUITING FOR THE 2018/19 ACADEMIC YEAR**

PROPOSED COMMITTEE ACTION

Information Only.

BACKGROUND INFORMATION

Objectives of the audit were to determine:

- Effectiveness of established policies, procedures, and practices used to administer and monitor recruiting of student-athletes in accordance with regulations of the National Collegiate Athletic Association (NCAA); and,
- Evaluate the adequacy of controls maintained over the representatives of the University's athletic interests (boosters) as it relates to recruiting prospective student-athletes.

There were no reportable findings or recommendations because of this audit.

IMPLEMENTATION PLAN/DATE

Not Applicable

FISCAL IMPLICATIONS

Not Applicable

Supporting Documentation: OIG Report FAU 20/21-2, NCAA Compliance – Recruiting Audit for the 2018/19 Academic Year

Presented by: Ms. Stacy Volnick, VP Administrative Affairs and
Chief Administrative Officer

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Office of Inspector General

Audit of NCAA Compliance – Recruiting
2018/19 Academic Year

SCOPE AND OBJECTIVES

In accordance with the University's Internal Audit Plan for fiscal year 2019-20, we have conducted an audit of the University's policies, procedures, and practices related to recruiting of student-athletes for the 2018/19 academic year. The primary objective of our audit was to determine the effectiveness of established policies, procedures, and practices used to administer and monitor recruiting of student-athletes in accordance with regulations of the National Collegiate Athletic Association (NCAA). A secondary objective of this audit was to evaluate the adequacy of controls maintained over the representatives of the University's athletic interests (boosters) as it relates to recruiting prospective student-athletes.

We obtained an understanding of the student-athlete recruiting compliance function by reviewing University policies and procedures, regulations outlined in the NCAA Division I Manual, interviewing key Athletics Department personnel, and analyzing key internal controls. Our assessment of student-athlete recruiting compliance was based primarily on reviews of pertinent supporting documentation for samples of student-athletes – recruited on and off-campus – maintained by Athletics. Populations, sample sizes, and selection methods were determined based on our evaluation of internal controls, our assessment of audit risk, the availability of pertinent University records, and other factors including auditor judgment.

We conducted our audit in accordance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing.

BACKGROUND

The NCAA, a nonprofit membership organization, is the governing body of collegiate athletics. The organization's core mission is to provide student-athletes with a competitive environment that is safe and ensures fair play. NCAA members are composed mainly of 1,098 institutions, 102 athletics conferences, and 40 affiliated sport organizations dedicated to the well-being and lifelong success of college athletes. Divisions I, II, and III represent nearly half a million-college athletes who compete annually in the NCAA's 90 championships in 24 sports across the three divisions.

Florida Atlantic University, a member of the NCAA and the Conference USA, has established the Intercollegiate Athletics Committee whose members are primarily responsible for periodically reviewing and evaluating University policies and procedures relating to the Department of Athletics; and, compliance with the University, Conference USA, and NCAA regulations. The Intercollegiate Athletics Committee members include representatives from the following areas: Athletics, Student Government, Offices of the Provost and General Counsel, Undergraduate Admissions, and the University Community.

During the 2018/19 academic year, Florida Atlantic University had approximately 490 student-athletes participating in 19 Division I team sports. The Athletics Department (AD) Compliance Office is responsible for administering and monitoring the student-athlete recruiting process in accordance with Operating Bylaw, Article 13, of the NCAA Division I Manual. The office is staffed by an Associate Athletic Director of Compliance, an Assistant Director of Compliance, and a Compliance Coordinator. The Compliance Office provides NCAA rules education and awareness training throughout the year for all coaches, staff members, student-athletes, and other individuals engaged in activities promoting the athletics interests of the institution. At present, there are 74 athletics coaches, including 13 head coaches. Athletics Compliance staff are required to self-report any known violation of NCAA

rules and sign a Certification of Compliance form each academic year to affirm their self-reporting. Annually, coaches are required to pass the NCAA Coaches' Recruiting Certification Exam before being involved in the recruitment process.

The Compliance Office uses the JumpForward system, an internet web-based program, to track and process recruiting activities such as phone calls, contacts and evaluations, official and unofficial visit requests, required forms completed by student-athletes; and, to track competition participation and countable athletic related activities. AD Compliance procedures require coaches and Compliance Office personnel to input applicable student-athlete recruiting activity into the system. Required documentation such as *Contact/Evaluation Summary* logs, Telephone reports, *Official/Unofficial Summary* reports, etc. are generated by the system and utilized by the Compliance Office staff to monitor compliance with NCAA bylaws. Official visit activities are monitored by the AD Compliance Office (and/or the AD Business Office, as appropriate), so that all aspects of the University, including programs, staff and students are presented in a positive manner and visits are conducted in accordance with NCAA guidelines. According to Compliance Office personnel, approximately 1,000 prospects were contacted for the 2018/19 academic year.

Boosters, also known as representatives of the university's athletics interests, are not allowed to recruit, but may inform coaches of prospective athletes. Athletics has a web page section, Boosters Alumni and Fans, at www.fausports.com dedicated to educating boosters on NCAA rules regarding interactions and relationships with current and prospective student-athletes. Prior to the start of the academic year, a brochure detailing NCAA rules pertaining to boosters is mailed by Athletics to each season ticket holder. Additionally, when an individual donates to the Paradise Club – an FAU Athletics fund managed by the FAU Foundation – their tax receipt informs them of their status as a booster and directs them to www.fausports.com to inform them of the NCAA rules pertaining to boosters.

Prior Audit Recommendations

Our examination generally includes a follow-up on findings and recommendations of prior internal audits, where the subjects of such findings are applicable to the scope of the current audit.

Within the past three fiscal years, there have not been any internal audits pertaining to NCAA Recruiting compliance. Accordingly, a follow-up on prior audit recommendations is not applicable.

CONCLUSION

Based on our observations and tests performed, we believe that management has established effective policies, procedures, and practices for monitoring on and off-campus recruiting of student-athletes in accordance with applicable NCAA regulations. In addition, we believe the controls maintained over the representatives of the University's athletics interests (boosters) as they relate to interactions and relationships with current and prospective student-athletes are being conducted in general compliance with applicable NCAA regulations. There were no reportable findings or recommendations as a result of this audit.

We wish to thank the Athletics Compliance Department staff for their cooperation and assistance, which contributed to the successful completion of this audit.



Stacy Volnick
Interim Chief Audit Executive

Audit Performed By: Allaire Vroman
Ben Robbins, CPA (N.C.)

Use of Report

We are employed by Florida Atlantic University. This report is intended solely for the internal use of Florida Atlantic University and its governing bodies and is not intended to be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.