

Arizona State University
NCAA Compliance
August 31, 2021

Summary: National Collegiate Athletic Association (NCAA) compliance audits are completed on a rotational basis to provide coverage to key compliance areas. The NCAA Compliance audit for general governance areas including governance and organization, academic performance program, investigations and self-reporting, and amateurism was included in the Arizona State University (ASU) annual audit plan for Fiscal Year 2021 approved by the Arizona Board of Regents (ABOR) Audit Committee and ASU senior leadership which includes rotational coverage of key NCAA bylaws over a 4-year period. This audit is in support of ASU's mission of Inclusion and Student Success.

Background: The NCAA is dedicated to advancing fairness, safety and equal opportunity for all student-athletes. Rules and bylaws have been implemented to support this mission along with various governing bodies to ensure compliance. Violations to rules are assessed using a four-level structure ranging from a severe breach of conduct (Level 1) to incidental issues (Level 4) and can have significant impacts to a university's athletic program including postseason bans, scholarship reductions and coach suspensions.

Athletics compliance is a responsibility shared among all Sun Devil Athletics stakeholders, including ASU fans, coaches, student-athletes, prospective student-athletes, and other representatives of the University. It is the responsibility of the Sun Devil Athletics Compliance Office to direct and manage ASU's efforts to educate its stakeholders and to monitor compliance regarding NCAA and Pac-12 Conference rules.

Audit Objective: The objectives of this engagement were to review the design of processes governing the administration and monitoring of governance and organization, academic performance program, investigations and self-reporting, and amateurism to ensure compliance with the applicable NCAA bylaws.

Scope: The scope of the audit focused on the design of SDA Compliance controls governing NCAA compliance in the areas of governance and organization, academic performance program, investigations and self-reporting, and amateurism addressed through Bylaws 2.1, 2.81, 3.2.4.5, 12 and 14.8. These areas represent key bylaw areas that have not been subject to specific audits by University Audit over past four years.

Procedures related to the Academic Performance Plans were limited to the review of the overall process and did not include validation of information submitted due to the pause in the NCAA releasing data after the 2018-2019 year. The NCAA Division I Board of Directors suspended APP penalties and public release of data for 2019-20 and 2020-21 data collection.

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Methodology: 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 consisted of tests of procedures necessary to provide a reasonable basis for expressing our opinion. The Association of College and University Auditors (ACUA) 2020-2021 NCAA Compliance Audit Guide for Division I Institutions was utilized as the framework to guide this design assessment.

Conclusion: Overall, the SDA Compliance department has implemented an effective governance structure to drive compliance with NCAA bylaws in the areas of governance and organization, investigations and self-reporting, academic performance program, and amateurism.

Specifically, training and education have been implemented through multiple channels to ensure student-athletes, coaches and staff are aware of current and changing NCAA legislation. SDA Compliance maintains an education calendar to ensure coverage of topics and has monthly education meetings with team coaches/staff and with Student Athlete Development staff.

SDA Compliance monitors student-athletes in the area of amateurism through the use of forms submitted for outside competition and promotional activities. Although a formal elite student-athlete program is not in place, SDA Compliance provides additional one-on-one rules education to elite student-athletes.

While the offices of the Faculty Athletic Representative (FAR), Student Athlete Development (OSAD), and SDA Compliance work together to gather information for submission (transfer data, APR and GSR), review and confirm the final data to be submitted for the NCAA Academic Performance Program, the FAR office is responsible for the final submission into the NCAA Portal. This cross-functional approach supports validation of information at various levels to ensure accurate and complete submissions.

Although a comprehensive list of policies and procedures is maintained by SDA Compliance, the policies and procedures are not consolidated in one location and are in various states of completion, review, and publication. It was also noted that there is no policy or documented procedures regarding conducting an investigation of possible violations which is considered a best practice by the NCAA. It is recommended that a policy be implemented or that existing processes are documented to ensure investigation efforts are consistent and repeatable. In addition, it is recommended that outstanding policies be reviewed and published so that they are easily assessable by ASU employees as well as student-athletes with priority given to higher risk areas such as investigations and the elite student-athlete program.

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The control standards University Audit 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	Finding No.	Page No.
Reliability and Integrity of Financial and Operational Information	Not Applicable	N/A	N/A
Effectiveness and Efficiency of Operations	Not Applicable	N/A	N/A
Safeguarding of Assets	Not Applicable	N/A	N/A
Compliance with Laws and Regulations			
<ul style="list-style-type: none"> • SDA Compliance provides rules education training to student-athletes, coaches and staff to ensure an appropriate understanding of NCAA bylaws. 	Reasonable to Strong Controls in Place.	N/A	N/A
<ul style="list-style-type: none"> • SDA Compliance maintains policies and procedures to support an effective institutional compliance program. 	Reasonable to Strong Controls in Place.	N/A	N/A
<ul style="list-style-type: none"> • SDA Compliance staff job responsibilities regarding NCAA compliance are defined and support an effective institutional compliance program. 	Reasonable to Strong Controls in Place.	N/A	N/A
<ul style="list-style-type: none"> • SDA Compliance monitors student-athlete amateurism in the areas of outside competition and promotional activities to drive compliance and identify potential amateurism violations. 	Reasonable to Strong Controls in Place.	N/A	N/A
<ul style="list-style-type: none"> • Athletics has policies and procedures in place to gather and submit accurate academic data required under the NCAA Academic Performance Program. 	Reasonable to Strong Controls in Place.	N/A	N/A
<ul style="list-style-type: none"> • SDA Compliance has procedures in place for reporting potential NCAA rules violations. 	Reasonable to Strong Controls in Place.	N/A	N/A

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