



**Missouri
State**[®]
UNIVERSITY

NCAA Recruiting

February 16, 2023

Report No. 183-23

Office of Internal Audit & Risk Management



Missouri State[™]

U N I V E R S I T Y

DATE: February 16, 2023

TO: Kyle Moats, Director of Athletics
Casey Hunt, Senior Associate Director of Athletics/SWA
Tuamafa “Tua” Reilly, Assistant Director of Athletics Compliance

CC: Rachael Dockery, General Counsel
Zora Mulligan, Executive Vice-President
Clifton M. Smart III, University President

FROM: Natalie B. McNish, Director of Internal Audit and Risk Management
Arti Arti, Internal Auditor

NCAA Recruiting

BACKGROUND

The Office of Internal Audit and Risk Management determined rotational audits of athletic programs were necessary to effectively monitor associated compliance and operational risks. Twelve categories were identified as potential risk areas and audits of each category will be completed for both the Springfield and West Plains athletic programs.

As a member of the National Collegiate Athletic Association (NCAA) Division I, Missouri State University has an obligation to ensure overall compliance with all applicable rules and regulations of the Association in the conduct of its intercollegiate athletics programs. Article 13 of the NCAA bylaws provide regulation related to recruiting activities. These regulations are complex and vary by sport.

In January 2023, the NCAA provided new proposed regulations for Division I sports. We reviewed these regulations to ensure recommendations made in our report would not contradict this new guidance.

OBJECTIVE AND SCOPE

The objectives were to review compliance with applicable NCAA rules, documented policies and procedures, and widely accepted business practices as they apply to recruiting student-athletes. The scope of the review was limited to the year ended June 30, 2022.

SUMMARY

To ensure potential transfer student-athletes do not have any unknown compliance complications, athletics should develop formal procedures to request and verify Tracer profile information prior to making offers. Additionally, to improve the ability of the Assistant Director of Athletics – Compliance to provide compliance oversight, utilization of continuous monitoring tools available in ARMS should be implemented and coaches must input complete and accurate information into the ARMS system in a timely manner.



Natalie B. McNish, CFE, CGAP
Director of Internal Audit and Risk Management



Arti Arti
Internal Auditor

Audit Field Work Completed: January 20, 2023

OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT RESPONSES

1. Prospective transfer student-athlete profile review

Procedures to identify potential compliance issues of prospective transfer student-athletes' could be improved by requiring coaches to work with the Assistant Director of Athletics – Compliance to access and verify the information available in the Tracer application. The NCAA provides Tracer application access, as a part of the Transfer Portal, to the Compliance Officer of all member institutions. This application provides a method for institutions to share student-athlete information regarding academics, athletics, and eligibility. Requiring decision makers to review all available information decreases the risk of potential non-compliance.

Recommendation:

Develop a formal procedure whereby coaches are required to request necessary Tracer profile information of prospective transfer student-athletes from the Assistant Director of Athletics – Compliance and verify the information received prior to making written offers.

Management's Responses

The Senior Associate Director of Athletics/SWA agrees and will implement this recommendation.

2. Use of ARMS application for recruiting compliance

Intercollegiate Athletics utilizes a compliance application called ARMS; however, our review identified a significant function of the software which was not being utilized and noted information deficiencies or delays in recording information which make it more difficult for the Assistant Director of Athletics – Compliance to provide oversight of recruiting activities.

A. Use of continuous monitoring tools

The ARMS system includes continuous monitoring tools which continually review information recorded in the system for potential violations; however, due to turnover in the Assistant Director of Athletics – Compliance position, athletics had not processed 67 potential violation alerts. Additional review determined these 67 potential violations represented only 6 unique issues which occurred between July 2021 and November 2022. Of these 6 issues, it was determined 2 were not actually violations and no actions were necessary, 3 were violations which occurred in 2021 and had already been identified and reported by athletic personnel, and 1 was a violation which occurred in July 2022 and was not identified by athletic personnel until our audit in November 2022. A self-report was completed for this violation in December 2022. To improve efficiency in the complex job of overseeing athletics compliance and reduce risk of violations going unidentified, monitoring of this tool is critical.

B. Accurate information and timeliness requirements

Information entered into the ARMS system is not always complete or entered in a timely manner, which impacts the Associate Director of Athletics – Compliance's ability to provide oversight of recruiting activities and the ability of the continuous monitoring capability to identify issues. Examples include:

- Inbound and outbound telephone calls for Baseball, Football, and Men's Basketball are not recorded in the ARMS application.
- Official and unofficial off campus visit forms are not always updated by coaches after the visit to provide a complete and accurate account of all visit activities or information provided.

- Name of prospective student-athlete being recruited is not always identified in expense documentation uploaded.
- Information such as telephone numbers and graduation year are not always updated.
- Guidelines for timely reporting do not currently exist.

Recommendations

- A. Monitor the potential violation report in ARMS and take prompt action to review any issues identified.
- B. Require coaches to enter and update all needed information into ARMS in a complete and timely manner to ensure continuous monitoring capabilities can be utilized.

Management's Responses

The following responses were provided by Casey Hunt, Senior Associate Director of Athletics/SWA:

- A. *Agree and will be done on a weekly basis to ensure that violations are caught in a timely fashion.*
- B. *Agree with recommendation and will reiterate to coaches that ARMS must be utilized and all required fields must be completed.*