

# IOWA STATE UNIVERSITY

## Internal Audit Report

### Executive Summary

## NCAA Compliance – Financial Aid

June 24, 2004

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### Introduction

The National Collegiate Athletic Association (NCAA) is the national governing body for amateur collegiate sports in the United States. As a Division I member of the NCAA, Iowa State University (ISU) is obligated to comply with NCAA rules and regulations governing the eligibility, amateur status, and recruitment of student athletes. Ensuring NCAA compliance is of major importance to the continued success of ISU athletic programs.

The 2003-2004 NCAA Division 1 Manual defines the institutional responsibility for rules compliance. The NCAA Bylaws, 22.2.1.3 Rules Compliance states,

“Membership in the Association places the responsibility on each institution to assure that its staff, student-athletes and other individuals and groups representing the institution’s athletics interests comply with the applicable Association rules and regulations. Consistent with this responsibility, the institution shall demonstrate that:

( a ) It has in place a set of written policies and procedures that assign specific responsibilities in the areas of rules compliance, including assignment of direct accountability for rules compliance to the individual the chief executive officer assigns overall responsibility for the athletics program;

( b ) In critical and sensitive areas, institutional compliance procedures provide for the regular participation of persons outside of the athletics department;

( c ) Rules compliance is the subject of an ongoing educational effort;

( d ) A clear and unambiguous commitment to rules compliance is a central element in all personnel matters for individuals involved in the intercollegiate athletics program; and

( e ) At least once every four years, its rules-compliance program is the subject of evaluation by an authority outside of the athletics department.”

### Scope

The Office of Internal Audit utilized the NCAA Audit Guide, developed by the Association of College and University Auditors (ACUA), for this review. In addition, the auditor used the 2003-2004 NCAA Division 1 Manual as a reference.

The scope of this audit included review of ISU's efforts to comply with the NCAA bylaws regarding rules compliance. Initially, we examined each area identified by ACUA to determine if the University meets the intentions of NCAA Bylaw 22.2.1.3.

Subsequently, based upon changes in staff, complex NCAA regulations, and expanded software capabilities, we selected one area for an in depth review. NCAA Bylaw 15 prescribes rules for administering financial aid to student athletes. We examined policies and procedures for administering and monitoring financial aid to student athletes.

### Observations

Based on audit work performed, it appears the University is in compliance with the NCAA regulations. We noted no material observations, but will provide management with suggestions for improvement.

### Management's Action Plans

We discussed with management our audit observations and recommendations for improvements. No actions were required as a result of this audit; therefore, Internal Audit will not perform a follow-up review.

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