



UCSB Audit and Advisory Services

Internal Audit Report

Intercollegiate Athletics Camps and Clinics

December 16, 2014

Performed by:

Amin Berrah, Senior Auditor

Approved by:

Robert Tarsia, Director

Report No. 08-15-0003

This page intentionally left blank.



AUDIT AND ADVISORY SERVICES
SANTA BARBARA, CALIFORNIA 93106-5140
Tel: (805) 893-2829
Fax: (805) 893-5423

December 16, 2014

To: Dr. Gary Cunningham, Interim Director
Kelly Barsky, Deputy Athletic Director
Intercollegiate Athletics

Re: **Intercollegiate Athletics - Camps and Clinics**
Audit Report No. 08-15-0003

As part of the 2014-15 annual audit services plan, Audit and Advisory Services has completed our audit of Intercollegiate Athletics (ICA) Camps and Clinics. Enclosed is the report detailing the results of our work.

The purpose of this audit was to assess whether ICA camps and clinics are operating consistently with regulations, policies, and procedures applicable to their operations. The scope of the audit included an examination of all camps and clinics organized by ICA personnel on the UCSB campus; the audit objectives were to determine whether written procedures and controls are adequate to ensure compliance with NCAA regulations, University of California and UCSB policies and procedures, federal and state privacy laws, laws relating to the safety of minors, and state regulations covering camps.

The results of our work identified significant opportunities for improvement in written camps and clinics procedures. These improvements are needed to adequately manage risks associated with the operation of camps and clinics, because existing procedures omit several key compliance areas required by NCAA bylaws, UC and UCSB policies and procedures, and state and federal regulations. We also found that ICA does not have sufficient, specific recordkeeping requirements for camps and clinics; this weakness could expose the University to potential loss and liability because, without sufficient records, it could be difficult to substantiate compliance with a variety of critical requirements.

Our audit also found that the operation of camps and clinics would benefit from entering a memorandum of understanding with the Department of Recreation to document standard field use and camp reservation procedures, outline the respective responsibilities of each department, and establish an appropriate process for establishing and publishing rates charged by the Department of Recreation. In addition, our evaluation of selected internal controls over departmental information technology and disbursement processes found that ICA would benefit from the evaluation of current practices in these areas to help ensure compliance with UC and UCSB policies and prudent business practices.

Detailed observations and management corrective actions are included in the following sections of the report. The management corrective actions provided indicate that each audit observation was given thoughtful consideration and that positive measures have been taken or planned to implement the recommendations. We greatly appreciated the assistance on this project by Intercollegiate Athletics personnel. If you have any questions, please contact me.

Respectfully submitted,

A handwritten signature in black ink that reads "Robert Tarsia". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Robert Tarsia
Director
Audit and Advisory Services

Enclosure

cc: Chancellor Henry Yang
Assistant Chancellor Todd Lee, Budget and Planning
Vice Chancellor Administrative Services Marc Fisher
UCSB Audit Committee
Senior Vice President and Chief Compliance and Audit Officer Sheryl Vacca
Renee McLean, Business Manager, Intercollegiate Athletics
Sean Strauch, Assistant Athletics Director, Intercollegiate Athletics

PURPOSE

The primary purpose of this audit was to assess whether Intercollegiate Athletics (ICA) camps and clinics organized by ICA staff on the University of California, Santa Barbara (UCSB) campus are operating consistently with regulations, policies, and procedures applicable to their operations. This audit was performed as part of UCSB's 2014-15 annual audit services plan.

SCOPE, OBJECTIVES AND METHODOLOGY

The scope of this audit included an examination of all camps and clinics organized by ICA personnel on the UCSB campus.

The objectives of this audit were to determine whether written procedures and controls are adequate to ensure compliance with:

- National Collegiate Athletic Association (NCAA) regulations
- University of California (UC) and UCSB policies and procedures
- Federal and state privacy laws
- Laws relating to the safety of minors
- State regulations covering camps

Our scope and objectives also included limited work to evaluate whether certain ICA departmental information technology (IT) controls are adequate, and to determine whether camp disbursements are adequately controlled and appropriate.

Our preliminary work emphasized:

- Gaining an understanding of, and documenting, critical compliance requirements relevant to the scope of the audit, including applicable laws, regulations, policies, and procedures. In addition to NCAA, UC, and UCSB requirements, we documented several federal and state laws governing camps and clinics directly, or indirectly because of their relevance to areas such as information security, health records, and certain other administrative matters.
- Reviewing other audits and reviews relevant to this audit, including work by UCSB Audit and Advisory Services, other UC campuses, and other universities and institutions.
- A review of best practices across other Division I¹ universities, with a specific focus on camp compliance with applicable laws.

In order to gain an understanding of camps and clinics operations and the operating and compliance challenges from the coaches' perspectives, our audit fieldwork included two information-sharing and feedback sessions with ICA coaches. Our fieldwork also included:

- Evaluation of existing UCSB camps and clinics written procedures.
- Tests of expenditures for compliance with UCSB administrative requirements.
- Review of select departmental IT processes and controls.

¹ Defined later in the report.

UCSB Audit and Advisory Services
Intercollegiate Athletics Camps and Clinics

This audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

BACKGROUND

The primary mission of UCSB Intercollegiate Athletics is to provide an opportunity for widespread participation in intercollegiate athletics and to enhance the student-athlete's education through competition at the Division I intercollegiate level.

ICA offers ten varsity sports for men (cross-country, water polo, soccer, basketball, swimming, track and field, baseball, golf, volleyball, and tennis) and ten for women (tennis, volleyball, swimming, track and field, cross-country, softball, basketball, water polo, indoor track, and soccer). The ICA program is bound by the policies and procedures of the NCAA and the rules of any conference, league, or association of which it is a member. For competitive purposes, each NCAA member institution and member conference is designated as a member of Division I, II or III. In order to be classified as Division I, a multisport conference must be composed of at least seven active Division I members and offer a minimum of 12 Division I sports. UCSB's athletic program is an NCAA Division I program competing in the Big West Conference, currently in its 46th year of operations. The Big West Conference is comprised of nine member universities², and offers 16 conference-sponsored sports, including nine for women and seven for men.

Camps and Clinics

As part of its mission, ICA administers several sports camps and clinics for middle to high school-aged athletes that provide specialized instruction in a particular sport, mostly held over the summer. The campus also welcomes camps organized by UCSB coaches or other promotional partners. All of these camps are hosted at the University; both institutional and non-institutional ("private") camps rent facilities from the University's Department of Recreation, with some also providing overnight accommodations through a contract with a nearby non-University residence facility. Table 1 highlights the camps and clinics currently advertised.

As of the writing of this report, the ICA website advertised 21 camps showcasing nine sports. Many of these camps organize more than one session per calendar year. Only nine camps, including five baseball camps, men's and women's basketball camps, and softball, are considered institutional camps. The classification of a camp or clinic as institutional or non-institutional is determined by NCAA regulations. The NCAA defines an institutional sports camp or instructional clinic as "*any camp or clinic that is owned or operated by a member institution or an employee of the member institution's athletic department, either on or off its campus, and in which prospective student-athletes participate.*"

Because rules vary according to whether a camp is institutional or non-institutional, this distinction is an important one. The institutional versus non-institutional nature of the camp determines whether the use of university logos is appropriate, whether sports camp equipment may be purchased by and delivered to the campus, what types of payment may be accepted, and various other operating guidelines. Several other requirements, such as background check requirements, student-athlete compensation and marketing restrictions, and the maintenance of adequate emergency procedures may be applicable to both institutional and non-institutional camps operated in the state for more than five days a year.

² California Polytechnic State University, California State University - Fullerton, California State University - Northridge, Long Beach State University, University of California - Davis, University of California - Irvine, University of California - Riverside, University of California - Santa Barbara and the University of Hawaii.

UCSB Audit and Advisory Services
Intercollegiate Athletics Camps and Clinics

| Table 1 | Annual Camps and Clinics at UCSB |
|--|---|
| Institutional Camps | |
| 2014 Gaucho Baseball Academy Summer Youth Camp | |
| 2014 UCSB Gaucho Summer Prospect Camp I | |
| 2014 UCSB Gaucho Summer Prospect Camp II | |
| ABC Pro Hitting Camp at UC Santa Barbara | |
| ABC Pro Baseball Camp at UCSB | |
| Carlene Mitchell Elite Basketball Camp | |
| Carlene Mitchell Team Basketball Camp | |
| Gaucho Basketball Camps | |
| UCSB Softball Advanced Showcase Dates | |
| Non-Institutional | |
| ELITE Summer ID Camp | |
| ELITE High School Boys Camps | |
| ELITE High School Goalkeeper Academy | |
| ELITE Youth Boys Camp | |
| Nike Tennis Camp UCSB | |
| Paul Stumpf Soccer Academy | |
| Rick McLaughlin Volleyball Camp | |
| SB Track & Field / Cross-Country Camp | |
| UCSB Women's Volleyball Summer Camps | |
| Vacation Kids Camps | |
| Wilson Swimming Camp | |
| Wolf Wigo's Santa Barbara Water Polo Camps | |

Source: Intercollegiate Athletics

UCSB Audit and Advisory Services
Intercollegiate Athletics Camps and Clinics

Compliance Requirements

Camps and clinics are subject to a wide variety of compliance requirements, including:

- NCAA bylaws, including those governing the operation of camps and clinics, the use of student-athletes as camp counselors, and disclosure requirements for athletic departments.
- State and federal regulations, such as those addressing the privacy of medical and financial data, the operation of organized camps, and the safety of minors.
- UC and UCSB policies and procedures, including those pertaining to cash handling procedures, procurement, and the use of University properties.

The Appendix to this report summarizes the key compliance requirements applicable to the operation of athletic camps and clinics.

SUMMARY OPINION

The results of our work identified several significant opportunities for improvement in the development of written camps and clinics procedures. These improvements are needed to adequately manage risks associated with the operation of camps and clinics, because existing procedures omit several key compliance areas required by NCAA bylaws, UC and UCSB policies and procedures, and state and federal regulations. We also found that ICA does not have sufficient, specific recordkeeping requirements for camps and clinics; this weakness could expose the University to potential loss and liability because it could be difficult to substantiate compliance with a variety of critical requirements without sufficient records.

Our audit also found that the operation of camps and clinics would benefit from entering a Memorandum of Understanding with the Department of Recreation to document standard field use and camp reservation procedures, outline the respective responsibilities of each department, and establish an appropriate process for establishing and publishing rates charged by the Department of Recreation. In addition, our evaluation of selected internal controls over departmental information technology and disbursement processes found that ICA would benefit from the evaluation of current practices in these areas to help ensure compliance with UC and UCSB policies and prudent business practices.

DETAILED OBSERVATIONS AND MANAGEMENT CORRECTIVE ACTIONS

A. Lack of Written Procedures Addressing Key Camps and Clinics Compliance Requirements

Our audit found that Intercollegiate Athletics lacks sufficient written procedures to adequately manage risks associated with the operation of camps and clinics. Although we noted the existence of an ICA *Sports Camps and Clinics Administrative Procedures and Forms* handbook, we found that it had not been actively promoted to camp coaches or other personnel. Further, our analysis of the completeness and accuracy of the ICA handbook found that it omits several key compliance areas required by NCAA bylaws, UC and UCSB policies and procedures, and state and federal regulations. Improvements in written guidance would help ensure compliance in these areas and protect the University's interests.

ICA Camps and Clinics Procedures Omit Several Key Compliance Areas

1. University Trademarks - ICA's handbook does not specifically address UCSB Policy 5010, *Use of the University's Name*, relating to licensing the use of the University's name. Since several non-institutional camps incorporate University properties (e.g., name, logo, images) in their title, brochures, or websites, detailed, written guidance in this area is needed to help ensure compliance.
2. HIPAA - Although camps and clinics collect certain camper health care information upon enrollment, including proof of insurance coverage, the handbook does not address data security or retention requirements important to ensuring compliance with the Health Insurance Portability and Accountability Act (HIPAA). The risk in this critical area is heightened by the lack of centralized recordkeeping requirements, which makes it difficult to assess to what extent camps are aware of, and complying with, these restrictions. UCSB's *HIPAA Privacy Policy; Implementing Guidelines for Systemwide HIPAA Privacy Policy*, requires representatives of "covered components", including Intercollegiate Athletics, to implement HIPAA policies and procedures "within the component." This responsibility includes assessing the need for HIPAA training for ICA employees and implementing it accordingly.
3. California Data Privacy Laws - The current handbook provides no guidance on the risks of maintaining payment information onsite, or any requirement that special measures be taken to prevent identity fraud, as required by California Senate Bill 1386, *The California Security Breach Information Act*.
4. Cash Controls - ICA does not have centralized cash handling procedures for camps and clinics. Although camps and clinics process and store payment information, the handbook contains no guidance as to the proper separation of duties or other requirements outlined in BUS-49, *Policy for Cash and Cash Equivalents Received*. We also noted at least one instance of camps accepting registration (including payment information) by fax, a practice prohibited by BUS-49.
5. Use of University Properties - Although the handbook incorporates UC policy PACAOS-40, *Policy on Use of University Properties*, as it relates to the use of the University's name, insignia, seal, or address, it offers no additional guidance as to how the camp

UCSB Audit and Advisory Services
Intercollegiate Athletics Camps and Clinics

coaches should apply it. The handbook also does not incorporate several other applicable sections that are relevant to both institutional and non-institutional camps and clinics, including the requirement that individuals or organizations using University properties and services (like non-institutional camps and clinics) avoid any unauthorized implication that they are sponsored, endorsed, or favored by the University, and that all persons on University property are required to abide by UC and UCSB regulations.

ICA Camps and Clinics Procedures Incorrectly Interpret Certain Compliance Requirements

1. Child Abuse and Neglect Reporting Act - Although we noted that the ICA handbook refers to the legal reporting requirement of the *Child Abuse and Neglect Reporting Act* (CANRA), it only states that such reports must be made to a camp counselor; it is unclear whether counselors have adequate training to handle these reports according to the legal requirements, which mandate that suspected instances of child abuse or neglect be reported to “any police department or sheriff’s department.”³ The UC CANRA Policy clearly states that an “internal report made under this policy is not a substitute for a Mandated Reporter’s required external reports under CANRA or other applicable laws,” and the current protocol does not satisfy the state’s reporting requirement.
2. California Laws on Organized Camps - Our review of potentially applicable State of California laws on organized camps found that the state has numerous safety protocols and procedural requirements in place for outdoor camps lasting five days or more per year. Although we noted that the ICA handbook does contain some guidance on the creation of emergency procedures and the performance of background checks, there is no provision for central ICA office monitoring of background check practices. The existing procedures also incorrectly instruct coaches to await word from a central authority during an emergency, although state law mandates the existence of a site-specific emergency plan be in effect at the beginning of camp.

We recommend that ICA:

- Review and revise the existing *ICA Sports Camps and Clinics Administrative Procedures and Forms* handbook, and ensure that it adequately incorporates the requirements of NCAA bylaws, state and federal regulations, and UC and UCSB policies and procedures applicable to ICA camps and clinics. When applicable, the handbook should specifically address any differing requirements for institutional and non-institutional camps and clinics in areas such as use of University properties (e.g. name, logo, images, etc.).
- Distribute the handbook to all coaches, camp personnel, and other ICA staff.
- Adequately train all relevant personnel on the revised handbook and relevant compliance and operating requirements.

³ Note: The state’s reporting requirement is satisfied even if the mandatory reporter fails to notify the appropriate police department. The state law places a burden on the department receiving the report to route it to the appropriate authority “even if the agency to whom the report is being made lacks subject matter or geographical jurisdiction to investigate the reported case.”

Management Corrective Actions

ICA will review and revise the existing *ICA Sports Camps and Clinics Administrative Procedures and Forms* handbook to ensure that it complies with NCAA bylaws, state and federal regulations, and UC and UCSB policies and procedures. ICA will then distribute the handbook to all applicable ICA personnel, and ensure that all relevant personnel are adequately trained on the revised handbook's compliance and operating requirements.

Audit and Advisory Services will follow up on the status of this issue by May 31, 2015.

B. Lack of Recordkeeping Process for Camps and Clinics Operating on Campus

We found that ICA does not have written policies and procedures covering recordkeeping requirements for camps and clinics, and that actual practices vary, not only according to whether camps are institutional or non-institutional, but also from institutional camp to institutional camp. The lack of specific recordkeeping requirements, and the variations in actual practices, expose the University to potential loss and liability because it could be difficult to substantiate compliance with a variety of critical requirements. Examples include:

1. Actual Camp Enrollment Numbers – There are no centralized records of camp registration / enrollment forms or rosters. The lack of centralized attendance records, other than those kept by coaches and counselors, might make a reconciliation of registration / enrollment records to cash receipts difficult, if not impossible.
2. Free and Reduced Admissions - Because there is no procedure that requires institutional or non-institutional camps to properly document any instances of reduced or free camp admission, it may be difficult to justify the propriety of free or reduced admissions if questions surfaced about a particular camper's participation. This is important because NCAA requirements include a requirement that universities be able to justify all instances of free and reduced admissions to prove that potential recruits did not receive any special benefits.
3. Timekeeping and Compensation Records – Records in these areas are limited to documentation related to payroll transactions, but do not include documentation supporting the payment (paper timecards are kept by the camp counselor but are not reviewed and verified by ICA management or accounting). Inadequate documentation of time and compensation records could lead to potential NCAA compliance issues for camps employing student-athletes, for example, if there were allegations that they were receiving special benefits.
4. Background Checks / CANRA Training – Although ICA complies with the UCSB requirement that background checks be performed as part of the onboarding of new University employees, our review found that not all staff of camps operating on campus are hired as University employees. Also, the department does not maintain documentation of these background checks; although Human Resources maintains the results of background checks, and there is no University requirement that departments maintain documentation, it may be prudent for ICA to maintain this information.
5. Accident / Incident Report Forms – Although our review found that the *ICA Sports Camps and Clinics Administrative Procedures and Forms* handbook includes an Accident/Incident Report Form, there is no centralized recordkeeping requirement for the retention of these forms, which could make it more difficult to document the University's response in the event of an injury or serious accident.

UCSB Audit and Advisory Services
Intercollegiate Athletics Camps and Clinics

To ensure that ICA can substantiate compliance with applicable state, federal, NCAA, and UC and UCSB requirements, the department should:

- Document uniform recordkeeping requirements for camps and clinics, perhaps as part of an enhanced *ICA Sports Camps and Clinics Administrative Procedures and Forms* handbook, that address all critical operating and compliance requirements.
- Consider a more centralized approach to recordkeeping that ensures more uniformity in practices among camps and clinics.

Management Corrective Actions

ICA will establish and document a centralized recordkeeping procedure for camps and clinics to ensure that the department can substantiate compliance with applicable state, federal, NCAA, and UC and UCSB requirements. We will also review options for a more centralized approach to recordkeeping for camps and clinics and implement changes, if reasonably possible.

Audit and Advisory Services will follow up on the status of this issue by May 31, 2015.

C. A Memorandum of Understanding with the Department of Recreation is Needed to Establish Adequate Field Use and Camp Reservation Procedures

Our audit found that the process for the rental of fields and facilities by the Recreation Department to ICA camps operating on campus is not defined in written policies and procedures. Field use or rental rates are not published, written agreements and documentation do not sufficiently outline the respective responsibilities of each department, and reservation and payment procedures vary. Further, camp rental payment transactions between the Recreation Department and ICA are processed as Non-Payroll Expenditure Adjustments using form UFIN 120 (cost transfers), rather than departmental recharges. However, these transactions are not cost transfers, and current accounting practices understate both revenue and expenses on the Department of Recreation's general ledger.

We learned during our information-sharing and feedback sessions with ICA coaches that the proper operation of both institutional and non-institutional camps and clinics is made more difficult by the lack of policies and procedures, written agreements that sufficiently outline the responsibilities of each department, and pre-established, published rates. We found that rental procedures and expectations seemed to vary from year to year, and there is uncertainty as to how much each camp will be charged for field use. Our review of some of these transactions substantiated the variation in rate practices; some camps were charged a flat rate for field use, while some were charged a per-camper rate; some camps were charged for maintenance and janitorial labor at a flat rate, while others were not billed for these services at all. We also learned that current billing and payment processes for field use make it difficult for ICA accounting staff to assess the propriety of the amounts charged from year to year or camp to camp.

UCSB Audit and Advisory Services
Intercollegiate Athletics Camps and Clinics

To address these concerns, we recommend that ICA enter into a memorandum of understanding (MOU) with the Department of Recreation covering the terms and conditions for the operation of camps run by ICA coaches, including, but not necessarily limited to:

- Pre-established, published rates, for the use of fields, or a defined, published rate-setting process.
- The respective responsibilities of each department, including expected deliverables, billing and payment procedures, insurance requirements, safety and emergency procedures, etc.
- Procedures for reserving fields and recreation areas.
- Dispute resolution procedures.
- Termination and renewal clauses.
- Recordkeeping requirements.
- Variations between institutional and non-institutional camps, if any.

We also recommend that ICA collaborate with the Recreation Department and consult with the Office of Budget and Planning and Business and Financial Services to identify and implement:

- An appropriate process for establishing and publishing rates, such as the rate process under the purview of the Income and Recharge Committee.
- The appropriate accounting transactions for Recreation Department billings to ICA and to camps and clinics run by ICA coaches.

Management Corrective Actions

ICA will collaborate with the Department of Recreation to enter into an MOU covering the terms and conditions for the operation of camps run by ICA coaches, including establishing pre-established published rates or a defined rate-setting process, outlining the respective responsibilities of each department, defining procedures for reserving fields, dispute resolution, termination and renewal, recordkeeping requirements, and any other agreed-upon content.

ICA will also collaborate with the Recreation Department and consult with the Office of Budget and Planning and Business and Financial Services to identify and implement:

- An appropriate process for establishing and publishing rates, such as the rate process under the purview of the Income and Recharge Committee.
- The appropriate accounting transactions for Recreation Department billings to ICA and to camps and clinics run by ICA coaches.

Audit and Advisory Services will follow up on the status of these issues by May 31, 2015.

D. The Department Should Review Certain Business Processes to Ensure Sufficient Internal Controls Exist

We evaluated selected internal controls over departmental information technology and disbursement processes. We found that ICA would benefit from the evaluation of current practices in these areas to help ensure compliance with UC and UCSB policies and prudent business practices.

IT Internal Controls

The department has not performed a business impact analysis or established an IT recovery plan mandated by UC Policy BFB-IS-12, *Continuity Planning and Disaster Recovery*. This policy requires performing risk assessments or business impact analyses “to identify all critical functions of the organization or unit and their supporting information systems, and that the “impact of loss or disruption of functions should be identified, evaluated, and categorized according to the time frames required for recovery of each function.”

We recommend that ICA work with Enterprise Technology Services, which provides much of the department’s IT services, to conduct a risk assessment or business impact analysis, and to establish recovery procedures in the event of a loss or disruption of IT services.

Camps and Clinics Disbursements

Our review of processes for camp expenditures or disbursements found that:

1. ICA does not have in place the proper procedures for the review and approval of certain expenditures paid from institutional camp accounts. UC Policy BUS-79, *Expenditures for Business Meetings, Entertainment, and Other Occasions*, requires submitting requests for reimbursement, recharge, or payment of expenses for meals or light refreshments and related services on the appropriate “Entertainment Check Request form, Check Request form, or an equivalent campus electronic form.”⁴ The policy requires that form to document the type of expense, event, number of participants, date, location, purpose etc. However, current practices generally only require receipts and the signature of the Assistant Business Manager or Business Manager before reimbursement is processed.
2. Procedures for the review and approval of payroll expenses paid from institutional camp accounts also require improvement. Although camp staff are generally paid at flat monthly rates, in some cases the rates are based on a required number of hours or days worked. Camps maintain paper timesheets to account for hours and pay employees, but there is no procedure for central recordkeeping of these time records. This makes it difficult for ICA to review these expenses and to reconcile payroll expenditures to hours worked for hourly employees.
3. A simple Word document listing is used to initiate registration fee refunds for camp enrollees canceling before proscribed deadlines; however, registration, payment, and other documentation is not provided to support the refunds, and ICA staff do not always verify that the original payment has cleared before releasing the refund.

⁴ For UCSB, the required form is Form U5-8E, Payment Request: Business Meeting & Entertainment.

UCSB Audit and Advisory Services
Intercollegiate Athletics Camps and Clinics

Based on the limited work we performed related to purchases made through the campus Gateway procurement system, it may also be prudent for ICA to review existing approval paths in Gateway, to ensure they are consistent with current operational needs and established signature authorities.

We recommend that ICA review and revise its business processes to ensure that:

- Expenses covered by UC Policy BUS-79 are supported by the required detailed information and supporting documentation.
- Payroll timekeeping and approval procedures for institutional camps include proper documentation and review, including documented validation of hours worked by the coach or designee, and accounting office review.
- All refund requests are proper and supported by appropriate documentation.
- Gateway approval paths are set in accordance with current operational needs and established signature authorities.

Management Corrective Actions

ICA will review and revise its business processes to ensure that:

- Expenses covered by UC Policy BUS-79 are supported by all required detailed supporting documentation.
- Payroll and timekeeping approval procedures for institutional camps are properly supported, including a documented accounting office review of employee camps hours validated by the coach or designee.
- All refunds requests are properly supported with appropriate documentation.
- Gateway approval paths are set in accordance with current operational needs and established signature authorities.

Audit and Advisory Services will follow up on the status of this issue by May 31, 2015.

UCSB Audit and Advisory Services
 Intercollegiate Athletics Camps and Clinics
 Appendix A: Applicable Laws, Regulations, Policies, and Procedures

| Table | Applicable Laws, Regulations, Policies, and Procedures |
|---|--|
| NCAA Bylaws | |
| NCAA Bylaws Article 11: Conduct and Employment of Athletic Personnel | Bylaw 11 governs income disclosure requirements for full-time athletics department staff (11.2.2), provides certain rules for compensation and remuneration of athletics personnel (11.3), and imposes limitations on the number and duties of coaches (11.7). |
| NCAA Bylaws Article 12: Amateurism | Bylaw 12 provides guidance on the use of student-athletes as camp counselors by outlining their compensation criteria, and restricts the use of their names and images (12.5.1.6). |
| NCAA Bylaws Article 13: Recruiting | Bylaw 13 defines institutional camps and clinics (13.12.1.1) and imposes certain procedural requirements on camps, including a prohibition on providing preferential treatment to potential student-athletes attending camps and clinics (13.02.12). |
| Federal Regulations | |
| The Health Insurance Portability and Accountability Act of 1996 ("HIPAA") | The HIPAA Privacy Rule (45 CFR 160, 45 CFR 164 Subparts A, E) provides federal protections for individually identifiable health information held by covered entities and their business associates and gives patients an array of rights with respect to that information. |
| Unrelated Business Income Tax (UBIT), Internal Revenue Code Section 512 | Unrelated Business Tax Income, 26 U.S.C. § 512, defines income subject to the Unrelated Business Income Tax (UBIT), which applies to organizations otherwise exempt from income tax under IRC section 501(c) if they earn income in a trade or business unrelated to their tax exemption. |
| California Regulations | |
| California Laws on Organized Camps | Section 30704 (Article I) of the California Code of Regulations requires either ACA accreditation or written operating procedures governing supervisor qualifications and training, staff skill verification criteria and processes, participant eligibility requirements, staff-to-participant supervision ratios, equipment, safety, emergency procedures, environmental hazards, access and equipment control, and equipment maintenance and repair. Section 30751 mandates a satisfactory criminal history record check from the California Department of Justice, Bureau of Criminal Identification, or U.S. Department of Justice National Sex Offender Public Registry for all camp counselors and directors. |
| Child Abuse and Neglect Reporting Act (Cal. Penal Code § 11164 – 11174.3) | Defines child abuse, establishes procedures to report and investigate child abuse, and imposes an obligation on "mandated reporters" to report child abuse whenever the mandated reporter, "in his or her professional capacity or within the scope of his or her employment", has knowledge of or reasonably suspects child abuse or neglect. A provision of the law (Cal. Penal Code § 1166(g)) also provides that "any person who has knowledge of or observes a child whom he or she knows or reasonably suspects has been a victim of child abuse or neglect may report the known or suspected instance of child abuse or neglect." |
| The California Security Breach Information Act (SB 1386) | This statute mandates that state agencies disclose, in specified ways, "any breach of the security of the data, as defined, to any resident of California whose unencrypted personal information was, or is reasonably believed to have been, acquired by another person." |

UCSB Audit and Advisory Services
 Intercollegiate Athletics Camps and Clinics
 Appendix A: Applicable Laws, Regulations, Policies, and Procedures

| Table | Applicable Laws, Regulations, Policies, and Procedures |
|--|---|
| University of California Policies and Procedures | |
| UC BFB BUS-43, Materiel Management | BUS-43 establishes procurement procedures based upon “fair, ethical, and professional business practices” and prohibits the use of University credit purchasing power for individuals or for non-University activities “except where a University program has been approved by a University Administrator with delegated authority with advice as appropriate from the Office of General Counsel or his designee for legal compliance.” |
| UC BFB BUS-49, Policy for Cash and Cash Equivalents Received | BUS-49 establishes the University’s policies related to handling and processing cash and cash equivalents, and defines roles and responsibilities related to receipt, safeguarding, reporting and recordkeeping for all University cash and cash equivalents. |
| UC BFB BUS-79, Expenditures for Business Meetings, Entertainment, and Other Occasions | BUS-79 governs the appropriate use of University funds for business meetings, entertainment functions, and other occasions when meals and/or light refreshments are served. |
| UC Policy PACAOS-40, Use of University Properties | This UC policy addresses the use of University properties, such as use of the UC name, insignia, seal, or address. This guidance also mandates that all persons on University property are required to abide by University policies, including those that prohibit individuals or organizations using University properties and services to avoid any unauthorized implication that they are sponsored, endorsed, or favored by the University. |
| UCSB Policies and Procedures | |
| UCSB Policy 5010, Use of the University’s Name | Policy 5010 establishes procedures for the commercial and non-commercial use of the University’s name, including a request for specific concurrence by the General Counsel if “ <i>unusual liability or exposure may develop from granting the sought permission.</i> ” |
| UCSB HIPAA Privacy Policy, Implementing Guidelines for Systemwide HIPAA Privacy Policy | This policy governs all ancillary and covered components, workforce members, and the implementation of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) requirements at UCSB. |