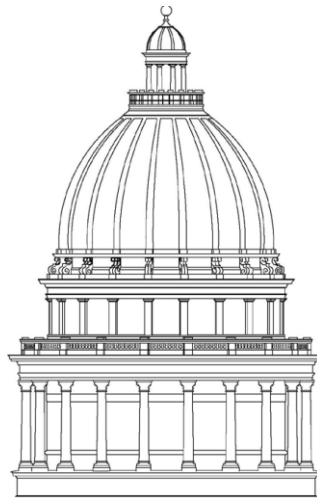


REPORT TO THE  
**UTAH LEGISLATURE**

Number 2020-01



**An In-Depth Follow-Up of the  
University of Utah Athletics Department**

January 2020

Office of the  
LEGISLATIVE AUDITOR GENERAL  
State of Utah





STATE OF UTAH

# Office of the Legislative Auditor General

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## Audit Subcommittee of the Legislative Management Committee

President J. Stuart Adams, Co-Chair • Speaker Brad R. Wilson, Co-Chair

Senator Karen Mayne • Senator Evan J. Vickers • Representative Brian S. King • Representative Francis D. Gibson

KADE R. MINCHEY, CIA, CFE  
AUDITOR GENERAL

January 27, 2020

TO: THE UTAH STATE LEGISLATURE

Transmitted herewith is our report, **An In-Depth Follow-Up of the University of Utah Athletics Department** (Report #2020-01). A summary is found on page i located at the front of the report.

We will be happy to meet with appropriate legislative committees, individual legislators, and other state officials to discuss any item contained in the report in order to facilitate the implementation of the recommendations.

Sincerely,

A handwritten signature in black ink that reads "Kade minchey". The signature is written in a cursive, slightly slanted style.

Kade R. Minchey, CIA, CFE  
Auditor General





## IN-DEPTH FOLLOW-UP

### ► AUDIT REQUEST

In February 2016, the Legislative Audit Subcommittee asked us to evaluate the efficiency and effectiveness of the University of Utah Athletics Department. Our findings and recommendations were reported in November 2016 in Audit Report 2016-10; *A Performance Audit of the University of Utah Athletics Department*. In December 2018, the subcommittee asked us to perform an in-depth follow up of that report.

### ► BACKGROUND

The 2016 report made 18 recommendations intended to improve the department. Key findings of that audit that this report addresses includes:

- Athletics' financial reporting should include indirect institutional support provided to the program. Additionally, Athletics made a strategic decision to overspend upon joining the Pac-12 Conference.
- Coach salaries are not closely tied to performance and the athletic director's contract lacks performance incentives for smaller sports.
- Athletics' accounting for some costly inventory is inadequate and stronger controls over building access are necessary.
- Stronger adherence to human resources policy is needed to ensure employee equity.

# University of Utah Athletics Department



## KEY FINDINGS

- ✓ Athletics has made great efforts to improve its organization, implementing 15 of 18 recommendations from our 2016 report.
- ✓ Recommendations below encourage continued improvements.

***40 Percent of Sampled Assets Were Missing. Most Items Were Eventually Located As Athletics Updated Inventory Records.***

Item Categories	Sampled Assets	Initial Review		Found After Records Updated
		Found	Not Found	
Laptop/Desktop Computers	32	20	12	11
Sports, Gym, Other Equip.	9	5	4	4
Large Screen Televisions	4	2	2	1
Photo/Recording Equip.	2	1	1	1
<b>Total</b>	<b>47</b>	<b>28</b>	<b>19</b>	<b>17</b>



## RECOMMENDATIONS

- ✓ The department should conduct an audit of all noncapital assets by locating inventory, improving asset tracking, and maintaining up-to-date records.
- ✓ The department should determine whether the University's asset-tracking and inventory system (currently being procured) could be used to track department assets.

*Summary continues on back >>*



## REPORT SUMMARY

### *Athletics Inventory Management Process Has Improved, but Better Tracking Is Still Needed*

The department has made significant improvements in maintaining an inventory of its fixed assets. However, we could not initially determine the location of 40 percent of sampled assets. The department was eventually able to locate 96 percent of those items (all but two). This suggests a need to improve record keeping and asset tracking.

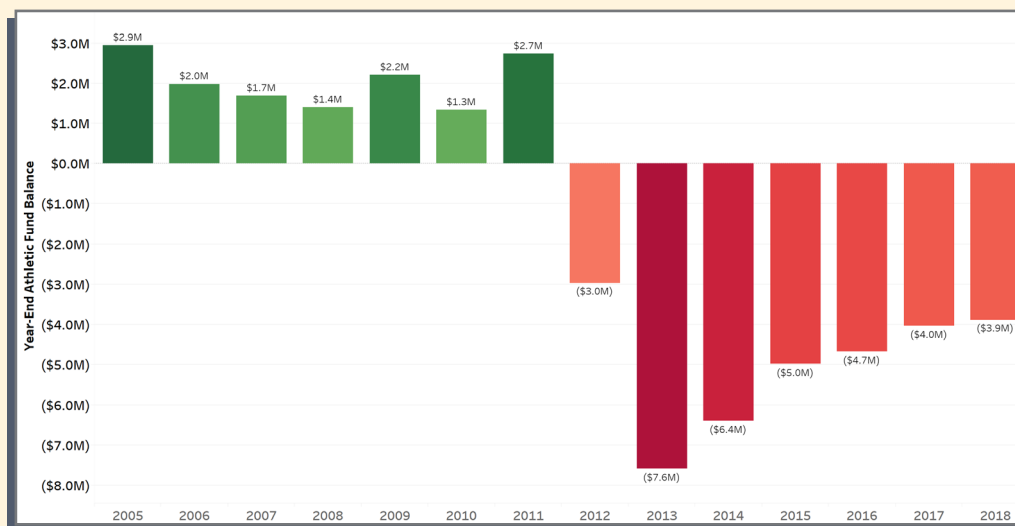
As theft continues to occur on campus and within buildings where the department operates, we recommend the department audit noncapital assets. We found all other recommendations made in Chapter IV of our 2016 report have been implemented, including that the department improved access security for many of its facilities.

### *Most Recommendations in Other Chapters Have Been Implemented*

The remainder of this report discusses our follow-up of other recommendations made in our 2016 Athletics audit. During our follow-up, we found that Athletics has largely implemented recommendations made in chapters II, III, and V of the 2016 audit. The remainder of this 2020 report provides detail on what Athletics has done to implement most recommendations. However, one recommendation was partially implemented as three nonexempt hourly employees working excess hours did not sign a university-required work agreement. We recommend Athletics ensure these agreements are signed moving forward.

### *The Department Continues to Improve its Athletic Fund Balance*

In 2016, we reported that the department made a strategic decision to overspend upon joining the Pac-12 Conference. As of fiscal year-end 2018, the department has paid down its obligation to the University to an approximate balance of \$3.9 million. Meanwhile, the department's unrestricted account reserves totaled \$6.7 million at fiscal year-end 2018.



# REPORT TO THE UTAH LEGISLATURE

Report No. 2020-01

## **An In-Depth Follow-Up of the University of Utah Athletics Department**

January 2020

Audit Performed By:

Audit Manager      Kade Minchey, CIA, CFE

Audit Supervisor      Matthias Boone, CFE





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State of Utah

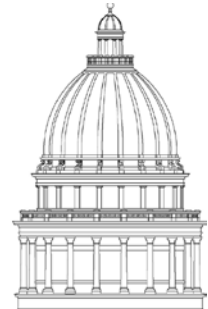
**Report Number 2020-01**  
**January 27, 2020**

## **An In-Depth Follow-Up of the University of Utah Athletics Department**

In February 2016, members of the Legislative Audit Subcommittee prioritized an audit of the University of Utah Athletics Department (Athletics or department). The Office of the Legislative Auditor General was specifically asked to evaluate the efficiency and effectiveness of the program, and in November 2016 we released Audit Report 2016-10, *A Performance Audit of the University of Utah Athletics Department*. The report outlined 18 recommendations to improve the department. In December 2018, we were asked to follow up on the implementation status of these recommendations and found that Athletics has been diligent in addressing each recommendation given to them. We found the department has implemented 15 of 18 recommendations (83 percent), while the other three have been partially implemented.

We are encouraged with the progress Athletics has made with implementing recommendations from the 2016 audit. There is still some room for Athletics to improve in the asset management functions of the department. Specifically, with improved record keeping. Initially, we were unable to locate several items we selected through random sampling. However, it appears that the reason we were unable to initially locate these items was due to outdated records. With extended time, Athletic staff updated their records and were able to locate most of the items.

Since 2016, Athletics has added more noncapital assets to its inventory, which has increased in value from nearly \$2 million during the last audit to \$2.7 million in 2019. As theft continues to occur on



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**This report is a follow-up of the 18 recommendations we made during our 2016 audit of the University of Utah Athletics Department.**

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**We found 15 of 18 recommendations fully implemented, while three were partially implemented.**

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## CHAPTER IV

**Athletics has made significant improvements in tagging and inventorying its procured fixed assets. However, we found some improvements are still needed.**

campus, we are concerned that untagged items and inaccurate records could lead to assets being stolen without the department's knowledge.

This report will first address further improvements we identified within the department's inventory management process while following up on the prior audit's Chapter IV recommendations. A summary of the recommendations from chapters II, III, and V will then be discussed.

### **Athletics' Inventory Management Process Has Improved, but Better Tracking Is Still Needed**

In 2016, we reported that the department "has failed to inventory and tag many assets in buildings where Athletics operates." That portion of the audit reviewed how the department insufficiently managed noncapital assets, or those assets with a procured value between \$1,000 and \$5,000. We found at the time that many fixed assets, including laptops, large-screen televisions, and video production equipment, were untagged and were not on the department's inventory list.

During this follow-up audit, we found that Athletics has made significant improvements in tagging and inventorying its procured fixed assets. However, we found that records were not fully accurate or up to date. As theft continues to occur on campus and within buildings where Athletics operates, we recommend the department perform a full audit of noncapital assets and keep all records up to date. All other recommendations in Chapter IV have been implemented, as shown in Figure 1 below.

**Figure 1 Aside from Its Management of Inventory, the Department Has Implemented All Other Recommendations.**  
Athletics has done well to limit access to its facilities.

Chapter IV Recommendations	Status
1. We recommend Athletics conduct an audit, as required by University policy, of all non-capital assets, provide tags, and inventory all assets currently in the department's possession.	<b>Partially Implemented</b>
2. We recommend Athletics provide greater oversight of tracking Athletics inventory and keeping their records current.	<b>Partially Implemented</b>
3. We recommend Athletics rekey locks for, or add, electronic card readers in spaces where keys have been lost.	<b>Implemented</b>
4. We recommend Athletics, in collaboration with the Building Access Office, provide proper oversight of keys or electronic cards and keep their records current.	<b>Implemented</b>
5. We recommend Athletics work with the Building Access Office to review which employees can access Athletics facilities to determine if such access is still required.	<b>Implemented</b>

*Source: Chapter IV recommendations in Audit Report 2016-10, A Performance Audit of the University of Utah Athletics Department.*

### **Athletics Records Are Incomplete, and Some Assets Could Not Be Located**

During this audit, we requested the inventory list of Athletics' noncapital fixed assets, which are assets with a value between \$1,000 and \$5,000. The total cost of these items is estimated at nearly \$2.7 million. However, based on our sample review, we found Athletics inventory data to be incomplete and inaccurate. During our review, we made the following observations:

- Some asset locations and assigned owners were incorrect, thus reducing staff accountability and our ability to locate items.
- At least two Athletics staff had left employment but were still assigned as owners of some equipment.
- One employee was not aware he was the assigned owner of two assets in a sports facility to which he has no connection. These assets include an 80" television and a camcorder with estimated values of nearly \$3,500 and \$1,200, respectively.

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**Athletics' inventory data were not complete or accurate, including inaccurate locations and assigned owners of some inventory items.**

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**We were unable to locate nearly 40 percent of inventory in our initial random sample.**

- One employee did not know what happened to a \$2,800 large-screen television assigned to their sports program.
- Several items did not have a listed serial number, including laptops, exercise equipment, and a camera and television.

Further, we could not locate several items on the sampled<sup>1</sup> list of Athletics fixed asset inventory. To evaluate the department's progress in managing its inventory, we selected items similar to those that we reviewed in our 2016 audit, which included theft-prone items such as laptops, desktop computers, and large-screen televisions. Within our sample we could not initially locate the following items, shown in Figure 2.

**Figure 2 Due to Outdated Records, We Were Initially Unable to Locate 40 Percent of 47 Sampled Items.** However, with extended time, Athletics updated their records and located 96 percent (all but two) of these items.

Item Categories	Sampled Assets	Initial Item Review		Found After Records Updated
		Found	Not Found	
Laptops & Desktop Computers	32	20	12	11
Sports, Gym, & Other Equip.	9	5	4*	4
Large Screen Televisions	4	2	2	1
Photo & Recording Equipment	2	1	1*	1
<b>Total</b>	<b>47</b>	<b>28</b>	<b>19</b>	<b>17</b>

*Source: Auditor review of all assets within a sample of Athletics' inventory. \*We could not verify two items on our list because of either a missing or illegible asset tag.*

Although we could not initially find the items in Figure 2, given extended time, Athletics located 11 of the 12 missing laptops and computers, and most of the other equipment. These items were located in some spaces not listed on the inventory or were assigned to

<sup>1</sup> University Policy 3-041 defines noncapital equipment as having a value greater than \$1,000 and less than \$5,000. The policy states that "it is the responsibility of each department or unit which acquires, holds, or disposes of noncapital equipment to ensure that such property is properly recorded when acquired, and properly inventoried and safeguarded." Wishing to review those noncapital items we believed to be most pilferable at each price level, we reviewed 10 percent of assets in each thousand-dollar range, starting from \$1,000 and moving up to between \$4,000 and \$4,999. After stratifying the data and filtering out older, depreciated items, we randomly selected our sample of items purchased between 2015 and 2017 and attempted to locate the physical presence of each asset.

a different owner. Although very encouraging, this suggests a need to improve record keeping and tracking for some inventory.

We also conducted two audit tests to follow up on weaknesses identified during our 2016 audit. First, we revisited assets that in 2016 lacked tracking tags and were not found on the inventory. Our test was to determine whether Athletics has since accounted for these assets. We found that many items (or their replacements) have been properly tagged and are being tracked. However, a video production computer, a server, and some exercise equipment still lack tags.

Our second audit test was to review a sample of department purchase orders to determine if all procured items have been placed on the inventory log. During this review, we found instances where the log did not match the original documentation. In four instances, there were more items listed on the inventory than were listed on the purchase order. Although our concern that invoiced items could be missing from the inventory was not substantiated, record keeping should continue to be strengthened.

Due to incomplete and inaccurate records, we believe our recommendations for the department to provide greater oversight and improve asset tracking have only been partially implemented. However, we see that great effort has been made to improve this process and assets are much more secure than we found three years ago. The department has stated that it will continue to improve how it manages its inventory.

Further compounding our concerns that Athletics' records are inaccurate, we found that theft continues to be a problem at the University (although we believe other universities may also have issues with theft).<sup>2</sup> For example, data from the University's Department of Public Safety reveals multiple theft reports since 2016 in two Athletics buildings. Data on the Jon M. Huntsman Center and the Spence and Cleon Eccles Football Facility shows six instances of theft in these buildings over the last three years. Athletics explained two recent incidents, where a large-screen television and a golf cart with estimated values of \$1,900 and \$1,500 (replacement value), respectively, were

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**There have been significant improvement from the 2016 audit. We found that most items have University tracking tag numbers. However, we remain concerned with the few remaining items yet to be tagged.**

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**Recommendations we made for improved tracking and inventory management are only partially implemented. However, Athletics has made great effort and is committed to improving its asset management process.**

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**Theft continues to expose some departmental items to risk, necessitating stronger controls over inventory.**

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<sup>2</sup> Reviewing Public Safety records from the time of our 2016 audit to 2019, it is worth noting that these items have possibly been transferred to a different location or retired without documentation. However, there is also a possibility that these items could have been stolen without Athletics' knowledge.

stolen. Further, it was reported that the television was stolen before Athletics could place it on the inventory list or assign it a tracking tag number.

As theft within University facilities continues to expose Athletics to potential loss, we believe a complete and up-to-date inventory of all noncapital fixed assets, where asset's physical location is identified, is critical. We, therefore, recommend Athletics perform a thorough audit of noncapital assets, improve tracking, and maintain up-to-date records.

### **An Asset-Tracking and Inventory System Could Help Athletics Improve Its Recordkeeping and Auditing**

Asset tracking and inventory control can be a time-consuming and labor-intensive process. During this follow-up audit, we spoke with the University's Department of Property Accounting, the department responsible for overseeing capital assets (those assets with a value over \$5,000). Our purpose was to identify any technology or systems other departments are using that Athletics could adopt to improve its recordkeeping and inventory management. The representative shared a recently issued request for proposal (RFP) for an asset-tracking and inventory system that could be used in the future for both capital and noncapital assets.

The RFP outlines the University's desire that the system be automated and capable of accounting for both capital and noncapital assets, allowing departments to enter, edit, and update information in the system. This system, among other things, is to be utilized by the University's departments to potentially scan asset tag formats that include barcodes, QR barcodes, or RFID. With an anticipated effective date of February 2020, this system could help Athletics to better maintain accurate records and improve its inventory audits. We recommend Athletics review this and other asset-tracking and inventory management systems for feasibility.

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**The University is currently in the process of procuring an asset-tracking and inventory management system that Athletics could use.**

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## **Building Access Is More Secure, and More Athletics Buildings Have Card Readers**

Finally, in our follow-up of other recommendations made in Chapter IV of the 2016 audit, we found that Athletics has made great efforts to secure access to many of its spaces. Because several keys were reported lost to the Huntsman Center, Athletics coordinated for the entire facility to be rekeyed in 2018. We also found that the department has installed card reader access to the Huntsman Center and most other buildings in which Athletics operates. This is important because access can be limited to specific people and can be removed once an employee or student has left the University. We reviewed the department's process for removing access to Athletics facilities and found the controls in that process to be strong.

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**We are encouraged with Athletics' work to improve building security and limit access.**

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## **Most Recommendations in Other Chapters Have Been Implemented**

The remainder of this report discusses our follow-up of other recommendations made in our 2016 audit of Athletics. During our follow-up, we found that Athletics has largely implemented recommendations made in chapters II, III, and V of the 2016 audit report. In this section, we provide examples of how the department has fulfilled some of these recommendations.

### **Our Chapter II Recommendations for Improved Financial Reporting Have Been Implemented**

Although the department's finances compared favorably with those of its peers in 2016, we identified important areas involving department finances that Athletics should improve upon. In 2016, we recommended Athletics report indirect institutional support, or support to Athletics for which the department does not pay, to policymakers and stakeholders. This information had previously not been reported through the University's agreed-upon procedures. We also recommended Athletics expand budgetary controls to prevent potential financial pitfalls to the department. Since then, we found that Athletics has made great improvements in these areas and has implemented all recommendations, as shown in Figure 3.

## **CHAPTER II**

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**In 2016, we made recommendations for Athletics to improve financial reporting to policymakers and stakeholders. Athletics has implemented all recommendations in Chapter II of our 2016 report.**

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**Figure 3 Chapter II Recommendations Have All Been Implemented.** Athletics now reports its indirect institutional support and fund and reserve balances on its website and has adopted policies to help direct financial decision-making.

Chapter II Recommendations	Status
1. We recommend Athletics work with senior administration at the University to calculate and report an accurate amount of indirect institutional support and disclose it in the department's NCAA agreed-upon procedures reports.	Implemented
2. We recommend Athletics expand its NCAA agreed-upon procedures reports, as allowed by NCAA guidelines, to include information about both its athletics fund and reserve fund balances.	Implemented
3. We recommend Athletics include current and historical financial information on its website including NCAA reports, athletic fund balance, and reserve funds.	Implemented
4. We recommend Athletics continue its effort to formulate and adopt a departmental strategic plan with a clear focus on financial analysis and control.	Implemented

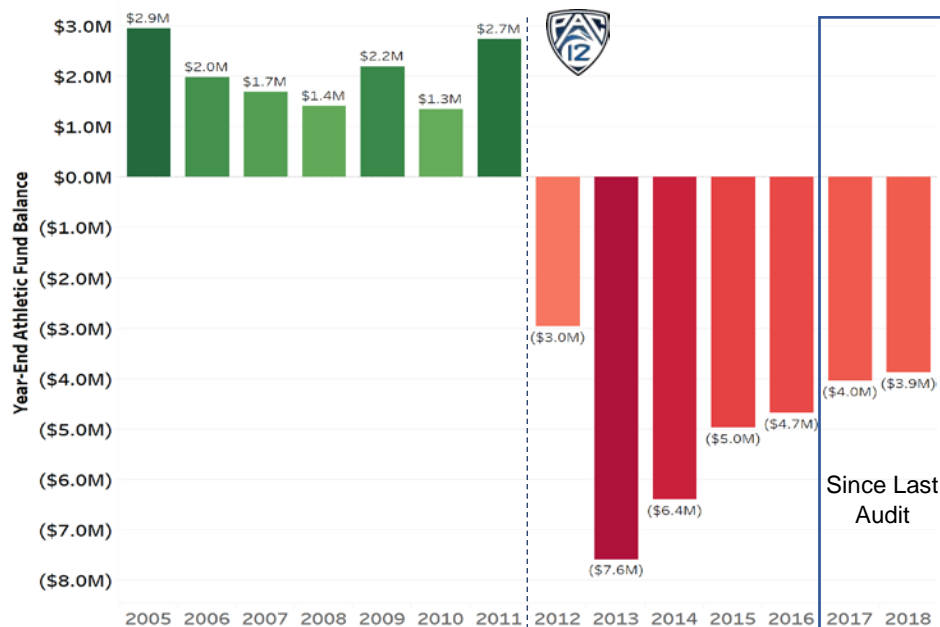
Source: Chapter II recommendations in Audit Report 2016-10, A Performance Audit of the University of Utah Athletics Department.

**The department has expanded the financial reporting on its website to include operating fund balance and department reserves.**

Athletics now reports historical financial information, from fiscal year 2014 to 2018, on its website. The department has also expanded what it reports through its NCAA agreed-upon procedures reports to include its operating fund balance and department reserves. Up-to-date fund balance information is illustrated in Figure 4.

**Figure 4 In 2016, We Reported that Athletics Made a Strategic Decision to Overspend upon Joining the Pac-12 Conference.**

The department's fund balance deficit has been paid down to approximately \$3.9 million.



Source: Auditor generated with Athletics' NCAA agreed-upon procedures reports

Despite having a negative fund balance, the department reports that it has been operating at a surplus for the past six fiscal years. In 2016, we reported that upon joining the Pac-12 Conference, the department made a strategic decision to overspend and accrued a \$7.6 million deficit with the University. As of fiscal year-end 2018, however, Athletics has paid down its obligation to the University to an approximate balance of \$3.9 million. Meanwhile, the department's unrestricted account reserves totaled \$6.7 million at fiscal year-end 2018. This is key, as reporting fund reserves and deficits is important to understanding the true financial position of an athletics department.

In Chapter II of our 2016 audit, we also reported on the status of the cancelled men's basketball game between the University of Utah and Brigham Young University (BYU). We found that the men's basketball program cancelled a game with BYU at a cost of \$80,000. Athletics paid the initial cancellation fee, and the coach agreed to reimburse Athletics in four installments over four years. We reported in our 2016 audit that the coach had paid the first installment. We confirmed in this follow-up that the coach completed the remaining installments, and has paid the cancellation fee in full.

**Athletics has paid down its obligation to the University and now has a balance of approximately \$3.9 million.**

**We confirmed that the basketball coach has paid BYU the full \$80,000 game cancellation cost.**

## CHAPTER III

**Athletics has better aligned coach compensation with performance as recommended in our 2016 audit.**

### Athletics Has Made Changes to Better Incentivize Performance

In Chapter III of our 2016 report, we recommended the department work in greater collaboration with coaches by setting goals that, based on their fulfillment, can be used as a basis for compensation increases. During this audit we documented that greater collaboration is occurring and that salary increases continue to be given to coaches as they satisfy contractual agreements. Increases are also provided in an effort to remain competitive with other programs and retain coaches.

We believe Athletics has done well to collaborate with and communicate expectations to program coaches. Resulting from this effort, and as we outline in Figure 5, we believe all Chapter III recommendations have been fully implemented.

**Figure 5 The Athletics Director Works Closely with Coaches to Set Performance Objectives and Provides Pay Increases Based on Contractual Agreements.** All other Chapter III recommendations have been implemented.

Chapter III Recommendations	Status
1. We recommend Athletics properly incentivize performance when goals have been met.	Implemented
2. We recommend Athletics review and determine if current strategic goals are adequate and sufficiently measuring desired performance outcomes.	Implemented
3. We recommend Athletics include coaches in determining on-field performance measures.	Implemented
4. We recommend the University of Utah president, along with the Athletics director, consider changing compensation measures to incentivize nonrevenue sports.	Implemented

Source: Chapter III recommendations in Audit Report 2016-10, A Performance Audit of the University of Utah Athletics Department.

As Recommendation 4 suggests, we found that the University's contracts with the former and current athletic directors include incentives for successful performance of the University's nonrevenue sports. Some of these measures are tailored to specific sports programs, encouraging them to achieve a high year-end ranking, appear in the sport's NCAA tournament, or win a required number of games.

## Chapter V Recommendations for Stronger Adherence to Human Resource Policies Have Mostly Been Implemented

## CHAPTER V

In the 2016 audit, we reported our concerns that Athletics could be bypassing University HR policies with the use of hiring waivers and that timekeeping practices for some employees were weak. As the HR function was embedded in Athletics before the 2016 audit, a great deal of collaboration has occurred between the two groups, and most of the recommendations in Chapter V have been implemented.

However, with regard to timekeeping practices, our recommendation for nonexempt employees to sign compensatory work agreements before they accrue overtime was only partially implemented as shown in Figure 6.

**Figure 6 One Recommendation Is Partially Implemented, While All Others Have Been Adopted.** Athletics appears to be in compliance with the University HR policies we reviewed.

Chapter V Recommendations	Status
1. We recommend Athletics work closely with the University's Division of Human Resources to review the use of hiring waivers and the purposes for which they are permitted.	Implemented
2. We recommend Athletics work closely with the University's Division of Human Resources to review University hiring practices to ensure they are consistently followed and that records are accurate and up to date.	Implemented
3. We recommend Athletics work closely with the University's Division of Human Resources to, if necessary and where appropriate, develop job codes specific to Athletics.	Implemented
4. We recommend Athletics work closely with the University's Division of Human Resources to review timekeeping practices in Athletics and provide greater training, especially for supervisors, on how to strengthen compliance with human resource law and policies.	Implemented
5. We recommend Athletics ensure that all nonexempt hourly employees sign a compensatory work agreement. The Department should accurately account for any excess hours earned above 40 hours in one workweek through the University's approved time and attendance system.	Partially Implemented

Source: Chapter V recommendations in Audit Report 2016-10, A Performance Audit of the University of Utah Athletics Department.

Athletics has improved some weaknesses with its human resources function that we identified. Since 2016, the department has implemented four of the five recommendations we made in Chapter V.

While reviewing previous recommendations we made to Athletics, we found that Athletics' personnel records are largely up to date and

that job codes were created for positions that do not exist in other departments within the University. Additionally, the department has utilized only one waiver since the last audit to expedite the hiring process within the department. This waiver was issued in September 2019 to hire back, after two weeks, an employee that left to work in another department. The waiver appears to be in line with the policy for which waivers may be occasionally issued.

While all other recommendations in Chapter V have been implemented, the department has only partially implemented the recommendation that nonexempt hourly employees working excess hours sign a compensatory work agreement. Reviewing the work status of 16 nonexempt employees, we found six have accrued compensatory time, while only three have signed the documents in compliance with HR policies. Moving forward, we recommend Athletics work with HR to ensure these documents have been signed.

## **Recommendations**

1. We recommend the University of Utah Athletics Department conduct an audit of all noncapital assets by locating inventory, improving tracking, and maintaining up-to-date records.
2. We recommend the University of Utah Athletics Department review the University of Utah's asset-tracking and inventory system, currently being procured, for feasibility in tracking and inventorying departmental assets.
3. We recommend the University of Utah Athletics Department ensure that all nonexempt hourly employees sign a compensatory work agreement in accordance with the University's human resources policy.

## **Agency Response**

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University of Utah

University of Utah Athletic Department Responses to Audit Follow Up Recommendations

- 1) We are committed to improving our audit practices and the overall asset management process. We have drafted a fixed asset management plan (see attached) and will immediately move forward in implementing the plan to further improve the acquisition, monitoring, and ultimately retirement of all capital and non-capital assets.
- 2) We have communicated, with property accounting, our desire to test and review the new inventory control system that the university is going to implement. They have indicated they will let us know when they system is up and running.
- 3) We regret that we missed a few hourly employees in asking them to sign the compensatory work agreement and will retroactively correct this and make sure moving forward all nonexempt hourly employees sign an agreement.

A handwritten signature in black ink, appearing to read 'Steve Smith', written over a horizontal line.

Steve Smith, Sr. Associate AD for Business & CFO

A handwritten signature in black ink, appearing to read 'Mark Harlan', written over a horizontal line.

Mark Harlan, Director of Athletics

# **FIXED ASSET MANAGEMENT IMPROVEMENT PLAN**

From the moment, a fixed asset starts its cycle with us to the moment it is no longer a University asset, we will track and record every action to document every step of the way. The following items are just some of the tasks to a growing list that I think would be very helpful for Fixed Asset Managers (FAMS):

## **Tagging of Assets:**

- Monthly, FAMS will receive tags for newly acquired assets in their areas. I will provide yellow non-capital tags at the beginning of each month, while also passing along the red, capital fixed asset tags from University Property Accounting as well. Each tag should be accompanied by a document that will provide some information about the Asset. FAM's will locate the fixed asset, tag the item, and take two pictures (one picture of the tag on the item and the other of the general location of asset). Once that is completed, FAMs will verify all required data on tagging document. In the past, overlooked items of emphasis were: sub-reporting unit (SRU) name, source document, asset description, serial numbers, "Loanee", and location. All information must be complete, with special attention to those items. Once the asset is tagged, the pictures are taken, and the tagging document is verified, the document and pictures will be returned back to the Department Inventory Controller (Matt Pena).

## **How We Will Improve Asset Control and Review:**

- Perform more frequent audits of our fixed asset database. As of right now, the athletic department has around 220 capital assets and 1,530 non-capital assets. The university policy is to audit capital items annually, while non-capital items are audited every two years (Recommended), every five years (Mandatory). At a minimum, we will meet these recommendations/requirements with a goal to do sample audits of non-capital assets at least annually and possibly semi-annually.
- Follow the above referenced tagging process.
- R/T/T – Help facilitate the handling of all Retirement/Trade/Transfers/Sales of assets.
- Identify items that are not tagged in a department but should be. This is just as important as identify items that are tagged incorrectly.
- Identifying items that are no longer in use. This will help with identifying future needs, reduce risk, maximize our space, and save us money.

## **Train FAMs to be on hand experts in the following:**

- Retirement of Asset
- Transfer – Inter-Department and Inter-University
- Trade – Inter-Department, Inter-University, and External University
- Sale - Inter-Department, Inter-University, and External University

**Have a goal to be 95% Accurate on our inventory database!!**

Here is the list of sub-reporting units (SRU's) and current FAMS. There are two new SRU's for "Development/Crimson Club" and "Marketing" that are currently not assigned. The assigned FAMS will be fluid, but will be updated in a timely fashion, when needed. [Here is a link](#) to the document.

OFFICE/SRU (Sub Reporting Unit)	FIXED ASSET MANAGER
500 – ADMINISTRATION	TANYA SCHMIDT
503 – ACADEMIC ADVISING	CHRIS UCHAZC
506 – BASEBALL	SYDNEY JONES
509 – COMPUTER SERVICES	KIRK BARLOW
512 – EVENT/FACILITIES MANAGEMENT	ALAN HANSING
514 – ECCLES TENNIS CENTER	ERIN ANDERSON
515 – FOOTBALL EQUIPMENT ROOM	KELLY SHARITT
516 – HPER EQUIPMENT ROOM	MEGAN FRESHOUR
518 – FOOTBALL	STEVE RILEY
521 – GOLF	CHANCE CAIN
524 – GYMNASTICS	GARRETT GRIFFITH
527 – MEN'S BASKETBALL	CHRIS JONES
528 – SOCCER	SCOTT OMER
530 – SKIING	FREDRIK LANDSTEDT
531 – VIDEO PRODUCTION	SKIP WHITMAN
532 – FOOTBALL VIDEO PRODUCTIONS	MATT DIMMIT
533 – SOFTBALL	CODY THOMPSON
536 – COMMUNICATION	LYNDEE HOOPES
542 – SWIMMING	TAMI JOHNSON
548 – MEN'S TENNIS	ERIN ANDERSON
551 – WOMEN'S TENNIS	ERIN ANDERSON
554 – TICKET OFFICE	DAVE MARTIN
557 – TRACK & FIELD	CHAD COLWELL
560 – FOOTBALL TRAINING ROOM	JOE MCBETH
561 – HPER WEST TRAINING ROOM	TREVOR JAMESON
563 – VOLLEYBALL	CHLOE HIRST
565 – MAINTENANCE, REPAIRS, GROUNDS	TREVOR NICOTERA
566 – HPER WEST WEIGHT ROOM	HENRY RUGGIERO
567 – FOOTBALL WEIGHT ROOM	DOUG ELISAIA
569 – WOMEN'S BASKETBALL	TRENT BAUER
579 – NEW MEDIA	MIKE GILLIAN
580 – FOOTBALL CAFETERIA	STEVE RILEY
581 – FEULING STATION	LAURYN JONES
582 – BUSINESS OFFICE	MATT PENA
583 – DEVELOPMENT/CRIMSON CLUB	
584 – LACROSSE	Tim McDermott
585 – MARKETNG	
586 – BAND	Brian Sproul
587 – CHEER	Jamie Plott

## **Why do we need a good Asset Management System?**

A Good Asset Management System Allows:

1. The department to keep track of all their assets. It can tell where the assets are located, how they are used, and when changes were made to them throughout its entire life cycle as a university asset.
2. The department to create an inventory report that will contain data required by insurers if an item is stolen.
3. To ensure that the financial statements of the department are accurate.
4. To ensure the departments assets are properly valued and appropriately insured.
5. To track assets and help the department understand the capabilities of its assets, and how they can be operated in the most effective manner.
6. For the implementation of a risk management plan. Asset management also includes the management of the risks connected with the use and ownership of the assets. Proper assessment of the assets can help to identify the risks involved, and come up with a solution to avoid them.
7. Proper asset management can help optimize your operations that include the planning, resources use, and forecasting. I.E. controlling duplicative spending on assets and/or making sure that transactions to replace expensive assets are pre-approved.