

**DEPARTMENT OF INTERCOLLEGIATE ATHLETICS
MEN'S GOLF AUDIT OF TEAM TRAVEL**

THE UNIVERSITY OF NEW MEXICO

**Report 2007-33
July 19, 2007**



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ABBREVIATIONS

Athletics	Department of Intercollegiate Athletics
Business Office	Department of Intercollegiate Athletics Business Office
Head coach.....	Men’s Golf Head Coach
NCAA	National Collegiate Athletic Association
University.....	The University of New Mexico

EXECUTIVE SUMMARY

During a previous audit, an interviewee stated that the head coach for men's golf team (head coach) was adding travel expenses to some of the team travel vouchers to claim reimbursement for expenses that the team did not incur. In our audit, we reviewed team travel for the past two years and interviewed a former employee, current employees, and a sample of team members. The purpose of our audit was to determine if there was any loss to the University and provide recommendations for improvements.

The men's golf program did not comply with The University of New Mexico (University) policies. We found that the head coach charged the University for some travel expenses that he did not incur and there were two duplicate reimbursements. The head coach was paid \$240 of team travel expenses based on expenses that the coach did not incur.

According to University Counsel, the conduct of the head coach may violate state criminal laws. Internal Audit forwarded the information to the University Police Department and the New Mexico Office of the State Auditor.

TRAVEL EXPENSES NOT INCURRED

The head coach reimbursed the University the \$240 for reimbursement of team travel expenses that were not incurred.

DUPLICATE REIMBURSEMENTS

The Department of Intercollegiate Athletics Business Office (Business Office) should take more care in processing reimbursements to avoid duplicate reimbursements. The head coach had two duplicate reimbursements for team travel expenses and has reimbursed the University. The Associate Athletic Director for Finance agreed to meet with the Business Office personnel and remind them of the importance of carefully scrutinizing the reimbursement vouchers to insure that duplicate payments are not made.

AIRFARE PURCHASES

The head coach purchased airfare for team travel when the airfare should be purchased by the Business Office for better internal control. The Athletic Director agreed.

CASH CONCERNS

The Business Office should pre-pay tournament entry fees whenever possible and the Business Office has already developed a policy to this effect.

CONCLUSION

The head coach reimbursed the University for team travel expenses which were not incurred and for the duplicate reimbursements. The Business Office needs to take responsibility for purchasing all airfare for team travel and prepaying the tournament entry fees whenever possible.

INTRODUCTION

BACKGROUND

Department of Intercollegiate Athletics Background

As taken from the 2006-07 Lobo Men's Golf Media Guide:

The University of New Mexico Department of Intercollegiate Athletics manages the operations and student participation for twenty-one (21) men's and women's varsity athletic teams. These teams participate in Division I of the NCAA. [National Collegiate Athletic Association]

The Athletics Department manages an annual budget of approximately \$22,000,000. This includes operations, salary and salary burden, facilities, student athlete financial aid and student athlete scholarships.

The primary mission of the Athletics Department is to advance the full participation of student athletes in all aspects of their education and athletic endeavors with the ultimate goal of having each one become active contributing individuals and leaders of our social, civic and cultural society.

Men's Golf Background

The men's golf program has a head coach, assistant coach, and fifteen student-athletes. The head coach has been at the University for the past six years. The team attends tournaments during both the spring and fall semesters. The team has made it to the NCAA Championships five of the past six years.

PURPOSE

The purpose of our audit was to review team travel to determine if there was any loss to the University and to provide recommendations for improvements.

SCOPE

Our audit procedures were limited to reviewing team travel expenses. We reviewed the team travel reimbursements from the Fall of 2004 through the Fall of 2006. The fieldwork was completed on May 25, 2007.

OBSERVATIONS, RECOMMENDATIONS AND RESPONSES

TRAVEL EXPENSES NOT INCURRED

From the Fall of 2004 through the Fall of 2006, we reviewed 29 team travel reimbursements for the men's golf program. For fiscal year 2005, the head coach created travel expenses on six travel vouchers resulting in reimbursement for \$240 of expenses that the team did not incur. The head coach was reimbursed for skycap expenses both leaving Albuquerque and returning from the tournament location that he did not incur. The head coach normally documented the skycap expense to be \$15-\$20 at each location. In our interviews with the former assistant coach, assistant coach, and student-athletes, we were told that they did not use skycaps when leaving Albuquerque because the players checked in their own luggage and equipment. The head coach stated that he occasionally used the skycap when checking in luggage in Albuquerque when there were no lines outside. In addition, the assistant coaches and student-athletes stated that the team did use a skycap to check in luggage when the team was running late for the return trip to Albuquerque. The head coach stated that he submitted the un-incurred skycap expenses to cover additional cash expenses where he was unable to get a receipt, such as many food carts on the golf courses, snacks and convenient stores where they purchased team drinks and snacks for competitions. The head coach was aware that he could have been reimbursed without a receipt by submitting a memo documenting the unavailable receipts pursuant to University policy.

Therefore, the head coach was reimbursed for some team travel expenses he did not incur. Pursuant to the University Board of Regents' Policy, Section 7.2:

The Internal Audit Department will coordinate investigation of suspected fraudulent activities within the University. If the investigation reveals possible fraudulent activity has occurred, Internal Audit will ask University Counsel to render an opinion as to whether the audit findings indicate that illegal activity may have occurred. If, in University Counsel's opinion, illegal activities may have occurred, Internal Audit will notify the President of the University, the cognizant vice president, UNM Risk Management, and the appropriate law enforcement agency.

According to University Counsel, the conduct of the head coach may have violated state criminal laws. Internal Audit forwarded the information to the University Police Department and the New Mexico Office of the State Auditor.

Recommendation 1

We recommended that the head coach pay the University \$240 for monies taken by being reimbursed for team travel expenses that were not incurred. The head coach reimbursed the University on June 5, 2007 with a memo that stated that although he spent the money on valid travel expenses he did make a mistake in submitting expenses for skycaps when he should have prepared memos for lost receipts and for purchases where the receipts were not provided.

Recommendation 2

The Athletic Director should work with the Department of Human Resources to take any necessary disciplinary action regarding the head coach submitting expenses for reimbursement that were not incurred.

Response from the Athletic Director

We agree. The Athletic Director is currently working with the Department of Human Resources to implement appropriate disciplinary action.

DUPLICATE REIMBURSEMENTS

The head coach was paid twice for two expenses in the team travel reimbursements. In one situation the head coach was reimbursed twice for airfare for a student-athlete whose airfare had to be purchased at the last moment due to another student-athlete's injury. The \$637.10 was added to a reimbursement processed before the trip. The expenses were also included and reimbursed with the expenses incurred during the trip. In a different situation a \$6 charge for water was included in the reimbursements from both a separate receipt and included within the hotel room charges. It appears that both of these duplicate reimbursements were an oversight on behalf of the Business Office, who processed both reimbursements, and the head coach.

Recommendation 3

We recommended that the Business Office request the head coach pay the University \$643.10 for monies he was overpaid. The head coach reimbursed the University on May 22, 2007.

Recommendation 4

The Athletic Director should instruct the Business Office take more care in the processing of reimbursements to assure that expenses are only reimbursed once.

Response from the Athletic Director

We agree. The Associate Athletic Director for Finance met with the Business Office on June 12th and reminded them of the importance of carefully scrutinizing the reimbursement vouchers and to insure that duplicate payments are not made.

AIRFARE PURCHASES

On numerous occasions, the head men's golf coach purchased the airfare for himself, the assistant coach, and the student-athletes for the team travel. No one is monitoring or reconciling the airfare charges and/or credits to the accounts and/or individuals. Although it is often more convenient to allow the head coach to make the purchases and reimburse him later, it puts the head coach in the position of spending the money and taking the additional time and responsibility for tracking the tickets. The Business Office should purchase the airfare to ensure that the University gets the value for the tickets that they are purchasing and reduce the time the coach spends on accounting matters.

Recommendation 5

The Athletic Director should require that, in normal situations, the Business Office purchase all airfare for Athletics travel.

Response from the Athletic Director

We agree. The Athletic Director will notify all head coaches and their assistants that the Business Office will be responsible for purchasing all airfare for Athletics travel in normal situations. This notification will be sent no later than July 23, 2007 and the Internal Audit Department will receive a copy of this correspondence.

CASH CONCERNS

The head coach has to handle excessive amounts of cash to pay the tournaments fees. Although it is the general practice with the NCAA Division 1 teams, it would be good business policy to reduce the risk to the head coach and the University by pre-paying these fees whenever possible.

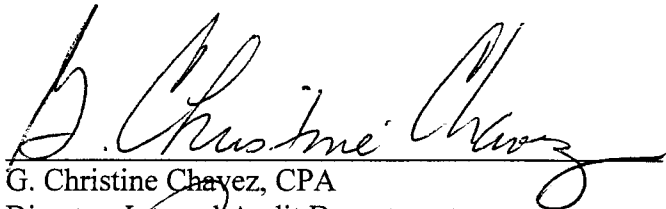
Recommendation 6

In a recent audit, we recommended that a different sport within the Athletic Department not pay tournament entry fees with cash. The Business Office has drafted a policy and will pay for the fee in advance whenever possible with a University check.

CONCLUSION

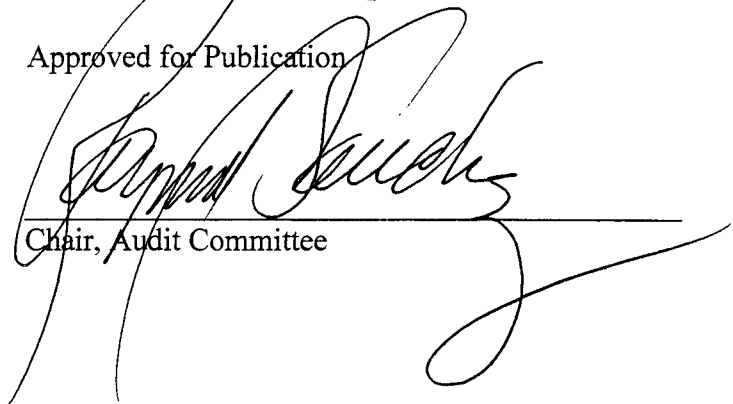
The head coach reimbursed the University for team travel expenses which were not incurred and for the duplicate reimbursements. The Business Office needs to take responsibility for purchasing all airfare for team travel and prepaying the tournament entry fees whenever possible.

APPROVALS



G. Christine Chavez, CPA
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Approved for Publication



Chair, Audit Committee