

THE UNIVERSITY OF MONTANA
AUDIT RECOMMENDATIONS AND ACTION PLAN
Special Panel on Athletics Deficit

Recommendation Number	Individual Responsible	Action Number	Action	Implementation Date	Completion Date	Status
To the University						
2	The President must re-assess the risk inherent in Athletics and communicate clearly the expectations for greater and more widespread involvement in and scrutiny of the fiscal affairs of Athletics.					
(Page 2)						
	Dennison		Initiate new mandates as follows:			
	Read	1	Provide annual statement of goals and objectives to President.	FY 05		
	Read	2	Meet with President weekly and review progress of Deficit Reduction Plan, annual operating budget, and general program progress.	FY 05		
	Read	3	Consult broadly with Athletic staff and appropriate advisory groups to develop a 5 year rolling strategic plan for Athletics that is approved by the President.		30-Jun-05	
	Read	4	Review the strategic plan annually with all appropriate groups and reaffirm the plan with the President.	FY 06		
	Read	5	Serve permanently on the Strategic and Budget Planning Committee.	FY 05		
	Wingard	6	Inform AD fully of all fiscal matters while reporting to VPAF.	01-Jun-04		
	Read	7	Form Budget Committee within Athletics that includes coaches, administration, staff, and student athletes.		01-Jul-04	
	Read	8	Include Budget Committee in all budget development and monitoring processes.	FY 05		

3 & 3.1 & 13 The risks inherent in Athletics necessitate close review of special purpose audit reports and careful monitoring of resultant action plans, with the audits and action plans completed and submitted to the Commissioner by December of each year.
 (Page 4 & 21)

Dennison	1	Ensure the completion of the two special purpose audits by December of each year.	FY 05	
Dennison	2	Submit audit reports and responses to recommendations to CHE.		01-Dec-04

6 The President should provide written guidelines for reimbursements and payments from accounts managed by The University of Montana Foundation.
 (Page 9)

Dennison	1	Prepare and circulate written guidelines/ procedures for reimbursement and direct payments from accounts managed by UMF.		01-Jul-04
Crego	2	Include UMF reimbursement and direct payment procedures in orientation information for new administrators.	FY 05	

7 The President must provide a realistic annual funding package for Athletics, inclusive of adequate institutional support, and establish procedures to monitor and control both revenues and expenditures in Athletics for the fiscal year.
 (Page 11)

Dennison	1	Approve FY 05 Athletics Operating Budget with Deficit Reduction Plan.		24-May-04
Dennison	2	Submit to Regents for approval FY 05 Operating Budget.		24-May-04
Duringer	3	Monitor and control revenues and expenditures in Athletics.	FY 05	
Dennison	4	Report all material variances to CHE and Regents prior to initiating actions in response to those variances.	FY 05	
Read	5	Implement Deficit Reduction Plan.	FY 05	

Darcy/Muse	6	Provide training for the AADBO on development and implementation of operating budgets, procurement, travel, all-funds budget monitoring & reporting, and financial controls.	31-Aug-04
Duringer/ Muse/ Wingard	7	Implement approved FY 05 operating budget.	FY 05
Duringer/ Muse	8	Meet regularly with AD, Associate AD, AADBO, and ASUM President on the implementation of the operating budget and deficit reduction Plan.	FY 05
Duringer/ Muse/ Read	9	Communicate progress of Athletics operating budget and deficit reduction plan to SBPC, coaches, athletic administrators, and President.	FY 05
Dennison	10	Communicate to CHE and Regents status reports on Athletics operating budget and deficit reduction plan implementation.	FY 05

8 The Regents and the University will review the revenues and expenses related to concessions, royalties, and the sale of collegiate license plates to evaluate adequacy of revenues and allocations to Athletics.

Duringer	1	Provide to BOR an analysis of concessions, royalties and license plate revenue and allocations	18-Nov-04
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9 The University must establish a receivable for Athletics at the beginning of each year, equal to the amount pledged by the GSA to support grants-in-aid for that year, and insure that the GSA establishes a matching payable; and also establish procedures for periodic (at least monthly) review of amounts outstanding.

(Page 15)

Darcy	1	Establish annually a receivable for the agreed upon GSA support of grants-in-aid, recording all payments against the receivable.	01-Sep-04
Newton	2	Establish annually a payable for the agreed upon GSA support to UM for grants-in-aid.	01-Sep-04

Darcy	3	Request quarterly statements from GSA and report the receivable reconciliation to the AD, AADBO, and VPAF.	FY 05
Duringer	4	Report and real or potential variances to the President for inclusion in the CHE and Regents reports.	FY 05

13
(Page 21) **The University must require the completion and submission to the Commissioner of the special purpose audit of Intercollegiate Athletics for the NCAA and the audit of the GSA by December annually, and integrate the results and recommendations of the audit reports into the institutional oversight and financial planning for Intercollegiate Athletics.**

See Actions Outlined in Recommendation 3 and 3.1.

14
(Page 22) **The AADBO must develop and implement 1) a standard reporting format for Athletics including all funds, and 2) standardized and automated systems to monitor revenues and expenses for all funding sources.**

Wingard	1	Develop and implement a standard Athletics monitoring report for all funds.	01-Sep-04
Wingard	2	Utilizing the monitoring report, meet on a regular basis with the AD, AAD, and the coaches and staff within Athletics on the fiscal status of the department.	FY 05
Duringer	3	Provide all fund fiscal reports to President, who in turn will provide reports to CHE and Regents.	FY 05

15
(Page 23) **The University must negotiate documented contracts and make appropriate accounting entries for all game guarantees.**

Duringer/ Read	1	Initiate contracts to be signed by AD, VPAF and applicable school representative that outline game guarantees.	FY 05
Darcy	2	Based on signed contracts, book applicable receivable or payable.	FY 05

19 **The University must develop procedures as soon as possible for ongoing monitoring and control of fiscal operations in Athletics and then restore normal reporting relationships within Athletics.**
 (Page 28)

Wingard	1	Develop and implement procedures for ongoing monitoring and control of fiscal operations in Athletics.	01-Sep-04
Dennison	2	Review AADBO's reporting relationship and make any necessary changes.	30-Jun-05
Duringer	3	Continue regular meetings with Executive Director OPBA, AADBO, AD, AAD and President of ASUM to monitor the operating budget and Deficit Reduction Plan.	FY 06

20 **After the Regents approve a deficit reduction plan, the University must review actual variances from the plan at least semi-annually.**
 (Page 29)

Regents approved the Deficit Reduction Plan in May 2004. See Recommendations 2, 7, 14, and 19 for monitoring and reporting process

22.1 **The University must insure that employees in Athletics comply with policies and procedures for the use of ProCards.**
 (Page 35)

Darcy	1	Review ProCard policies making recommendations for changes to regulate allowable uses of ProCard.	01-Sep-04
Darcy	2	Implement procedures to insure enforcement of ProCard policies.	01-Sep-04

22.2 **The University must establish the number of ProCards required for effective, reliable, and efficient business operations in Athletics.**
 (Page 35)

Darcy	1	Analyze business justification for all active ProCards to Athletic employees, rescinding non-essential ProCards, review and reaffirm allowable uses and dollar limit activity	01-Sep-04
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24 After consultation with coaches and staff, and in collaboration with the AD, the AADBO must develop an annual operating budget based on all sources of funds and in sufficient detail to allow evaluation of its assumptions and monitoring of its implementation.

(Page 40)

See Actions Outlined in Recommendations 2, 7, 14, and 19.

25 The AADBO must provide timely, meaningful, and regular budget status reports, incorporating all funds, to administrators and coaches in Athletics.

(Page 42)

See Actions Outlined in Recommendations 2, 7, 14, and 19.

26 The AADBO must not have responsibility for travel advance for away games.

(Page 44)

Duringer	1	Develop position description excluding extraneous duties.	01-Mar-04
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27 The AD must ultimately have the responsibility to provide oversight to the AADBO, to insure a realistic operating budget for Athletics (based upon consultation with coaches and staff within Athletics and prepared in sufficient detail to allow effective monitoring), and to report all variances from the approved operating budget and the Deficit Reduction Plan to the Executive Director of OPBA, the VPAF, and the President.

(Page 46)

See Actions Outlined in Recommendations 2, 7, 14, and primarily 19.

28 In view of the decentralized budget responsibilities in the University and the history of fiscal problems within Athletics, the VPAF and Executive Director of OPBA must provide comprehensive and thorough analysis of the annual Athletics operating budget proposal, taking account of all funds.

(Page 48)

See Actions Outlined in Recommendations 2, 7, 14, and 19.

30 The President must require the AD to present a proposed annual operating budget in sufficient detail for OPBA analysis as to its reasonableness, to control expenditures as well as raise funds, and to respond to all OPBA requests for information.

(Page 52)

See Actions Outlined in Recommendations 2, 7, 14, and 19.

37 The AD and AADBO must involve the coaches in the budget development process and provide them with timely and standardized budget status reports.

(Page 64)

See Actions Outlined in Recommendations 2, 7, 14, and 19.

38
(Page 66) **The University must continue to monitor the Virtu Consulting contract to insure that the contractor 1) corrects identified contract exceptions, and 2) accepts a provision for quarterly payment of revenues accrued under the contract.**

Duringer	1	Monitor the contract annually with Virtu.	FY 05	
Duringer	2	Conduct regular meetings to discuss status of sponsorship program.	FY 05	
Duringer	3	Correct current contract for noted exceptions and negotiate quarterly payments.		31-May-04

Unnumbered
(Page 10) **The University must account for the increase in expenditures of roughly \$1.9 million between FY 2001 and FY 2002.**

Duringer	1	Provide detail of noted expenditures.		04-Jun-04
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To the University, Commissioner, and Regents

5
(Page 7) **The Regents and University need to review the relationship between the GSA and University.**

Dennison/ Stearns	1	Present to BOR results of review of GSA and the University relationship.		18-Nov-04
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8
(Page 13) **The Regents and University will review the revenues and expenses related to concessions, royalties, and the sale of collegiate license plates to evaluate adequacy of revenues and allocations to Athletics.**

Dennison/ Stearns	1	Develop Athletics budget and Deficit Reduction Plan with permanent reallocation of revenues from concessions, royalties, and license plate sales.		24-May-04
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16 & 33
(Pages 24 & 57) **The Regents and University must analyze the benefit-cost ratio of the existing trade-outs, comp tickets, and courtesy cars for Athletics.**

Duringer	1	Conduct analysis with assistance by AD, AAD, AADBO, and consultation with applicable committees on the benefit-cost ratio of existing trade-outs, comp tickets, and courtesy cars.		28-Feb-05
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Duringer	2	Present results to President of Trade-outs, Comp Tickets, and Courtesy Car Analysis.	01-Mar-05
Dennison	3	Present results of analysis and conclusions to BOR.	17-Mar-05

23.3 **The Regents and University must conduct an audit of ProCard charges (and reimbursements) by Athletics employees for the years from FY 2002 through FY 2004.**
 (Page 35)

Burgmeier	1	Conduct a compliance audit of Athletics ProCard charges for FY 02 through FY 04	23-Sep-04
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- Burgmeier - K. Burgmeier, Director, Internal Audit
- Crego - K. Crego, Director, Human Resource Services
- Darcy - J. Darcy, Director, Business Services
- Dennison - G. Dennison, President
- Muse - W. Muse, Director Office of Planning, Budget and Analysis (OPBA)
- Newton - B. Newton, Executive Director, GSA
- Read - D. Read, Athletic Director (AD)
- Stearns - S. Stearns, Commissioner of Higher Education
- Wingard - E. Wingard, Assistant Athletic Director for Business Operations (AADBO)