

ATHLETIC PROGRAM RISKS

experience **insights** // High-profile athletic programs at some colleges and universities generate significant revenue and visibility for the institutions. However, these programs also can present challenges—notably, the potential for fraudulent activity. **BKD understands.** Our advisors have experience helping schools plan for the potential risks that come with athletics. Experience how **our insights can help your organization strengthen its processes and improve your institution's structural integrity.**

FRAUD

Athletics is the “front porch” of the college or university—attending a sporting event often is how an individual first interacts with the school. Your favorite team’s performance is the subject of weekly reports and discussions by alumni and fans. However, high-profile college athletics can represent a significant area of financial and reputational risk for the school.

Some of these risk areas involve ticket-related frauds, including:

- Misuse or theft and resale of complimentary tickets or parking passes
- Abuse of donor priority point systems resulting in less favorable seating to donors due to:
 - o Misuse or discounted sale of high-priority game tickets outside the donor priority system
 - o Misuse/discounted sale of premium ticket locations outside the donor prior system

Data analytics performed on ticketing software data can help you efficiently identify these issues. This form of data analytics also can identify operational inefficiencies that could impede the profitability of your ticketing operations.

Data analytics also can be performed in other areas to identify significant fraud risks, including:

- Abuse of procurement cards and reimbursement processes
- Fraudulent vendor and billing schemes
- Compensation abuse

COMPLIANCE

Compliance risk is a big part of the NCAA agreed-upon procedures. BKD performs significant amounts

of NCAA work and has an efficient process to help clients achieve reporting compliance. Our approach is tailored to the individual institution; we perform procedures suggested in the NCAA’s guidelines, but we also focus in areas important to you, e.g., ticket revenue recognition.

ACADEMIC

Academic honesty and integrity are core principles of higher education institutions. It is important institutions use cutting-edge methods to stay ahead of threats to academic integrity and protect these core principles. The higher education arena is no stranger to the data boom seen in other industries. “Big Data” is prevalent on college and university campuses nationwide. This data includes much more than financial information—academic records contain vast amounts of valuable data. Using analytics, we can leverage this data to identify potential academic integrity risks, including:

- Courses in which student athletes continually outperform non-athlete students
- Instructors providing favorable academic treatment to student athletes
- Courses showing increases in student athlete enrollment with a corresponding increase in overall grade point average
- Unusual academic trends by sport or team
- Courses or instructors with a high concentration of student athletes outside their major

Penalties for failing to comply with rules and regulations governing academic integrity of an athletics program can be devastating. Our approach can help you identify potential areas of concern.



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