

The University of Connecticut  
Audit and Management Advisory Services

Report on

Faculty Consulting Activities and University Procedures  
For the Period July 1, 2017 through June 30, 2018

Cheryl Chiaputti, CPA, Chief Audit Executive

The content herein is being distributed to those with a need to know and is to be maintained as confidential.  
Do not distribute further without the express permission of The Office of Audit and Management Advisory Services.



**The University of Connecticut  
Audit and Management Advisory Services  
Report on  
Faculty Consulting Activities and University Procedures  
For the Period July 1, 2017 through June 30, 2018**

**BACKGROUND**

The University has implemented a faculty consulting policy (Policy) and associated procedures for the prior approval of consulting activities, including disclosure, review and management of conflicts of interest / commitment relating to any such activity, to comply with the provisions of Connecticut General Statute (CGS) 1-84(r). The Policy and associated procedures have been refined since their inception in September 2007, with the most recent Board of Trustee approved Policy revision dated March 25, 2015.

Faculty consulting requests are submitted and processed through an on-line faculty consulting approval system (OFCAS) used by both UConn and UConn Health faculty. In addition to collecting information, disclosures, and attestations from faculty members for each consulting request, OFCAS electronically routes completed requests to the appropriate department head, dean and Faculty Consulting Office (FCO) for review and approval.

Faculty members are required to confirm, using OFCAS, whether the activity actually took place and to provide corrected reconciliation data when elements such as: dates; number of consulting days; level of compensation and use of University resources differ from the original consulting request. OFCAS provides faculty with functionality to reconcile each approved consulting activity at any time after completion of the activity. Faculty must complete the reconciliation of all consulting activities no later than September 15th following the end of a fiscal year.

**OBJECTIVES AND SCOPE**

Our audit objectives were to confirm the accuracy of the consulting request statistics presented in *The University of Connecticut Consulting Program FY 2018 Annual Report*, (Annual Report) which was prepared by the UConn and UConn Health FCOs and evaluate compliance with the Policy; the annual faculty consulting reconciliation requirement; the effectiveness of the established faculty consulting activity approval and oversight procedures; and the identification and management of potential competition and/or conflicts of interest and commitment for faculty members.

Our review included all “*Request[s] for Approval of Consulting Activities*” submitted through OFCAS, performed during the period, July 1, 2017 through June 30, 2018 (FY2018). The FY2018 consulting request data used in the audit was extracted from OFCAS database tables using queries written by UConn’s University Information Technology Services (UITS).

We conducted interviews with eight judgmentally selected department heads and one dean to assess management’s oversight of faculty consulting activities. Finally, we reviewed the Annual

Report for the status of corrective actions included in management responses to those recommendations made in prior audit reports.

Given that the *Report on Faculty Consulting Activities and University Procedures For the Period July 1, 2016 through June 30, 2017* was presented to the Joint Audit and Compliance Committee (JACC) at the June 6, 2018 meeting, management's proposed corrective actions regarding the Sanctions Log, new faculty training, FCO oversight of faculty whose total requested days exceeds a predetermined threshold, and utilization of vacation days by management exempt employees with faculty titles when consulting, will be evaluated in subsequent annual Faculty Consulting audits.

## **GENERAL OBSERVATIONS AND CONCLUSIONS**

Based on our audit fieldwork, we concluded that the Policy and associated procedures for the approval of consulting requests implemented by the FCOs comply with the intent of CGS 1-84(r). The *Consulting by Faculty* website, <http://consulting.uconn.edu/>, provides an abundance of information and links to on-line training materials, policies and procedures, statutes, audit reports, and Consulting Management Committee (CMC) actions and meeting minutes.

We concluded that the summaries included in the *FY2018 Annual Report on Consulting Activities* regarding the concerns reported in the prior year faculty consulting audit report and management's responses were accurately stated. We recalculated the total requests to consult per School/College/Unit as well as the number of faculty who submitted requests from each area. Although all figures included in the Annual Report materially agreed with our recalculations, we found that the FCOs utilize inconsistent methodologies to calculate and disclose certain performance numbers.

We concluded that OFCAS continues to support the volume of consulting requests submitted by UConn and UConn Health faculty members. Our review of the FY2018 OFCAS consulting request data disclosed that, due to OFCAS programming logic, approval routing to a department head is not triggered for requests in which the faculty member has selected a Unit from a dropdown list that is not mapped to an academic department. We also observed a number of requests to consult with foreign entities, many of which were routed through the "*Accelerated Approval*" process in OFCAS. Such requests require careful review and scrutiny, as they accrue incremental risks related to travel reimbursement, export control laws, and/or use of State resources. We further noted that completed requests for UConn faculty consulting activities that are performed in the summer rarely include details of summer salary.

Excluding consulting requests with a status of "*In Process*" or "*Withdrawn*" as of June 30, 2018, we found that 95.2% and 97.0% of the consulting requests submitted by UConn and UConn Health faculty, respectively, were submitted in advance of the start date with sufficient time for management review.

We recognize the FCOs' commitment to optimize the faculty consulting program to achieve compliance with the legislative intent of CGS 1-84(r). The collaborative working relationship between the UConn and UConn Health FCOs promotes compliance with the Policy across the

University. It is important to note that both the UConn and UConn Health FCO experienced staffing changes during the late FY2018 / early FY2019 time period. While working with new administrative support staff in the UConn FCOs, we identified an opportunity for improvement in succession planning within the FCOs related to the lack of a robust set of documented internal policies or standard operating procedures to reference in the performance of day-to-day job functions designed to achieve compliance with the Policy.

Our interviews with one UConn dean and eight UConn and UConn Health department heads confirmed an awareness of the faculty consulting policies and procedures and the oversight responsibilities required by academic department and school/college administration. While a majority of those interviewed expressed the belief that the faculty consulting process was effective and that instances of faculty performing consulting activities without approval, as required by the Policy, are uncommon, we identified potential omissions from FY2018 OFCAS data. Many of those interviewed stated that periodic “refresher” trainings on the Policy from a department head perspective would be beneficial.

Consistent with the prior year, we found a number of faculty members who did not submit a request to consult for faculty affiliated entities as required in the most recent Board of Trustee approved revision of the Policy. We confirmed that the FCOs notified the faculty members of the consulting request requirement, which resulted in the late submission of a request to consult with a number of the faculty-affiliated entities for FY2018 and, where required, in FY2019.

Based on our review of consulting requests that disclosed a planned material use of University resources, we concluded that process improvements are warranted related to the disclosure and subsequent reconciliation of the specific University resources that will be used, as well as the appropriate reimbursement for these resources.

We continued to find fulltime management exempt UConn employees with faculty titles who consulted during normal work hours without utilizing accrued vacation for the period specified in the consulting request. The procedure that requires such use of vacation is specific to the UConn management exempt faculty.

We would like to thank the FCOs for their cooperation and input during our review of FY2018 faculty consulting activities.

## **OBSERVATIONS**

### **1. Non-Compliant Approved Consulting Requests**

The University has established a policy titled, *Sanctions for Non-Compliance with the University’s Consulting Policy and Procedures*, which delineates progressive levels of action to be taken “*when a request to consult is submitted late on or after the start date of the activity or submitted before the start date, but without sufficient time to process it (i.e. ordinarily, at least one week).*” First Occurrence sanctions include a “*letter to or phone conversation with the faculty member and his/her superior explaining the implications of late submission.*”

The Annual Report stated, “*The Storrs FCO issued first-offense verbal or written sanctions to 12 faculty members and 1 second-time offense to 1 faculty member. Of these, sanctions were issue[d] for failure to submit, late submission, unanticipated compensation, starting consultation activity prior to receiving approval, and failure to reconcile on time.*” We identified the following instances in which sanctions were not listed in the Sanctions Log provided by the Storrs FCO:

- Eight faculty members who submitted reconciliation reports ranging from one to three days after the September 15<sup>th</sup> deadline
- Twenty-two unique faculty members who submitted a request to consult after the expected start date of the consulting activity
- Eleven unique faculty members submitted a request to consult on the same day as the expected start date of the consulting activity and 32 unique faculty members submitted a request to consult one to six days prior to the expected start date of the consulting activity. These requests were not submitted with sufficient lead-time to allow for timely approval.
- Twenty-four unique faculty members who received approval to consult ranging from one to 149 days after the expected start date of the consulting activity.

We found one UConn Health consulting request that was approved after the expected start date of the consulting activity. This request was manually reconciled in November 2018. Discussions with the UConn Health FCO disclosed that the request was misdirected to the Storrs FCO in OFCAS and, as a result, the UConn Health FCO did not see the request until October 2018. As this was a “systems issue,” a formal warning / sanction was not issued to the faculty member in FY2018.

As stated earlier in this report, management’s corrective actions regarding the Sanctions Policy and the use of the Sanctions Log that were presented to the JACC in June 2018 were not in effect for the current audit period.

*The Procedures on Consulting for Faculty and Members of the Faculty Bargaining Unit, Section 3. Signatories, states:*

*The Storrs and Regional Faculty Consulting Office adheres to the practice that consulting should not exceed an average of one normal work day per week during periods of appointment. The University Health Center Faculty Consulting Office utilizes the annual evaluation for assessing the negative impact of consulting on a faculty member’s duties. Further, the department chair must give approval in advance for each day of consulting during normal work time, and in making this decision, the chair must consider the impact of such consulting on the faculty member’s duties.*

Using the methodology employed in prior annual audits, we calculated excess consulting based on total consulting days that exceed an average of one day per week. Consistent with prior years, we identified 27 UConn and three UConn Health faculty members who submitted consulting requests with total consulting days during FY2018 that exceeded an average of one day per week, pro-rated based on the faculty member's appointment term.

A number of the consulting activities that contributed to the UConn faculty totals were performed in the summer months by 9-month or 10-month UConn faculty; however, not all of the instances identified can be explained by summer consulting. The Storrs FCO has stated that faculty members may request a full consulting day rather than a partial day for a consulting activity performed over a several hour period. This practice may result in significantly overstated consulting days requested. These faculty often fail to correct the actual number of consulting days during the reconciliation of the activity.

AMAS acknowledges that the calculation of excess consulting days as reported above differs from the calculation of excess consulting days disclosed in the Annual Report, which is based upon total consulting days *during normal work time*. AMAS also acknowledges that the limit on consulting during normal work time currently applies to Storrs faculty only, whereas UConn Health relies on annual reviews to determine the impact of consulting on faculty activity and productivity.

It is important to note that two of the 27 UConn faculty members and one of the three UConn Health faculty members reported expected total consulting days ranging from 100 to 117.5 days. The UConn Health faculty member's consulting requests are approved by the Storrs FCO, which has no direct knowledge of this individual's duties.

Based on our review of available peer institutions' consulting policies, we observed that most have established limits for total consulting days during periods of commitment, regardless of when the activity occurs, e.g., one day in seven.

### **Recommendations**

The FCOs should standardize internal operating procedures that clearly describe current processes for identifying non-compliant consulting requests and issuing sanctions. In developing these internal procedures, the FCOs should discuss their respective "best practices" for proactively identifying and following up on non-compliant consulting requests, and should document a consistent approach to issuing sanctions to non-compliant faculty members in accordance with the *Sanctions for Non-Compliance with the University's Consulting Policy and Procedures* dated September 2011.

The FCOs should continue to utilize existing opportunities to inform faculty members of the provisions of Connecticut General Statute (CGS) 1-84(r), such as: new-faculty orientation/training; faculty appointment letters; periodic visits with selected academic departments to discuss the University's policies and procedures on faculty consulting; and the Annual Compliance training.

The Provost should document the specific criteria used to determine whether consulting requests with “excess” normal work time (defined as total expected effort in excess an average of one day per week) are or are not approved.

### **Management Responses – FCO**

The FCOs will standardize internal operating procedures that clearly describe current processes for identifying non-compliant consulting requests and issuing sanctions. The estimated completion date is June 19, 2019.

The FCOs will continue using existing training and reminder opportunities to inform faculty members of the provisions of CGS 1-84(r).

Per the report provided to the JACC in December 2018, the issue of setting a cap on the amount of consulting allowed, whether during normal work time or not, is being placed on hold until the new Vice Provost for Health Sciences is hired and has an opportunity to review this issue. Once this is accomplished, the final review will be conducted by Interim Provost John Elliott. The estimated completion date is contingent on the hiring of the new Vice Provost for Health Science and Provost, and final review by Provost Elliott.

Regarding the current cap on consulting for Storrs faculty members, this applies to consulting during normal work time only, not on nights, weekends, holidays and vacation days. We also recognize that faculty often will indicate a full day of consulting was used when the actual activity was for less than the full day (i.e., they counted dates of consulting). The FCOs will continue to educate faculty on how to appropriately report in the request form the effort expended to perform the consulting activity.

## **2. Consulting Activities Performed while Drawing Summer Salary**

One of our audit tests was designed to identify UConn faculty members who: (a) received special payroll for work performed on sponsored projects in the summer months; and (b) had a FY2018 consulting request that potentially conflicted with summer effort reported on sponsored projects.

We identified 11 faculty members who performed a consulting activity during a range of dates that overlapped with effort reported on sponsored projects in the summer months. Upon further review of FY2018 OFCAS data, we noted that 93.8% of UConn faculty members with an approved consulting request did not specify “Yes” or “No” in response to the field “*On summer salary?*” prior to submitting the request. For those who responded “Yes” to this field, 23.5% did not describe the details of their summer salary.

### **Recommendation**

The FCOs should engage UITs to modify the faculty consulting request form to require responses to the fields “*On summer salary?*” and “*Detail of summer salary?*” to provide information relevant to the review and approval process to identify potential conflicts

between requested consulting activities and summer effort reported on sponsored projects.

### **Management Response – FCO**

The FCOs will ask UITS to research their ability to implement the proposed changes related to summer salary and to develop an estimate of the cost of doing so. The estimated completion date is June 19, 2019.

### **3. Consulting Activities by Management Exempt Employees with Faculty Titles**

UConn deans, management-exempt, and 12-month term employees with faculty titles are included in the scope of the Consulting Policy. Unlike the majority of UConn faculty members, fulltime 12-month employees with faculty titles accrue 22 paid vacation days annually. The *Consulting Process for Management Exempt Employees* dated April 15, 2015, which is specific to Storrs Campus, states, “...if the proposed consulting activity will occur during the University’s normal business hours, management exempt employees must use paid vacation days, personal days, or accrued holiday time.”

We identified approved consulting requests for 38 management exempt employees in the UConn FY2018 consulting requests. We compared the time and attendance records in the CORE-CT payroll system for these individuals to the dates provided in the consulting requests and noted the following:

- Five instances in which the faculty member did not use any paid vacation days, personal days, or accrued holiday time on dates corresponding to consulting activities
- Two instances in which the faculty member used vacation, personal days, or accrued holiday time on dates corresponding to consulting activities that did not agree with the number of days spent consulting during normal work time per the reconciliation report
- Four instances in which we were unable to confirm the use of paid vacation days, personal days, or accrued holiday time due to the use of a broadly defined consulting period in conjunction with no specific consulting date(s) details provided in the request or reconciliation

Failure to track and use vacation days for consulting activities that occur during the University’s normal business hours results in overstated accrued vacation balances, for which the University bears a future financial liability.

We also compared faculty “*Appointment Term*” inputs per OFCAS to a *WebFOCUS FY2018 Filled Position Detail* report (Payroll report) to assess the accuracy of OFCAS “*Appointment Term*” inputs. Based on this assessment, we found 75 “*Approved\_Reconciled*” consulting requests in OFCAS submitted by 48 UConn faculty members with an appointment term that differed from the appointment term reported by the Payroll Department. Faculty members who misconstrue their employment status may fail to comply with provisions of the Policy that are affected by percentage of employment.



## **Recommendations**

The Office of the Provost should work with the Payroll Department to correct the accrued vacation balance of those 12-month and management exempt employees with faculty titles whose payroll records do not agree with the FY2018 consulting activities performed.

The Office of the Provost should obtain a report of all 12-month and/or management exempt faculty members who accrue vacation leave from the Payroll Department at the beginning of each academic semester. These individuals should be reminded of the obligation to utilize vacation or other accrued leave time associated with consulting activities performed during normal business hours.

The University should consider revising the *Sanctions for Non-Compliance with the University's Consulting Policy and Procedures* dated September 2011 to define sanctions related to the failure of a 12-month and/or management exempt faculty to appropriately use paid vacation days, personal days, or accrued holiday time for consulting that occurs during the University's normal business hours.

The Storrs FCO should obtain a report detailing faculty appointment term information and FTE status from the Payroll Department at the beginning of each academic semester. The Storrs FCO should use this report to periodically monitor the accuracy of faculty inputs into OFCAS in order to identify faculty members who may misconstrue their employment status and, in turn, the applicability of the Policy provisions related to percentage of employment.

## **Management Responses – FCO**

The FCOs will investigate each case and, if it is determined that the management exempt employee did not use vacation days for approved consulting, the FCO will then work with the affected employees and the Payroll Department to correct the accrued vacation balance. Additionally, the sanctions policy will be revised to address situations in which management exempt employees with faculty titles fail to appropriately use vacation time for consulting during normal work time. The estimated completion date is September 1, 2019.

Effective February 2019, the Office of the Provost began obtaining a report of all 12-month and/or management exempt faculty members who accrue vacation leave at the beginning of each academic semester. Beginning March 2019, these individuals are reminded of the obligation to utilize vacation or other accrued leave time associated with consulting activities performed during normal business hours. This effort has been completed and is ongoing.

Effective December 2018, the Storrs FCO began obtaining a report detailing faculty appointment term information and FTE status on a monthly basis. Moving forward, the Storrs FCO uses this report to monitor the accuracy of faculty inputs into OFCAS in order to identify faculty members who may misconstrue their employment status and, in turn, the applicability of the Policy provisions related to percentage of employment. This effort has been completed and is ongoing.

#### **4. Consulting Requests with Faculty-Affiliated Companies**

The consulting policy requires submission of a consulting request by a faculty member who actively works in or manages a company or external entity in which he/she holds an equity / ownership interest regardless of the level of compensation received. We obtained a list of faculty-affiliated companies (FACs) from the Office of the Vice President for Research (OVPR), dated October 15, 2018, that identified 118 entities in which 115 current and/or former UConn and UConn Health faculty members hold ownership interests.

In our review of requests to consult with FACs, we found that consulting requests were not submitted in FY2018 by 12 UConn and two UConn Health faculty members. We did find that 11 of the 12 UConn faculty have submitted consulting requests with the affiliated company in the current fiscal year, and the UConn Health FCO prepared sanction letters for the two UConn Health faculty members who were identified through our audit procedures.

The Storrs FCO implemented a new process in the current fiscal year to proactively identify consulting requests for which the faculty member responds “true” to the field “*University company or faculty-affiliated?*” and confirm that the contracting entity is included on the listing of FACs. As an additional completeness check, the Storrs FCO now performs inquiries of all faculty members with a faculty-affiliated company in the prior year to verify that a current year request to consult has been submitted in the event these individuals continue to perform work for the entity.

#### **Recommendations**

The FCOs should continue to instruct deans and department heads to encourage faculty members to submit a consulting request regardless of a guarantee of compensation to promote wider compliance with and reduce unintentional violations of the Policy.

The FCOs should continue to promote compliance with the Policy by those faculty members identified as holding an equity interest in and/or management affiliation with an external entity using its current faculty notification/outreach methods.

The UConn Health FCO should evaluate the processes recently implemented by the Storrs FCO relating to faculty-affiliated companies for applicability to UConn Health.

#### **Management Responses – FCO**

The FCOs will continue to remind faculty members of the need to submit consulting forms for their faculty affiliated entities on an annual basis. The UConn Health FCO began to use the same list the Storrs FCO used during the summer of 2018. These efforts have been completed and are ongoing.

#### **5. Use of State Resources**

Section 5.g of the Policy states, “*Permission to use State resources while consulting must be*

*provided in writing, in advance, and use of such resources must be fully reimbursed to the University of Connecticut.*” The OFCAS requires faculty members to disclose material use of State resources in the consulting request through the use of a “Yes/No” field on the online consulting request form. We reviewed a total of 11 UConn and two UConn Health consulting requests for which the faculty member responded “Yes” to the question “*Will there be material use of University resources?*” to assess whether a *Request for Use of University Resources While Consulting* form (University Resources form) was on record describing the list of resources to be used and estimated reimbursement for such resources.

We found that a University Resources form was completed in two of the 11 instances for UConn and one of the two instances for UConn Health. The remaining instances, the faculty members included high-level descriptions such as “*All university resources used are contracted directly with UCHC*” or made reference to existing agreements (e.g. facility use agreements) to communicate their planned use of University resources.

Faculty members who do not sufficiently report or who fail to report material use of University resources upon submission of a new consulting request may fail to comply with provisions of the Policy and/or department policies and procedures that are affected by the use of State resources while consulting. Furthermore, the faculty member is considered a “non-employee” with respect to the use of University service centers in the context of a consulting activity performed with a FAC. As such, all service center activities involving FACs must be billed using the service center’s approved external/third party rates, rather than the internal rates that are established for employees and government agencies.

### **Recommendations**

The FCOs should require faculty members to complete a University Resources form for all consulting requests in which a planned material use of University resources is disclosed by an affirmative response to the OFCAS field “*Will there be material use of University resources?*”

### **Management Responses – FCO**

The FCOs will require the faculty member to attach a communication from the appropriate University official that describes all material use of the State resources being used by the faculty member, the cost of those resources, and an attestation that the faculty member will be held accountable for providing payment for these resources as well as when such payment can be expected. The FCOs will endeavor reprogramming OFCAS with UITS such that if the material use of State resources check box is used, the activity must be processed using the regular approval process to ensure review by the dean and provost’s designee. Activities qualifying for accelerated approval only require the department head level approval alone. The estimated completion date is September 1, 2019.

## **6. OFCAS Workflow Routing**

One of our audit tests was designed to evaluate compliance with Section 3 of the *Procedures*

on *Consulting for Faculty and Members of the Faculty Bargaining Unit* dated March 19, 2014, which state: “Requests to consult must be approved by the member’s Department Head and Dean.” We identified a total of nine approved UConn requests and one disapproved UConn Health request for which OFCAS logic did not require department head review. The requests were instead routed to the dean (“School/Unit”) or to the Provost’s office for a first review. These requests were submitted by eight unique faculty members who were not department heads, acting department heads or directors within their respective departments.

UITS noted that the FCO is responsible for setting up the list of Schools/Units/Colleges and associated departments in OFCAS. When submitting a request to consult, a faculty member first has the option to select a Unit (e.g. Engineering, Liberal Arts and Sciences, School of Medicine, etc.). After a Unit is selected, a faculty member then has the option to select a department that is mapped to the Unit. Six of the nine approved UConn requests for which OFCAS logic did not require department head review were routed to the Institute of Materials Science (IMS) Unit. IMS, an interdisciplinary research center, has no associated academic department in OFCAS.

We also identified one request that went through the “Accelerated Approval” process which did not meet the definition of an activity eligible for “Accelerated Approval” based on the dollar value of the expected compensation and the nature of the contracting entity. Inquiries with UITS disclosed that the record in question was impacted by temporary “bad logic” in OFCAS following a change to the OFCAS code base in January 2017. While we acknowledge that there may be budgetary constraints for implementing changes to OFCAS, it is important to confirm that the system is functioning as intended given that OFCAS configurations can directly impact compliance with the Policy.

### **Recommendations**

The FCOs should develop a process to review OFCAS School/Unit/College-to-department mappings, approval workflows, and approval configurations at least annually, engaging assistance from UITS where necessary.

The FCOs should revise Section 3 of the *Procedures on Consulting for Faculty and Members of the Faculty Bargaining Unit* dated March 19, 2014 to account for instances in which a faculty member submits a request to consult that is routed to an interdisciplinary research center as opposed to an academic department. The revised procedures should clearly outline the approval workflow and approval process for such requests, with appropriate consideration given to the organizational structure of the University’s interdisciplinary research centers.

### **Management Responses – FCO**

The FCOs will create a written document outlining all exceptions to the three-step approval process which will be posted to the website. By not including this information in the *Procedures on Consulting for Faculty and Members of the Faculty Bargaining Unit* which required notification to the Board of Trustees for any modification, the document can be

reviewed and updated more conveniently and will be done so at least on an annual basis. The estimated completion date is June 19, 2019.

The FCOs believe there were only four situations in which a consulting request may have not been sent to the appropriate department head level approver, and in one of those cases this was detected and the request disapproved. The magnitude of this problem is therefore 3 cases out of about 2,000 requests processed. The FCOs believe the best method of addressing this problem is to remind faculty to select the correct department head level approver and to remind all people who make decisions regarding a consulting request to continue to review the chain of approval to ensure it is appropriate. This effort has been completed and is ongoing.

## **7. Consulting with Foreign Entities**

In our review of FY2018 OFCAS data, we identified 178 approved consulting requests for which the response to the field “*Nature of Entity*” was “*Higher education unit – Accredited in another nation*” or for which the response to the field “*Actual Entity Address*” was a foreign location (e.g., China, South Korea, Brazil, Canada, etc.). Of the 178 approved requests to consult with foreign entities, 56 UConn and 18 UConn Health requests followed the “Accelerated Approval” process, which assigns sole approval authority to the department head. The University’s *Definitions of Activities Eligible for Accelerated Approval*, dated November 14, 2012, currently make no distinction between requests to consult with a domestic entities when compared to requests to consult with foreign entities.

Requests to consult with foreign entities often occur over an extended time period and include travel costs paid for by the consulting entity, which may result in gross remuneration that exceeds the \$5,000 cap described in the *Definitions of Activities Eligible for Accelerated Approval*. Further, such requests may give rise to additional compliance requirements described in the University’s *Export Control and Economic Sanctions Policy* and/or the need to submit a written request to use State resources while consulting.

For this reason, requests to consult with foreign entities require additional information from faculty members beyond what is traditionally disclosed on the OFCAS consulting request forms. Relevant details may include the faculty member’s travel plans when applicable; and use of a University-issued laptop while consulting, which necessitates compliance with applicable export control laws pertaining to proper handling, transfer, access, storage, control and dissemination of export-controlled hardware, software, information, technology and technical data.

Finally, in our review of requests to consult with foreign entities we concluded that the phrase “Accelerated Approval” is frequently interpreted by faculty members to mean “fast” or “last-minute” approval of a consulting request, which is not the case. As originally intended, “Accelerated Approval” waived the three-tier approval process for certain low-risk consulting requests of an academic nature, such as speaking engagements and/or research proposal panel reviews, delegating sole approval to department heads for these requests.

## **Recommendations**

The University should revise the *Definitions of Activities Eligible for Accelerated Approval* to distinguish between eligible consulting activities for a “domestic accredited higher education unit” and approval of consulting activities for a “foreign higher education unit”. Related to this, the University should consider changing the name of the phrase “Accelerated Approval” process to one that more closely embodies the intended meaning of this process.

The FCOs should engage UITS to modify the OFCAS configurations to prevent all requests to consult with a foreign entity from following the “Accelerated Approval” process.

The FCOs should engage the Office of the Vice President for Research to develop a checklist or a new set of OFCAS fields that must be completed for all requests to consult with a foreign entity, with appropriate consideration given to compliance requirements related to travel, export control laws and use of State resources while consulting with a foreign entity.

## **Management Responses – FCO**

As recommended, the FCO will consider changing the term “Accelerated Approval.” The estimated completion date is September 1, 2019.

The FCOs will work with the Office of the Vice President for Research to gain greater clarity around specialized rules regarding consulting activities paid for by foreign entities and then will develop a plan to address any compliance requirements related to travel, export control laws and use of State resources while consulting with a foreign entity. The following deadlines will apply:

September 1, 2019 – Define “foreign entity” and exempt activities in which the contracting entity is a foreign entity from the Accelerated Approval process.

December 1, 2019 – Develop a plan to address compliance requirements concerning travel, export control laws and use of State resources while consulting with a foreign entity.

June 30, 2020 – Implement the plan including appropriate training materials in how to make decisions related to consulting for foreign entities.

## **8. Management Oversight**

We conducted interviews with eight judgmentally selected department heads and one dean to assess management’s oversight of faculty consulting activities. Two recently appointed UConn Health department heads expressed confidence in the FCO as a “safety net” during their respective transition periods. The department heads were familiar with the Policy based on the new-faculty orientation, prior personal experience as faculty, and periodic department meetings. Other department heads suggested that brief, periodic “refresher” trainings on the Policy would be beneficial.

One UConn department head stated that the notification e-mails from OFCAS to alert him of a new consulting request were initially routed to his spam folder. This department head also acknowledged that FY2018 OFCAS data for his department likely did not include all consulting activities that were performed during the year, as he often needed to remind certain faculty members of the requirement to submit a request to consult. To illustrate, an internet search revealed that one faculty member in this department participated in more than ten talks / conferences during FY2018, two of which had an attendance fee of more than \$50. This faculty member did not submit any requests to consult in FY2018.

Finally, we reviewed publicly available *Center for Medicare and Medicaid Services (CMS) Open Payments* data for UConn Health faculty members published on the *CMS Open Payments* website. The *CMS Open Payments* website discloses, by calendar year, payments received by physicians from the medical industry for consulting, grants and travel. In prior years, we relied on a customized *Open Payments Report* provided by Research Compliance which summarized all payments received by UConn Health physicians during a specific calendar year to complete this audit procedure.

The *Open Payments Report* historically used in our review was generated through a subscription with a third party vendor that is no longer in business. As a result, an *Open Payments Report* was not available for calendar year 2017. While another vendor that could provide similar reporting for a fee was identified, the Clinical Conflict of Interest Committee elected not to purchase the reporting service. Given the absence of an *Open Payments Report*, our review consisted of an independent evaluation of *CMS Open Payments* data for UConn Health physicians using the *CMS Open Payments* online “Search” tool.

We identified a payment for one consulting activity performed in FY2018 which had no corresponding consulting request. The FCO is unaware of any other violations by this faculty member, and has followed the procedures for late submission and sanction.

We also found that two UConn Health physicians received in-kind “gift” payments during calendar year 2017. Department head inquires indicated that these physicians did not receive any payments in the form of a gift directly from the contracting third party. Rather, the “gift” payments represented fees incurred by the third party to provide scholarly articles to the faculty members for further distribution within UConn Health. Ongoing examination of *CMS Open Payments* data is important to identify instances of consulting without prior approval, and to seek clarification from faculty members where needed to verify compliance with all applicable University policies.

### **Recommendations**

The FCOs should continue to train department heads and deans on the faculty consulting policy and procedures. At a minimum, training should reiterate the University’s policies and procedures on faculty consulting; communicate FCO guidelines on approving / disapproving consulting requests; demonstrate how to approve consulting requests within OFCAS; confirm receipt of at least one “test” notification e-mail from OFCAS; and, for UConn Health department heads, describe how to access and search the *CMS Open Payments Report*.

The FCOs should revise the Policy to require department heads and deans to inform the FCOs of all known instances of consulting without prior approval, where upon the FCO will issue an appropriate sanction in accordance with the *Sanctions for Non-Compliance with the University's Consulting Policy and Procedures*, dated September 2011.

### **Management Responses – FCO**

The FCOs will continue routine training of department heads and deans. For School of Medicine and School of Dental Medicine decision makers, this should include training in the use of the *CMS Open Payments* database. It will also include a warning on how automatic emails from the OFCAS system might not be received for every consulting request, but how other methods such a routine access to the faculty consulting dashboard enables decision makers and faculty member to track the progress of requests through the approval process to ensure prior approval of all requests occurs.

Training will also include reminding the faculty to renew requests if they cross into a new fiscal year as well as the need to file requests whenever they are receiving compensation for services rendered while not acting as a State employee or when providing services to a faculty-affiliated company they have ownership interest in even if no direct compensation is being received. Finally, training will indicate that it is required that department heads or deans alert the FCO if they become aware of consulting taking place without prior approval through the OFCAS system. The training of department heads and deans will be completed throughout fiscal year 2019 and is ongoing.

## **9. Consulting Program Annual Report**

In our review of *The University of Connecticut Consulting Program FY2018 Annual Report*, we found that the FCOs utilize inconsistent methodologies to calculate and disclose:

1. The average number of days spent consulting during normal work time (NWT); and
2. The number of faculty members who used more time during normal work hours than originally estimated.

The methodology employed by the Storrs FCO yields a lower “average days” spent consulting during NWT and a higher number of faculty members who used more time during normal work hours than originally estimated when compared to the methodology employed by the UConn Health FCO. To illustrate:

- The Storrs FCO calculates metric #1 above by computing the total actual number of days spent consulting during NWT across all approved / performed consulting requests, and then dividing this figure by the total number of approved / performed consulting requests. The UConn Health FCO, in turn, calculates this metric by computing the total actual number of days spent consulting during NWT across all approved / performed consulting requests, and then dividing this figure by the total number of unique faculty members who performed a consulting activity.



- The Storrs FCO calculates metric #2 above by computing the difference between expected NWT and actual NWT for each individual consulting request, and discloses excess NWT by request. The UConn Health FCO, in turn, sums up total expected NWT and total actual NWT for each unique faculty member with a consulting request, and discloses net excess NWT by faculty member.

With the absence of a streamlined approach for calculating and disclosing key performance measures, the information presented in the Annual Report may be misinterpreted.

### **Recommendation**

The UConn and UConn Health FCOs should agree upon and utilize a prescribed calculation method and format when preparing the Annual Report in order to standardize the UConn and UConn Health disclosures that are presented to the legislature.

### **Management Response – FCO**

The FCOs agree to develop a standard approach for the two-reporting metrics. This may require a notation in the annual reports that the new calculation cannot be used in trend analysis with previous reports because the approaches would not be consistent. The estimated completion date is June 19, 2019.