

The University of Connecticut
Audit and Management Advisory Services

Report on

**Faculty Consulting Activities and University Procedures
For the Period July 1, 2018 through June 30, 2019**

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BACKGROUND

The University has implemented a faculty consulting policy (Policy) and associated procedures for the prior approval of consulting activities to comply with the provisions of Connecticut General Statute (CGS) 1-84(r), including disclosure, review and management of conflicts of interest (COIs)/commitment relating to any such activity. The Policy and associated procedures have been refined since their inception in September 2007, with the most recent Board of Trustees (BOT) approved Policy revision dated June 26, 2019.

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 differ from the original consulting request, such as dates; number of consulting days; level of compensation; and use of University resources. 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 2019 Annual Report* (Annual Report), which was prepared by the UConn and UConn Health FCOs, and to 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 COIs 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, 2018 through June 30, 2019 (FY 2019). The FY 2019 consulting request data used in the audit was extracted from OFCAS database tables using queries written by UConn’s Information Technology Services (ITS).

We also reviewed the publicly available *Centers for Medicare and Medicaid Services (CMS) Open Payments (OP)* database for UConn Health physicians, which discloses, by calendar year, payments received by physicians from the medical industry for consulting, grants and travel.

We conducted interviews with ten judgmentally selected department heads 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.

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 *FY 2019 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. All figures disclosed in the Annual Report materially agreed with our recalculations.

Excluding consulting requests with a status of "In Process" or "Withdrawn" as of June 30, 2019, we found that 96.7% and 97.9% 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. Based on a review of the publicly available *Centers for Medicare and Medicaid (CMS) Open Payments* database for calendar year 2018, we identified several UConn Health employees who performed a consulting activity without obtaining prior approval.

We concluded that OFCAS continues to support the volume of consulting requests submitted by UConn and UConn Health faculty. We identified areas for improvement related to the "dashboard" functionalities that are available to OFCAS users, and the manner in which OFCAS approvers are configured for academic departments with multiple divisions. ITS will transfer OFCAS to a new server environment in FY 2020. The OFCAS migration will provide the FCOs with an opportunity to enhance the existing application or develop an entirely new application.

Our interviews with ten 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. A majority of those interviewed stated that they believed the faculty consulting process to be effective and that instances of faculty performing consulting activities without approval, as required by the Policy, are uncommon. Certain department heads did note, however, that they find it difficult to assess whether a consulting activity is competing with the University, and expressed interest in the rollout of more concise OFCAS forms that would succinctly address all key aspects of the Policy.

We continue to observe the FCO's commitment to optimize the faculty consulting program to achieve compliance with the legislative intent of CGS 1-84(r). Although the collaborative working relationship between the FCOs promotes University wide compliance with the Policy, a lack of succession planning within the UConn Health FCO may contribute to a significant loss of

institutional knowledge that may negatively affect the current level of compliance with CGS 1-84(r) on the UConn Health campus.

Due to recent staff turnover within the Provost's office, coupled with the timing of our FY 2017 and FY 2018 *Reports on Faculty Consulting Activities and University Procedures*, dated June 6, 2018 and June 19, 2019, respectively, the FCOs have not had the opportunity to fully implement proposed corrective actions to address our prior audit findings, discussed in Observation 5, *Recurring Audit Observations*.

We would like to thank the FCOs for their cooperation and input during our review of FY 2019 faculty consulting activities.

OBSERVATIONS AND RECOMMENDATIONS

1. Non-Compliant Approved Consulting Requests

The University policy titled, *Sanctions for Non-Compliance with the University's Consulting Policy and Procedures*, 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 35 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, and starting consultation activity prior to receiving approval.*” We identified 24 instances in which sanctions were not listed in the Sanctions Log supplied by the Storrs FCO:

- Eight faculty members submitted a request to consult on or after the expected start date of the consulting activity.
- Five 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 management review and timely approval.
- Three faculty members received approval to consult ranging from eight to 61 days after the expected start date of the consulting activity.
- Eight faculty members submitted reconciliation reports ranging from one to two days after the September 15th deadline.

Effective May 31, 2019, the FCOs implemented internal standard operating procedures (SOPs) for late submission and sanction in response to staffing changes that occurred in FY 2018 and FY 2019. The internal SOPs define a “*late request*” and document the processes for identifying non-compliant consulting requests and issuing sanctions.

Recommendation – FCO

The UConn FCO should continue to inform faculty members of the provisions of CGS1-84(r) through mechanisms 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, with an emphasis on the importance of timely reconciliations; and the Annual Compliance training.

Management Response – FCO

Management agrees with the recommendation. Please note the new SOPs were implemented in June 2019 and therefore the impact could not be demonstrated in the FY 2019 audit. This effort has been completed and is ongoing.

2. Management Oversight

We conducted interviews with ten judgmentally selected department heads to assess management's oversight of faculty consulting activities. We also reviewed the department head, dean and/or FCO comments included in OFCAS Approval Logs for a judgmental selection of "Disapproved" and "In Process" consulting requests to obtain contextual information with respect to management's approval process for these requests, and to assess whether a sanction should have been issued.

A majority of the department heads interviewed were familiar with the Policy based on the new-faculty orientation, prior personal experience with consulting request submissions, and periodic department meetings. One recently appointed UConn department head indicated receiving minimal training with respect to the role and responsibilities of a department-level approver. Two UConn department heads discussed the difficulty in determining whether certain requested consulting activities pose a "conflict" or otherwise compete with the University. One UConn Health department head expressed a reliance on the FCO's final review to identify consulting requests that are in competition with the University.

Our review of OFCAS Approval Logs for "Disapproved" and "In Process" consulting requests identified two UConn Health faculty members who performed consulting activities without prior approval. In both instances, the request approvers instructed the faculty member to revise and/or re-submit the consulting request form. After failing to do so, these faculty members performed the consulting activities. The UConn Health FCO is unaware of other violations by these faculty members and has followed the FCO's SOPs for late submission and sanction.

Our review of *CMS OP data* for calendar year 2018 identified the following unapproved consulting activities:

- Two faculty members in the Department of Emergency Medicine, both paid 50% time by UConn Health, were engaged in outside practices. We identified these faculty members

through review of the practice locations reported by *CMS OP*, which did not correspond to UConn Health. The Policy states that physicians paid 50% to 99% time by the University may engage in an outside practice, but only when the activity has been approved through the established faculty consulting approval process.

- Two faculty members were newly hired in FY 2019 and were paid 50% time upon joining UConn Health in order to support their former practice locations during the transition process. These faculty members failed to submit consulting requests to perform work with their former practice locations.
- Five faculty members received payments for consulting activities performed in FY 2018 or FY 2019, which had no corresponding consulting requests logged in OFCAS.

The UConn Health FCO is unaware of other violations by the faculty members noted above and has followed the FCO's SOPs for late submission and sanction.

In our review of the *CMS OP* database for calendar year 2018, we also found that 11 UConn Health faculty members received annual compensation in excess of \$5,000 from a single medical device manufacturer or pharmaceutical company, indicating the existence of a significant financial interest (SFI). The annual compensation paid to the 11 physicians, as reported in the *CMS OP* database ranged from \$5,350 to \$217,258, including general payments for consulting activities, grants and travel. The UConn Health FCO identified a pattern of underreported expected compensation for one of the 11 physicians, which resulted in a cursory and untimely review of possible COIs. While the department chair was notified, no formal sanctions were issued.

The UConn Health FCO issues standard COI notifications to members of the University's Financial Conflict of Interest (FCOI) Committees and the Procurement Department when a faculty member reports total annual compensation in excess of \$5,000 in a consulting request. These compliance units are collectively responsible for reviewing identified SFIs to determine whether a COI exists. Our review of the OFCAS request details for the 11 faculty members noted above found that the FCO's standard COI notifications did not result in follow-up communications from applicable compliance units instructing the FCOs to disapprove or otherwise intervene on the requested consulting activities. The Audit and Management Advisory Services FY 2020 audit plan, approved by the BOT, includes an audit of Conflicts of Interest in Healthcare.

Finally, we emphasize the importance of addressing succession planning on the UConn Health campus, where a single individual has presided as Faculty Consulting Officer since the inception of the program. This individual has substantial knowledge of the consulting policies and procedures that are applicable to UConn Health faculty; however, no one has been trained as backup to fill the role. Absent a documented succession plan, the UConn Health FCO will experience a significant loss of institutional knowledge with the potential to disrupt the faculty consulting process and give rise to instances of non-compliance.

Recommendations – FCO

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 faculty members with a pattern of underreporting SFIs.

The UConn Health FCO should conduct mandatory, in-person training sessions with department heads and deans during FY 2020 in light of the unapproved consulting activities identified in FY 2019. The training should reiterate the University's policies and procedures on faculty consulting, including aspects of the Policy that address competition with the University, use of State resources while consulting, consulting with an outside practice and approval workflows.

The UConn Health FCO should revise the standard language that is currently included in communications sent to new incoming faculty members to remind these individuals of the obligation to submit consulting requests for former practice locations in the event that they will continue to support those practices during transition to UConn Health.

The UConn Health FCO should develop a succession plan to address key competency gaps and proactively address future staffing needs.

Management Responses – FCO

Management agrees to reconsider how to respond when UConn Health faculty are identified who have a pattern of not initially reporting significant financial interests. One possible approach might be to change the consulting sanctions policy and another might be to report such a situation to the appropriate CoI committee(s) who may then investigate whether the faculty member directly reported such SFIs in these cases. These and other options will be considered by the Consulting Management Committee who will then make recommendations to the Provost. Estimated Completion Date: September 1, 2020.

Management agrees to conduct one round of mandatory, face-to-face training for UConn Health Deans and Department Head level approvers to emphasize the deficiencies identified in the FY 2019 audit including but not limited to: a) the need for all faculty at 50% FTE or higher to file consulting requests, b) the University's ban on full-time faculty from engaging in private practice, c) the rules related to making use of State resources when consulting, d) ensuring the consulting request is routed to the correct department head level approver, dean, and FCO, e) how to consider whether the faculty member is competing with the University for work it would want to perform. Estimated Completion Date: June 30, 2020.

The UConn Health FCO will review its pre-employment orientation letter to incoming faculty to ensure it appropriately emphasizes the need to obtain permission prior to any continuing work with another employer. Estimated Completion Date: June 30, 2020.

Management agrees that the Provost's Office should consider developing a succession plan to address key competencies and staffing needs of the UConn Health FCO.

Estimated Completion Date: November 1, 2020.

3. **OFCAS Migration**

The University transitioned from a paper-based consulting approval process to an electronic consulting approval process in FY 2012 following the implementation of OFCAS. OFCAS is designed to support the Policy by reducing the length of time to obtain approval for consulting activities; providing faculty and management with the ability to track a request throughout the approval process; reducing the occurrence of data errors; and facilitating the annual consulting reconciliation process. The University currently uses OFCAS Version 3 (OFCAS-3), implemented in FY 2016.

Our discussions with ITS disclosed plans to transfer OFCAS to a new server environment by December 31, 2020, which will provide the FCOs with an opportunity to modify the current application or to develop a new application, depending on the extent of the proposed modifications. Our department head discussions and review of FY 2019 consulting request data identified the following areas for improvement specific to OFCAS-3, which are noteworthy in light of the upcoming migration.

OFCAS Programming Logic for Accelerated Approval Requests

The University's *Definitions of Activities Eligible for Accelerated Approval* (Definitions), dated November 14, 2012, waives the three-tier approval process and delegates sole approval to department heads for certain low-risk consulting requests of an academic nature, with an expected annual compensation not exceeding \$5,000. The Definitions currently state that consulting activities in which a federal or state government agency is the contracting entity are also eligible for accelerated approval, with no annual compensation cap applied.

We identified one "*Approved_Reconciled*" consulting request that followed the Accelerated Approval process without meeting the definition of an activity eligible for Accelerated Approval based on the "\$80,000–\$99,999" expected compensation range and the nature of the contracting entity, "*higher education unit*", input in the OFCAS request. Per ITS, faculty responses to the field "*My total estimated compensation from this contract entity in this Fiscal Year*" is a deciding factor in the routing algorithm that triggers the Accelerated Approval process. In this instance, the faculty member selected " $\leq \$5,000$ " which differed from the expected compensation of "\$80,000–\$99,999", a separate field in OFCAS.

We also identified 20 approved requests in which the contracting entity was a local governmental agency, such as a public school system. In three of the 20 requests, the faculty member input expected compensation in excess of \$5,000 while incorrectly categorizing the entity as a U.S. government agency, allowing the request to erroneously follow the Accelerated Approval process. The OFCAS "*Nature of Entity*" field, presented as a drop down list, does not include "*Local Governmental Agency*" as a choice. The FCOs have stated that the Definitions are intended to include all domestic governmental agencies for which the \$5,000 annual cap does not apply.

OFCAS Modules and Workflow Configurations

OFCAS-3 is comprised of two main modules: the *Forms Editor* and the *Dashboard*. The *Forms Editor* enables the creation and submission of consulting request forms and reconciliation reports, and allows approvers to review, approve, disapprove or return consulting requests. The *Dashboard* provides functionality to track forms through the approval and reconciliation processes, as well as quick access to the *Forms Editor*.

Our inquiries performed with UConn and UConn Health department heads revealed that the *Dashboard* module does not show consulting requests that have already been approved; rather, the *Dashboard* only reflects those requests that are pending approval. As a result, department heads find it cumbersome to monitor the amount of time that their faculty members may have committed to consulting activities throughout the year, or to pull up an “*Approved*” consulting request for reference purposes.

Department heads also expressed a desire for more “explicit” consulting request forms that clearly outline key compliance requirements for faculty members. One UConn Health department head and one UConn department head expressed the need to restructure existing OFCAS workflows for “dual-appointment” faculty members who belong to an academic department but also report to an academic division or an interdisciplinary research center/institute, such as the Institute of Materials Science at UConn or the Health Disparities Institute at UConn Health. The University’s current faculty consulting procedures do not address the oversight and approval requirements for dual-appointment faculty members. Consequently, these faculty members may route their consulting requests to an approver in OFCAS who does not have full knowledge of the faculty member’s University responsibilities.

Recommendations – FCO

The FCOs, in collaboration with ITS, should develop a project plan for the FY 2020 OFCAS migration. At a minimum, the project plan should assess the strengths and weaknesses of the current application; outline goals and objectives for the new environment; identify and set deadlines for each phase of the migration; and address audit observations related to improving existing OFCAS modules, workflows and programming logic.

The FCOs should communicate with department heads and deans to address oversight and approval requirements for dual-appointment faculty members to establish the appropriate first level approval routing in OFCAS. In conjunction with the new hire process, the FCOs should designate consulting request approvers for incoming, dual-appointment faculty.

Management Responses – FCO

Management agrees that any migration of OFCAS should include the development of a project plan, which would include ensuring all logic tests are operating as intended. The target completion date is June 2020 so that the OFCAS migration can begin with the new fiscal year, with a final deadline of December 2020 before the current system is obsolete.

Management agrees that establishing the appropriate routing for all faculty is important. Given the inconsistent nature of how some faculty's time is determined in a matrix management system, we will remind the department head level approvers that they are responsible to ensure the correct routing path is determined and employed for their entire faculty. This will be conveyed in our usual training of department head level approver and the mandated meeting described in our response to Observation 2.

Management will convene a relevant working group to determine the needs for OFCAS upgrades, changes in language that might make the form more user-friendly and improve compliance, and any other issues that should be addressed in the upgrade process. The working group has begun to meet with a target date for system migration of June 2020.

4. Consulting with Faculty-Affiliated Companies

The Policy requires submission of a consulting request by a faculty member who actively works in or manages a faculty-affiliated company (FAC) in a paid or unpaid capacity, including as an employee, consultant or advisor. The Policy defines a FAC as "*a company [or other legal entity] in which the faculty member, or faculty member's immediate family, has an ownership interest or serves on the board of directors or board of advisors*".

The Office of the Vice Provost for Research (OVPR) also publishes *Guidelines for Faculty, Staff, and Students who are affiliated with a Company* (Guidelines). The Guidelines define a FAC as "*a non-public company (1) that has licensed intellectual property developed by UConn faculty, staff, or student, and/or (2) in which a UConn faculty, staff or student is an officer, board member or has an ownership interest in the company*". The Research Integrity & Compliance division within the OVPR maintains a list of UConn and UConn Health FACs, and periodically distributes updated FAC lists to the FCOs.

We obtained a list of FACs from the OVPR, dated October 11, 2019, that identified 127 entities with which 126 current and/or former UConn and UConn Health faculty members are affiliated. In our review of requests to consult with FACs, we found that consulting requests were not submitted in FY 2019 by 21 UConn faculty members. Upon further review of affirmative responses to the OFCAS fields "*University company or faculty affiliated*", "*Member of board*" and "*A member of my family or I have at least 5% ownership interest in the contracting entity*", we identified 15 entities that were omitted from the OVPR's FAC list, indicating that the list may be incomplete.

Inquiries performed of the FCOs disclosed that the Policy was revised to address FACs based on the needs of the OVPR; however, the OVPR's definition of a FAC now differs from the definition of a FAC in the Policy. The FCOs further noted that their main control over FACs entails performing a one-for-one check of the entities included on the OVPR's FAC list against OFCAS request data to confirm that consulting requests have been submitted for FACs. The FCOs do not review the FAC list for completeness relative to affirmative responses to OFCAS fields such as "*Member of board*" or "*A member of my family or I have at least 5% ownership interest in the contracting entity*", which may be of importance to University compliance units in managing COIs.

Recommendations – FCO

The FCOs should publish a guidance document for faculty members who hold an interest in, or conduct University activities with a faculty-affiliated company. The guidance document should clearly describe all compliance obligations that are specific to performing consulting with a faculty-affiliated company.

The FCOs should incorporate OFCAS data points related to faculty ownership interests, board memberships or other FAC disclosures in the monthly COI reporting that is distributed to University compliance units such as the FCOI in Healthcare Committee and the FCOI in Research Committee.

Management Responses – FCO

The FCO believes the Technology Transfer/Commercialization unit should be the central source of information concerning the faculty's obligations when working with FACs. Nevertheless, the FCO will prepare additional training materials on how FACs affect the consulting approval process. Estimated Completion Date: September 1, 2020.

5. Recurring Audit Observations

We noted recurring audit observations related to establishing a limitation on consulting days; the use of accrued vacation while consulting for management exempt faculty; consulting with foreign entities; and the use of State resources while consulting. Given the timing of our prior year faculty consulting audit report, dated June 19, 2019, the FCOs did not have an opportunity to address the latter two observations by the end of FY 2019. These observations, revised management responses and revised due dates are as follows.

Limitation on Consulting Days

The Storrs FCO adheres to the practice that consulting should not exceed an average of one normal workday per week during periods of appointment. The UConn Health FCO, in turn, relies on annual performance evaluations for assessing any 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 (NWT). 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 identified 16 UConn and five UConn Health faculty members who submitted consulting requests with total consulting days during FY 2019 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 FCOs have 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.

Based on our review of available peer institutions' policies, we observed that most have established limits on total consulting days during periods of commitment, regardless of when the consulting activity occurs (e.g., one day in seven). In December 2018, the CMC recommended that no numeric cap be applied to the total amount of time faculty can devote to consulting. The CMC has indicated, however, that it will reconsider its response to this matter during the winter of 2020.

Consulting Activities by Management Exempt Employees with Faculty Titles

We continue to find full-time management exempt employees with faculty titles who consulted during normal work hours without using accrued vacation for the period(s) specified in the consulting request. 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 compared time and attendance records in the CORE-CT payroll system to the dates provided in approved FY 2019 consulting requests for 36 management exempt employees. In two instances, two unique faculty members did not use accrued vacation during periods of consulting during normal work time. We were unable to confirm the use of paid vacation days, personal days, or accrued holiday time in eight instances corresponding to six unique faculty members, due to the use of a broadly defined consulting period coupled with no specific consulting date(s) provided in the request or reconciliation.

The procedure that requires the use of vacation for consulting during normal work hours is described in the *Consulting Process for Management Exempt Employees* dated April 15, 2015 and is specific to UConn management exempt faculty. Although UConn Health management exempt employees covered by CGS 1-84(r) accrue unused paid vacation, they are not required to use vacation time while performing consulting activities.

In our *Report on Faculty Consulting Activities and University Procedures for the Period July 1, 2016 through June 30, 2017*, dated June 6, 2018, we recommended that the FCOs evaluate the *Consulting Process for Management Exempt Employees* for applicability to UConn Health management exempt employees. In December 2018, the CMC responded that management exempt faculty on both campuses be treated the same and that no requirement be imposed that they must use vacation time to consult. The CMC has indicated, however, that it will reconsider its response to this matter during the winter of 2020.

Consulting with Foreign Entities

We continue to observe that requests to consult with foreign entities follow the Accelerated Approval process in OFCAS. We identified 85 FY 2019 consulting requests, approved with Accelerated Approval routing option, 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 “*Entity address*” was a foreign location.

Requests to consult with foreign entities often occur over an extended period and may give rise to additional compliance requirements related to export controls and/or the need to submit a request to use State resources while consulting. For this reason, requests to consult with foreign entities require additional information from faculty members beyond the data disclosed in the OFCAS consulting request forms.

Use of State Resources

We continue to observe that faculty members do not sufficiently report or fail to report material use of University resources in the submission of consulting requests. Based on our review of FY 2019 consulting requests, ten faculty members indicated that there was a material use of University resources but did not clearly describe the specific resources used and/or the amount that should be reimbursed to the University.

While not a repeat finding and in the context of use of resources, we reviewed Travel WebForms for Storrs faculty and Travel Authorizations for UConn Health faculty to assess whether the University reimbursed faculty members for foreign travel expenses that overlapped with a FY 2019 foreign consulting activity. Based on our review, we identified 21 instances in which some portion of foreign travel paid by the University overlapped with consulting activity dates, indicating a possible undisclosed use of University resources in the consulting request inputs.

Faculty members who do not sufficiently report or fail to report material use of University resources upon submission of a new consulting request may fail to comply with provision 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 faculty 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 – FCO

The University should consider establishing a reasonable limitation on total consulting days, during periods of commitment to the University, as well as formally defining the number of hours that constitute a “day”. When a faculty member exceeds the cap on consulting days, the FCOs should require the applicable UConn or UConn Health dean to determine whether that faculty member is fully discharging his or her duties. Absent a defined limit on total consulting days, 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 of an average of one day per week) are or are not approved, with consideration given to faculty performance evaluation ratings as appropriate.

The FCOs should require the faculty member to attach a communication from the appropriate University official that describes all material use of State resources by the faculty member, the cost of those resources, and an attestation that the faculty member will be held accountable for payment for these resources as well as when such payment can be expected.

Until and unless the *Consulting Process for Management Exempt Employees* is revised, the UConn FCO should continue to remind 12-month and/or management exempt faculty members who accrue vacation leave of the obligation to use vacation or other accrued leave time associated with consulting activities performed during normal business hours.

The UConn FCO should work with the Payroll Department to correct the accrued vacation balance of those 12-month and management exempt employee with faculty titles whose payroll records do not agree with the FY 2019 consulting activities performed.

The FCOs should define “foreign entity” and exclude activities in which the contracting entity is a foreign entity from the Accelerated Approval process. Related to this, the FCOs should work with the OVPR to develop a plan to address compliance requirements related to travel, export control laws and use of State resources while consulting with a foreign entity.

The FCOs should collaborate with ITS to determine the feasibility of programming OFCAS logic to route the consulting request through the Regular Approval process when the “*Material use of State resources*” check box is “*true*”, to inform the dean and Provost’s designee of the University resources used by the faculty member for a consulting activity.

Management Responses – FCO

The FCO will work with the Consulting Management Committee and Provost to reconsider their prior recommendations concerning setting a cap on consulting and requiring management exempt faculty to use vacation days when consulting during normal work time. Estimated Completion Date: June 30, 2020.

As part of the OFCAS migration project, the FCO will change the consulting request form to include a communication from the appropriate University official that material use of State resources has been approved and will be reimbursed. Logic code will also be inserted to ensure all such requests are approved using the Regular Approval process. This effort will be completed in conjunction with the OFCAS migration project discussed in Observation 3.

The Storrs FCO will continue to remind management exempt faculty that they are required to use vacation or other accrued leave for consulting during normal business hours. During the OFCAS upgrades, we will also work to clarify language for management exempt employees to remind them of this requirement. Estimated Completion Date: June 30, 2020.

The FCO will work with the OVPR on appropriate compliance requirements related to faculty consulting. We will be cautious in how widely this applies to the term “foreign entity,” since consulting with a foreign entity is not in and of itself a risk in terms of compliance. Estimated Completion Date: June 30, 2020.