

July 02, 2015

TAMARA WALL, Ph.D.  
Associate Vice Chancellor  
Academic Personnel  
9116-B

CYNTHIA PALMER  
Assistant Vice Chancellor  
Academic Personnel  
0065

***Subject: Conflict of Commitment/Outside Professional Activities  
Project 2015-02***

The final audit report for Conflict of Commitment/Outside Professional Activities Audit Report 2015-20, is attached. We would like to thank all members of the departments and academic divisions for their cooperation and assistance during the audit.

Because we were able to reach agreement regarding corrective actions to be taken in response to the audit recommendations, a formal response to the report is not requested.

The findings included in this report will be added to our follow-up system. We will conduct audit follow-up procedures at the appropriate time.

UC wide policy requires that all draft audit reports, both printed (copied on tan paper for ease of identification) and electronic, be destroyed after the final report is issued. Please destroy all draft reports at this time.

David Meier  
Director  
Audit & Management Advisory Services

Attachment

cc: D. Brenner E. Hidalgo A. Ries  
J. Bruner W. Hodgkiss C. Ross  
K. Gillespie K. Lindlar S. Subramani  
M. Harrison P. Ouillet S. Vacca

# UC San Diego

---

## AUDIT & MANAGEMENT ADVISORY SERVICES

### Conflict of Commitment/Outside Professional Activities July 2015

**Performed By:**

Mareline Godfrey, Auditor  
Greg Buchanan, Manager

**Approved By:**

David Meier, Director

Project Number: 2015-02

*Conflict of Commitment/Outside Professional Activities  
Project 2015-02*

**Table of Contents**

I.	Background .....	1
II.	Audit Objective, Scope, and Procedures.....	3
III.	Conclusion .....	3
IV.	Observations and Management Corrective Actions .....	4
	A. Policy Compliance (APM 025).....	4
	B. Inconsistent Application of Policy (APM 025) .....	6

ATTACHMENT A – Conflict of Commitment/Outside Professional Activities Survey Results

ATTACHMENT B – AMP 025 Annual Reports Completed for FY 2012-13 (by Department)

*Conflict of Commitment/Outside Professional Activities  
Project 2015-02*

**I. Background**

Audit & Management Advisory Services (AMAS) has completed a review of processes for implementing Conflict of Commitment (COC) and Outside Professional Activities<sup>1</sup> (OPA) disclosure requirements and evaluations of reported activities as part of the approved annual audit plan for Fiscal Year (FY) 2014-15. This report summarizes the results of our review.

Academic Personnel Manual 025 – *Conflict of Commitment and Outside Activities of Faculty Members*<sup>2</sup> (APM 025) general principles state that “whether professional or non-professional, compensated or uncompensated, an outside activity that interferes with successful performance of the faculty members University obligations represents a conflict of commitment.” Because compensated outside professional activities can cause real or perceived conflicts of commitment, the University has established guidelines for managing these activities. Policy limits the amount of time allowed for such activities, and requires prior approval for certain types of activities. The policy applies to full-time and part-time faculty members (as defined in APM - 110-4(15)).

Policy also outlines the faculty responsibilities for disclosing compensated and uncompensated outside activities, and for obtaining approval for specific types of activities. Covered faculty members must disclose actual time spent on compensated outside professional activities on an annual basis via the “Report of Category I and Category II Compensated Outside Professional Activities and Additional Teaching Activities” (Annual Report). This report is due each November 1 for the prior fiscal year’s activity for campus-based faculty, and by August 1 for Health Sciences faculty.

In addition, APM 670 – *Health Sciences Compensation Plan (HSCP), Appendix B Guidelines on Outside Professional Activities*<sup>3</sup> establishes outside professional activity dollar thresholds and restricts the types of activities that HSCP members may engage in. It also requires that any compensation received from outside professional activities exceeding the established threshold be paid into HSCP<sup>4</sup>, unless a faculty member obtains approval to retain excess compensation.

---

<sup>1</sup> The version of APM 025 that was effective through June 30, 2014 defined Outside Professional Activities as those activities that are within a faculty member’s area of professional, academic expertise; and that advance or communicate that expertise through interaction with industry, the community, or the public, and through consulting or professional opportunities.

<sup>2</sup> A new version of APM 025 was issued and took effect on July 01, 2014. The revised version provides more clarity on the definitions, guidelines and requirements which should foster consistent interpretation.

<sup>3</sup> A new APM 671 Conflict of Commitment and Outside Activities of Health Sciences Compensation Plan Participants was issued in July 01, 2014 and expected to be implemented no later than July 01, 2015, along with local implementing procedures. HSCP Participants remain subject to APM 025 and APM 670 Appendix B until APM 671 is implemented.

<sup>4</sup> The HSCP requires that a faculty member must meet his or her primary Department’s ‘good standing criteria in order to engage in any outside professional activity.

*Conflict of Commitment/Outside Professional Activities  
Project 2015-02*

Academic-year appointees may engage in compensated outside professional activities for up to 39 days from the start of the fall term through the end of the spring term (including intersession) while fiscal-year appointees are allowed up to 48 days during the months of active service. The restrictions on the number of days do not apply during the periods of vacation leave unless the faculty member is earning additional University compensation during the vacation leave.

Based on the version of APM 025 that was effective through June 30, 2014, compensated outside professional activities are classified in three categories, based on the extent to which they may potentially raise conflict of commitment issues, as follows:

- *Category I* activities are likely to raise issues of conflict of commitment and require prior written approval before the faculty member may engage in the activity.
- *Category II* activities are unlikely to raise issues of conflict of commitment and are ordinarily allowed without prior approval.
- *Category III* activities ordinarily do not raise conflict of commitment concerns, are considered part of the faculty's scholarly and creative work, and do not count toward the 39/48-day limits.

In order to engage in Category I activities, a written request<sup>5</sup> to the Chancellor or Chancellor's designee(s) must be submitted annually (unless approved for longer term not to exceed five years), and must be approved in writing. Approved Category I activities are counted within the 39/48-day time limit<sup>6</sup>, and must be reported annually. For the General Campus (Campus), the Dean has approval authority for Category I activities, except for administration of a grant outside of the UCSD<sup>7</sup> or compensated teaching or research at another institution while employed as a full-time faculty member<sup>8</sup>. In Health Sciences, the pre-approval process involves the Chair, the Associate Vice Chancellor for Academic Affairs, and the Compliance Advisory Group (CAG) in approving or disapproving a request. CAG makes the determination based on the recommendation of the Chair and evaluation made by the Associate Vice Chancellor for Academic Affairs.

If a request for participating in a Category I activity involves a partial or full leave of absence, the *Academic leave of Absence/Sabbatical* form must be submitted to the department chair along with the request. This is the case for all eligible faculty members,

---

<sup>5</sup> A standard request form can be found in APM 025 Appendix B Request for Approval to Engage in Category I Activity

<sup>6</sup> For part-time faculty, the applicable time limit is pro-rated based on their appointment at the University.

<sup>7</sup> The VC Research has authority to approve the administering a grant outside of UCSD.

<sup>8</sup> The Executive Vice Chancellor – Academic Affairs has authority to approve compensation from teaching or research at other institutions.

*Conflict of Commitment/Outside Professional Activities  
Project 2015-02*

including those in Health Sciences. Potential conflicts that surface based on a Category I activity request or the Annual Reports are managed on a case-by-case basis.

**II. Audit Objective, Scope, and Procedures**

The objective of our review was to evaluate processes implemented to ensure that required conflict of commitment disclosures are obtained and routed to the appropriate offices for review, and that positive disclosures are evaluated in a timely manner.

In order to achieve our objectives we completed the following:

- Reviewed relevant University and campus policies related to COC/OPA disclosure requirements;
- Interviewed key personnel, including Academic Personnel Services Directors and Assistant Deans in various campus academic divisions, the Health Sciences AVC for Academic Affairs, and the Director for Shared Corporate Compliance, to gain an understanding of their responsibility and processes for monitoring compliance, and evaluating COC/OPA disclosures and reporting requirements;
- Using a survey tool, collected and reviewed information from Campus and Health Sciences departments and their compliance with applicable University and campus policies for COC/OPA disclosure;
- Selected a judgmental sample of departments and evaluated their implementing procedures for ensuring compliance with University COC/OPA policies; and
- Evaluated a random sample of disclosure reports related to COC/OPA and validated information obtained from the survey.

UC and campus policies and processes for use of University resources, HSCP outside income, and conflict of commitment for members of the Senior Management Group were excluded from the scope of this review. In addition, because the revised APM 025 took effect as of July 01, 2014, and that the new APM 671 has not yet taken full effect for Health Sciences at the time of this review, our scope did not include processes, activities or reports administered under the revised and new APM's.

**III. Conclusion**

Based on the audit work performed, we concluded that the current processes for monitoring outside professional activities and identifying potential conflicts of commitment in the Campus and Health Sciences were generally adequate and resulted in annual disclosures being submitted as required by University academic policies and procedures.

Audit testing and survey results confirmed that, in general, current departmental processes and procedures for monitoring compliance and reporting requirements for

*Conflict of Commitment/Outside Professional Activities  
Project 2015-02*

outside professional activities were appropriately administered and that the reports and activities are evaluated in a timely manner. Based on our survey, the average compliance rate for FY 2012-2013 Annual Report submission averaged approximately 90% for all Campus and Health Sciences departments and divisions combined, including late submissions. However, we did identify opportunities for improving the collection, timeliness, management and evaluation of Annual Reports. Our observations are discussed in further detail in the balance of this report.

**IV. Observations and Management Corrective Actions**

**A. Policy Compliance (APM 025)**

**Manual paper-based processes for the collection of Annual Reports were not efficient or entirely effective for ensuring compliance with APM 025.**

The responsibility for monitoring outside professional activities and identifying potential conflicts of commitment is delegated across the campus and, consequently, processes for monitoring the activity varies. However, both in Health Sciences and Campus, Department Chairs are responsible for ensuring that all covered faculty members submit an Annual Report, and that any disclosed Category I activity has been pre-approved. Department Chairs are relied upon to recognize a potential conflict, with advice from department support staff, the Dean's office and APS as needed.

We surveyed 52 academic departments across the UC San Diego Campus and Health Sciences regarding APM 025 annual reporting for FY 2012-13, of which 39 departments and divisions responded. Key results of our survey are provided in *Attachment A*. Based on our survey, we noted some instances of non-compliance, which are summarized as follows:

- Approximately 51% of the departments and divisions who responded received less than 100% of the Annual Reports for FY 2012-13. A limited number of departments did not receive any Annual Reports.
- Of the departments that received 100% of the Annual Reports, approximately 63% reported that they have received some or all of the Annual Reports after the November 1 deadline. The average compliance rate for timely collection of FY 2012-13 Annual Reports was 77%.
- Only 68% of those who responded to our survey indicated that all reported Category I activities in their department were pre-approved, 5.3% indicated that no pre-approval was obtained, and the rest were not sure.

Those who responded to our survey cited obstacles for ensuring full compliance with APM 025. Among the most common obstacles cited were:

***Conflict of Commitment/Outside Professional Activities  
Project 2015-02***

- The lack of emphasis from upper management on the importance of the reporting requirement and timeliness in submission (particularly for faculty who do not have positive disclosure);
- The lack of consequence for non-compliance or its enforcement; and
- Inefficiency of a manual paper-based process which requires significant resources to ensure compliance.

It was the general consensus that an automated electronic system for the collection of Annual Reports would help to resolve many of the challenges with APM 025 compliance. Data collected from our survey supported this argument. The following table compares compliance rates between departments that utilize a fully-automated collection process, manual paper-based process, or a combination of the two (i.e. collecting PDF versions of the Annual Report rather than hardcopy paper files):

<b>Type of Process</b>	<b>Number of Departments</b>	<b>Compliance Rate by Nov.1</b>	<b>Compliance Rate after Nov.1</b>
<b>Electronic/Automated</b>	1	93%	98%
<b>Paper</b>	16	65%	94%
<b>Both<sup>9</sup></b>	21	73%	88%

As of the date of our review, the Division of Biological Sciences was the only academic unit that had implemented a fully automated process for collecting Annual Reports. Although the automated process was still in its early stage and did not yet include automation for obtaining and documenting Category I activity pre approval, their compliance rate for its first year, FY12-13 was 98%. The application is user-friendly and can be accessed by the faculty from anywhere once a successful access to the department website is secured. Audit flags in the application triggers the academic support staff for any issues or action plan. The completion of the form is also made easy as users basic information is pre-populated, and guidance and other pertinent information is readily available. The report is submitted in one push of a button which also indicates their electronic signature. Once submitted, the report is automatically sent to the appropriate reviewers, with an email notification that a report is ready for review.

---

<sup>9</sup> Of the departments that responded to the survey, 21 indicated that they had a process that included some degree of automation. The degree of automation incorporated into these departments processes appeared to vary. Some directed faculty to email a scanned (PDF) version of their form to the individual responsible for collection. Pathology implemented a process that utilized a fillable PDF form that could be electronically signed and submitted to the individual responsible for collection.



*Conflict of Commitment/Outside Professional Activities  
Project 2015-02*

**Management Corrective Actions:**

- 1) Academic Personnel Services will evaluate options for implementing an electronic application that can be used to facilitate the collection and review of Annual Reports by departments and divisions. As part of this evaluation, Academic Personnel Services will consider developing a system locally, leveraging the automated system that was developed by the Division of Biological Sciences, and systems that are currently being considered by UCOP for system-wide adoption.
- 2) Academic Personnel Services will reinforce to academic divisions their responsibility for ensuring that Annual Reports are submitted on time.
- 3) Vice Chancellor for Health Sciences (VCHS) Academic Administration will coordinate with Academic Personnel Services in developing a local system or adopting an electronic application that can be used to facilitate the collection and review of Annual Reports by departments and divisions.
- 4) VCHS Academic Administration will reinforce to academic divisions their responsibility for ensuring that Annual Reports are submitted on time.

**B. Inconsistent Application of Policy (APM 025)**

**Some departments did not require Annual Reports for some covered faculty based on their appointment and/or title due to lack of clarity or understanding on the applicability of the policy.**

Policy indicates that it applies to full-time and part-time faculty members (as defined in APM - 110-4(15)) Per APM 110-4 (15), which lists the titles and series of faculty members covered by the policy. The list included the Visiting titles in Professor series, Adjunct Professor series and Lecturers among others. The 2014 version of the policy provides more specific and clearer guidance on the requirements and list of titles. The listed faculty titles did not include Visiting titles in the Professor series.

During our review, we randomly selected 75 faculty members from both the general campus and Health Sciences and evaluated their compliance with APM 025 for the FY 2012-13. Audit testing results indicated that a few eligible faculty members did not submit Annual Reports because the department did not require

***Conflict of Commitment/Outside Professional Activities  
Project 2015-02***

them. On the Campus side, of the 75 randomly selected faculty, we determined that 17 were not eligible based on their title or appointment date. Of the 58 faculty that we determined to be eligible, seven were not required by their department to submit reports based on their appointment title. On the Health System side, we determined 68 of the 75 randomly selected faculty were eligible, however, six of them did not submit reports because the department did not require them. The Department of Medicine requires all of their faculty members, not only those who are members of the HSCP, to complete Annual Reports in accordance with APM 025 and HSCP.

Based on information obtained from department administrators, it appears that departments/divisions interpretation of covered faculty was inconsistent. Some campus departments believed Adjunct Professors, Continuing Lecturers and Visiting Professors were not required to submit Annual Reports. In Health Sciences, faculty who are paid at HHMI and Ludwig Institute and other faculty with concurrent non-salaried faculty appointment, although paid through their Management and Senior Professional (MSP) Contracts, are not being required by some departments to submit Annual Reports. The VCHS support staff also indicated that they have pending request for clarification submitted to the UC Office of the President relating to some of the more complex Health Sciences faculty appointments, including those that are on MSP contract with concurrent non-salaried faculty appointment.

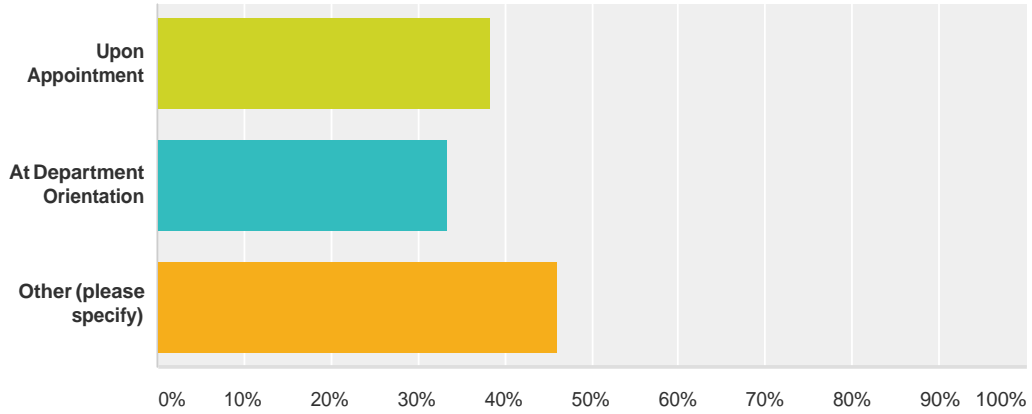
**Management Corrective Actions:**

- 1) The VCHS Academic Administration is consulting with the UC Office of the President for further clarification on eligibility of faculty members with non-salaried appointment and/or who are paid at the affiliate institutions or through an MSP contract.
- 2) The revised APM 025 provides better clarity on guidelines and requirements for annual disclosure of outside professional activities and should foster consistent interpretation. Academic Personnel Services will develop periodic training to ensure academic support staff, department administration, and faculty gain a better understanding of the requirements.

*Conflict of Commitment and Outside Professional Activities*  
*AMAS Review 2015-02*  
*Attachment A*

**Q6 When do academic employees in your department first learn about APM 025 Conflict of Commitment and Outside Professional Activities reporting requirements?**

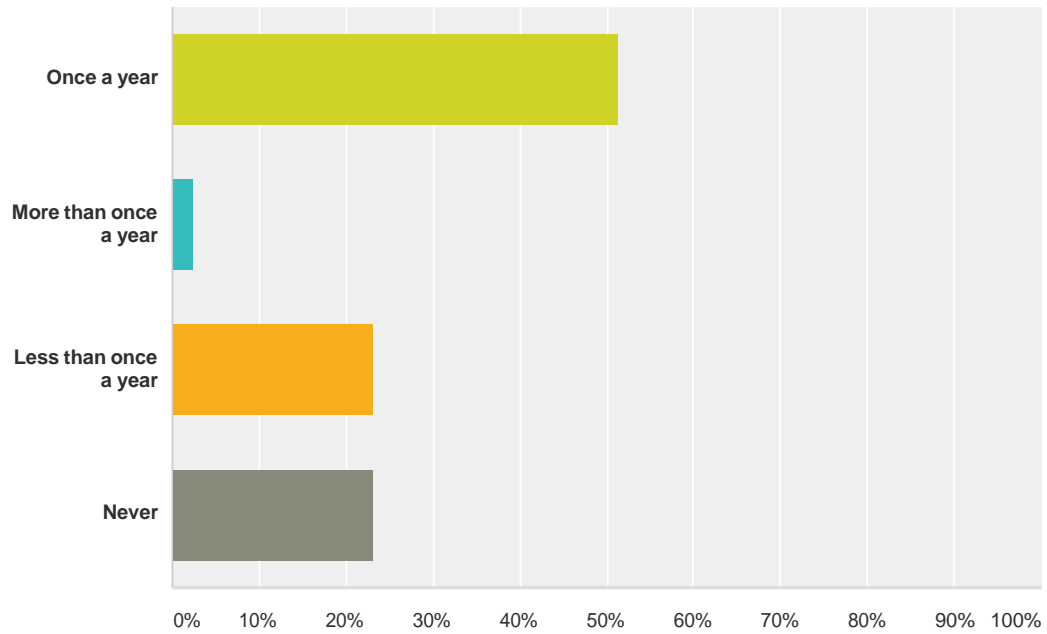
Answered: 39 Skipped: 0



Answer Choices	Responses
Upon Appointment	38.46% 15
At Department Orientation	33.33% 13
Other (please specify)	46.15% 18
<b>Total Respondents: 39</b>	

**Q7 How often do academic employees receive APM 025 education/training in your department?**

Answered: 39 Skipped: 0

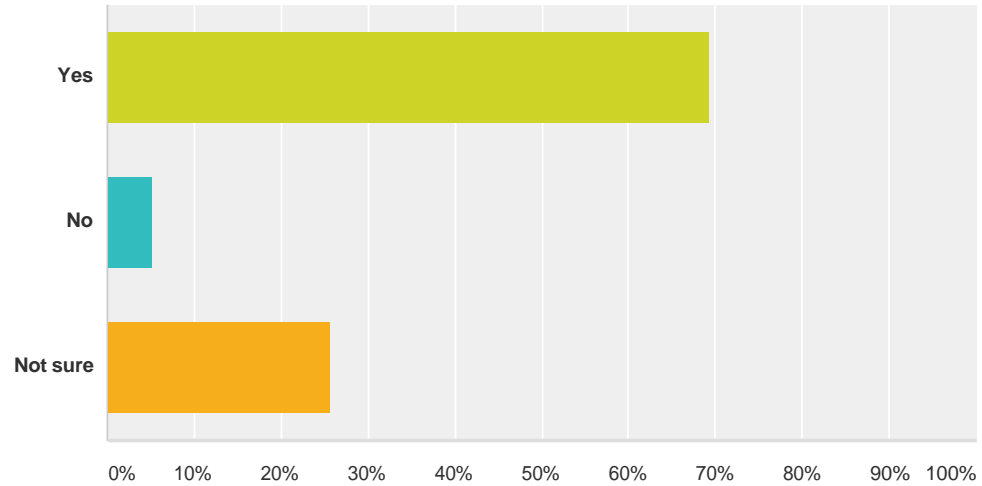


Answer Choices	Responses	
Once a year	51.28%	20
More than once a year	2.56%	1
Less than once a year	23.08%	9
Never	23.08%	9
<b>Total</b>		<b>39</b>

*Conflict of Commitment and Outside Professional Activities*  
*AMAS Review 2015-02*  
*Attachment A*

**Q8 Were all Category I activities indicated  
on APM 025 Annual Reporting Forms pre-  
approved?**

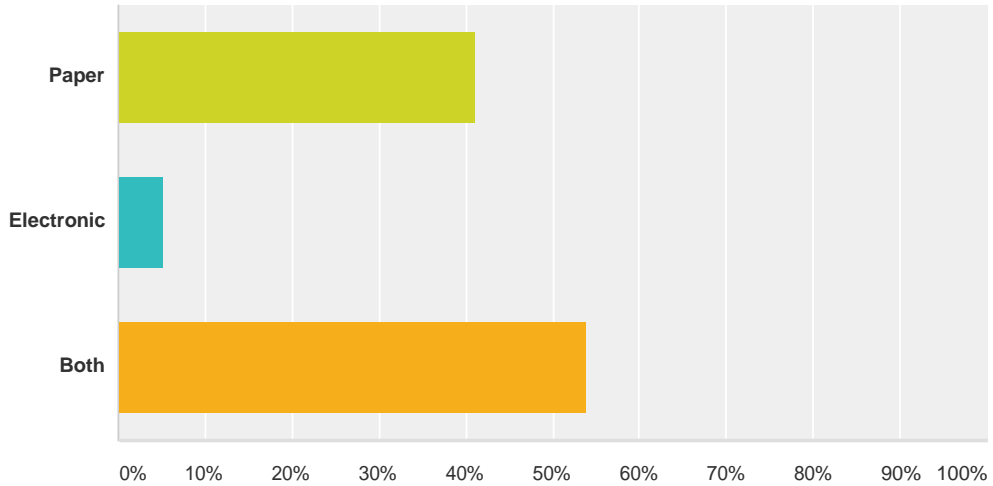
Answered: 39 Skipped: 0



Answer Choices	Responses	
Yes	69.23%	27
No	5.13%	2
Not sure	25.64%	10
<b>Total</b>		<b>39</b>

### Q9 Do you have an electronic or paper process for collecting APM 025 Annual Reporting Forms?

Answered: 39 Skipped: 0

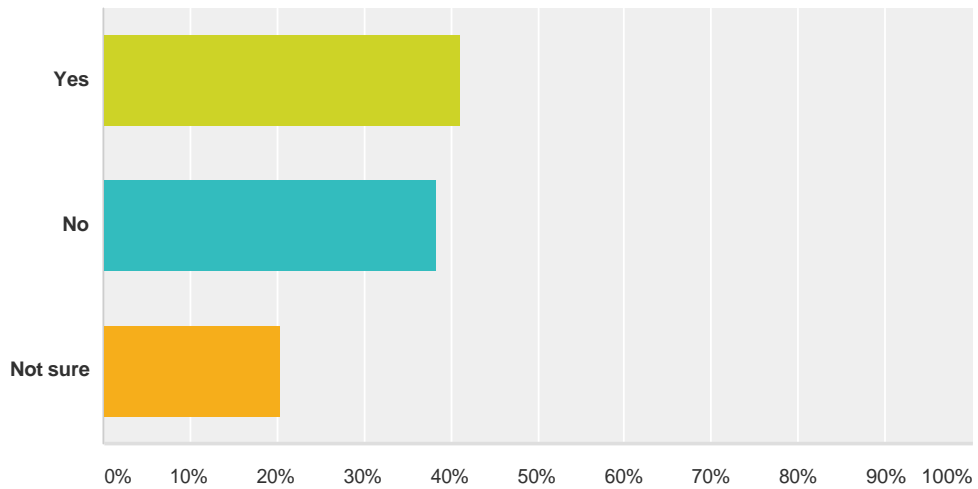


Answer Choices	Responses	
Paper	41.03%	16
Electronic	5.13%	2 <sup>A</sup>
Both	53.85%	21
<b>Total</b>		<b>39</b>

<sup>A</sup>Based on follow-up with respondents, only one unit (Division of Biological Sciences) is using a fully electronic system. The other department that had indicated that they were using an electronic system later clarified that they use fillable PDF forms that faculty print, sign and submit via email or in hardcopy paper format.

**Q10 Do you have a process in place to evaluate positive disclosures reported on APM 025 Annual Reporting Forms, or disclosures that appear to be missing based on an academic appointee's known outside professional activities? If yes, please provide detail.**

Answered: 39 Skipped: 0



Answer Choices	Responses
Yes	41.03% 16
No	38.46% 15
Not sure	20.51% 8
<b>Total</b>	<b>39</b>

*Conflict of Commitment and Outside Professional Activities*  
*AMAS Review 2015-02*  
*Attachment A*

<b>Conflict of Commitment/Outside Professional Activities Summary of Survey Result Analysis for Q1 through Q5</b>	<b>Campus &amp; Marine Sciences</b>	<b>Health Sciences</b>	<b>Total</b>
Number of Departments/Divisions Surveyed	35	17	52
100% Compliance Rate & Timeliness	4	3	7
100% Compliance Rate & 100% Reports Collected Were Received Only After Due Date	2	2	4
100% Compliance Rate & Less than 100% of Reports Collected Were Received By Due Date	5	3	8
Less than 100% Compliance Rate & 100% of Reports Collected Were Received by Due Date	4	3	7
Less than 100% Compliance Rate & Less than 100% of Reports Collected Were Received by Due Date	9	4	13
Number of Departments/Divisions That Responded	24	15	39
Number of Departments/Divisions That Did Not Respond	11	2	13



*Conflict of Commitment and Outside Professional Activities*  
*AMAS Review 2015-02*  
*Attachment B*

**APM 025 Annual Reports Completed for the Fiscal Year 2012-13<sup>1</sup>**  
**(In order of % Completion)**

Department/Division Name	# of Eligible Faculty	# of Response By Due Date	% Completion By Due Date	# of Response Overall	% Completion Overall
Pharmacology	25	19	76%	25	100%
Anesthesiology	65	58	89%	65	100%
Anthropology	20	15	75%	20	100%
Cellular and Molecular Medicine	14	0	0%	14	100%
Chemistry & Biochemistry	60	47	78%	60	100%
Cognitive Science	16	16	100%	16	100%
ECE	50	50	100%	50	100%
Education Studies	13	9	69%	13	100%
Emergency Medicine	23	23	100%	23	100%
Ethnic Studies	14	0	0%	14	100%
History and Philosophy	60	56	93%	60	100%
Linguistics	2	0	0%	2	100%
NanoEngineering	21	21	100%	21	100%
Orthopaedic Surgery	33	33	100%	33	100%
Pediatrics	188	185	98%	188	100%
Reproductive Medicine	30	0	0%	30	100%
Skaggs School of Pharmacy & Pharmaceutical Sci.	50	50	100%	50	100%
Theatre & Dance	30	28	93%	30	100%
Visual Arts	28	28	100%	28	100%
Division of Biological Sciences	82	76	93%	80	98%
Psychiatry	150	145	97%	145	97%
Psychology	28	27	96%	27	96%
CSE	50	40	80%	48	96%
Economics	40	34	85%	38	95%
Rady School of Management	25	18	72%	23	92%
Medicine	474	370	78%	419	88%
Family Medicine & Public Health	85	70	82%	75	88%
Bioengineering	24	21	88%	21	88%
Pathology	63	30	48%	55	87%
Communication	23	20	87%	20	87%
Music	23	20	87%	20	87%
Mathematics	50	0	0%	40	80%
Radiation Medicine	21	16	76%	16	76%
Political Science	35	18	51%	25	71%
SIO	70	30	43%	50	71%
Neuroscience	71	48	68%	48	68%
Literature Department	42	25	60%	28	67%
Physics <sup>2</sup>	45	0	0%	0	0%
<b>Total/Average Compliance Rate</b>	<b>2143</b>	<b>1646</b>	<b>77%</b>	<b>1920</b>	<b>90%</b>

<sup>1</sup>Statistics included above are based on information provided by departments in response to our survey, some of which were not independently validated as part of our review.

<sup>2</sup>As of June 12, 2015, the department advised that FY2012-13 annual reports were collected retroactively in September 2014.