May 3, 2021

CINDY PALMER
Assistant Vice Chancellor, Academic Affairs
0065

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0602

Subject: ***Outside Activity Tracking System (OATS) - Conflict of Commitment and Outside Activities Report 2020-03***

The final report for *Outside Activity Tracking System (OATS) - Conflict of Commitment and Outside Activities*, Report 2020-03, is attached. We would like to thank all members of the department for their cooperation and assistance during the review.

Because we were able to reach agreement regarding management action plans 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 contact you at the appropriate time to evaluate the status of the management action plans.

UC wide policy requires that all draft reports be destroyed after the final report is issued. We also request that draft reports not be photocopied or otherwise redistributed.

Christa Perkins
Director
Audit & Management Advisory Services

Attachment

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UC San Diego

AUDIT & MANAGEMENT ADVISORY SERVICES

Outside Activity Tracking System (OATS) - Conflict of Commitment
and Outside Activities
Report No. 2020-03
May 2021

FINAL REPORT

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I.   EXECUTIVE SUMMARY

Audit & Management Advisory Services (AMAS) has completed a review of the University of California (UC) Outside Activity Tracking System (OATS) for UC San Diego (UCSD) as part of the approved audit plan for Fiscal Year 2019-20. The objective of our review was to assess the implementation of OATS for UCSD and evaluate whether internal controls and business practices provided reasonable assurance that conflict of commitment and outside activities requirements were managed in accordance with relevant policies and procedures.

Based on our review, we concluded that internal controls should be improved to provide reasonable assurance that outside activities were managed in accordance with policy. We noted opportunities for improvement in the areas of Category I activities, annual report submission, student involvement, salary threshold and time threshold limitations.

The Health Sciences Academic Affairs office was actively monitoring compliance rates by compiling multiple reports each month and following up with individual divisions. This appears to have resulted in a significant improvement in compliance from FY 2018-19 (the first year of OATS use) to FY 2019-20. However, Campus procedures did not include similar central oversight mechanisms and the annual submission compliance average was at 64% for FY 2018-19. Additionally, consequences for non-compliance were not established or enforced for either the Campus or Health Sciences. The OATS application appeared to be functioning as intended, but system limitations hindered management's ability to easily monitor compliance. Management action plans to address these observations are summarized below:

> **A.   Approval Authority**
> **The Executive Vice Chancellor – Academic Affairs (EVC-AA) Office will**:
> 1. Ensure that all Category I requests are routed to the EVC or determine who will have approval authority for Category 1 requests, and ensure the re-delegated authority is formally documented. Authority for Deans and Faculty Administrators may not be re-delegated beyond the EVC-AA.
>
> **The EVC-AA and the Health Sciences (HS) Associate VC – Academic Affairs (AVC-AA) Offices will:**
> 2. Ensure that activities that require prior approval from the Chancellor (such as exceeding salary or time thresholds) are correctly routed to the Chancellor or seek re-delegation of authority. HS faculty are not allowed to exceed time threshold, but the request would be routed to the Chancellor or delegate to acknowledge or deny if this were to occur. Appropriate documentation of activity, including requests and decisions, will be maintained, ideally in the system.
>
> **B.   Corrective Action / Consequences**
> **The Offices of the EVC-AA and the HS AVC-AA will:**
> 1. Update or develop local implementing procedures to
>   - Document responsibilities for review and monitoring to ensure policy compliance.
>   - Outline potential consequences and an escalation process for Deans and faculty who are non-compliant with policy requirements to submit annual reports timely, or obtain prior approval for activities as required.

C. Monitoring and Deadlines
The Office of the EVC-AA will:
1. Implement a central process for Deans to monitor compliance with COC policies for annual report submissions and approvals, including expectations for communication to the EVC on compliance in their area.

The Office of the HS AVC-AA will:
2. Implement a process for departments and divisions to report on collection efforts of salaries that exceeded the threshold.

The Offices of the EVC-AA and the HS AVC-AA will:
3. Evaluate moving up the faculty deadline to submit annual reports to ensure there is enough time for review, resolution of any issues, and approval by the November 1 deadline.

D. Data Clean-Up / Review
The Offices of the EVC-AA and the HS AVC-AA, in coordination with Deans as appropriate, will:
1. Remind departments to review eligible faculty each fiscal year by indicating in OATS when faculty have separated or notifying the appropriate OATS administrator when faculty are identified as otherwise ineligible.

E. Education and Awareness
The Offices of the EVC-AA and the HS AVC-AA, in coordination with Deans as appropriate, will undertake education efforts to:
1. Ensure faculty are aware of policy requirements regarding obtaining prior approval for student involvement and exceeding time thresholds (for Campus).
2. Remind department reviewers to follow-up on and monitor issues related to annual report reviews such as faculty who report zero-hour activities, activities that did not obtain prior approval as required, and prohibited activities.
3. Ensure OATS administrators communicate system enhancements and updates to improve system functionality and ease of use to all OATS users including department contacts, faculty, deans, faculty administrators, reviewers, and approvers.

The Offices of the EVC-AA and the HS AVC-AA will:
1. Consider whether to propose additional OATS training (system and policy) for all faculty.

The Office of the HS AVC-AA will undertake education efforts to:
1. Remind faculty of their responsibilities to obtain prior approval before exceeding salary thresholds and depositing income into the Plan per department processes.
2. Remind faculty that Health Sciences practice does not permit faculty to exceed the time threshold of 48 days and that leave without pay must be requested in these instances.

Observations and related management action plans are described in greater detail in sections V and VI. of this report.

II. BACKGROUND

Audit & Management Advisory Services (AMAS) has completed a review of the UC Outside Activity Tracking System (OATS) for UC San Diego (UCSD) as part of the approved audit plan for Fiscal Year 2019-20. This report summarizes the results of our review.

UC OATS is a web-based application used across the UC system to provide faculty, deans, and faculty administrators a new and efficient way to track, manage and annually certify outside professional activities and income in conformity with the University conflict of commitment and outside activities policies. OATS replaced paper-based processes to simplify compliance with the UC conflict of commitment policies, including those for General Campus and Scripps Institution of Oceanography faculty (Academic Personnel Manual (APM) 025), Health Sciences Compensation Plan (HSCP) participants (APM 671), Deans (APM 240), and Faculty Administrators (APM 246).

UC OATS was already in use at multiple campuses across UC but was deployed at UCSD on September 3, 2019, for reporting APM 025, APM 240, APM 246, and APM 671 activities, starting with those for Fiscal Year (FY) 2018-19. The deadline for reporting annual conflict of commitment disclosures for all faculty, including department review and Chair approval, is November 1. Prior to OATS, compliance with conflict of commitment was generally decentralized and managed individually by departments.

A UC OATS Governance Board (the Board) oversaw the implementation of the application to the initial eight campuses. The Board has the authority and responsibility to make final decisions related to the scope, budget planning, and timeline for the OATS project. UCSD has representatives on the Board from the Campus and Health Sciences. Additionally, a UC OATS Working Group of subject matter experts from participating campuses was convened to provide timely, specific, and technical input to the IT partner: UCLA Health Schools of Dentistry, Medicine, Nursing, and Public Health Digital Technology (DGIT). The Working Group members meet to discuss the OATS application, propose enhancements, prioritize issues based on several factors including budget, affected population, and urgency.

Per UC conflict of commitment policies, outside professional activities must not interfere with a faculty member's obligations to the University. Outside professional activities are those activities that are within a faculty member's area of professional academic expertise, and that advance or communicate that expertise through interaction within the industry or community or with the public. A conflict of commitment occurs when a faculty member's outside activities, compensated or uncompensated, and regardless of financial interest, interfere with the faculty member's professional obligations to UC. The policies state that outside professional activities are distinct from non-professional activities, such as activities that are part of the faculty member's private life, and are not expressly governed by University regulations, or by the guidelines on outside professional activities. A summary of the University's conflict of commitment policies (i.e., UC conflict of commitment policies: APM 025, APM 240, APM 246, and APM 671) is provided below.

Policy	Summary
APM 025	Conflict of commitment and outside activities of faculty members • Defines which outside professional activities must be disclosed to the University, approved prior to engagement, and/or reported annually. • Limits the amount of time a faculty member may devote to outside professional activities and describes the requirements when involving a student in outside professional activities. • Defines activities as Category I, II, or III, and includes a Prior Approval form and an Annual reporting form. • All faculty who are not members of the HSCP are subject to this policy; however, faculty holding appointments of less than 50 percent time are not subject to the annual reporting and prior approval requirements.
APM 240	Academic Deans • Specific to academic deans, defined as a head of a division, college, school, or other similar academic unit, with administrative responsibility for that unit.
APM 246	Faculty Administrators (100% Time) • Faculty Administrators who are appointed at 100% time are primarily responsible for administrative duties but maintain their underlying faculty appointment. A Faculty Administrator holds a concurrent University faculty appointment.
APM 671	Conflict of commitment and outside activities of HSCP Participants • Similar to APM 025, APM 671 defines which outside professional activities must be disclosed to the University and receive prior approval, time limitations for outside activities, and defines activities as Category I, II, or III. • Faculty who are members of the HSCP have additional requirements related to outside professional activities, specific to income earned while engaged in outside professional activities. • Defines monitoring, compliance, and consequences for non-compliance. Faculty members appointed in Health Sciences schools that are not participants in the HSCP are subject to APM-025.

OATS features include certain capabilities and responsibilities to facilitate user compliance with conflict of commitment policies:

Responsible Party	Features of UC OATS
Faculty Deans Faculty Administrators	• Report and manage outside professional activities. • Submit and view the status of conflict of commitment forms. • Track time spent on outside professional activities. • Track earnings (HSCP participants). • Routine routing of documentation for faculty requests to involve students in outside professional activities. • Complete annual certification. • Guide understanding and responsibilities and related policies through real-time feedback.
Reviewers Approvers	• Review/approve conflict of commitment forms. • Review/approve annual certification reports. • Allows Reviewers and Approvers to provide feedback to faculty.

III.   AUDIT OBJECTIVE, SCOPE, AND PROCEDURES

The objective of our review was to assess the implementation of OATS for UC San Diego (UCSD) and evaluate whether internal controls and business practices provided reasonable assurance that conflict of commitment and outside activities requirements were managed in accordance with relevant policies and procedures. Additionally, we identified improvement opportunities, reviewed key areas of risk or concern, and evaluated whether the application and general controls are managed and monitored. In order to achieve our objective, we performed the following:

- Reviewed:
    - Conflict of commitment and outside activities policies including APM 025, APM 240, APM 241, APM 246, and APM 671,
    - Conflict of commitment and implementing procedures (e.g., Health Sciences APM 670 and the Campus Implementation procedures), FAQs, and Blink Guidance,
    - Campus and Health Sciences annual report compliance reports,
    - Delegations of authority related to conflict of commitment policies, and
    - Health Sciences and Health Compliance email notifications and reminders.
- Interviewed the following:
    - Campus and Health Sciences OATS Administrators,
    - Selected Campus and Health Sciences departments as part of detailed testing, and
    - Health Sciences Office of Compliance and Privacy.
- Evaluated Campus and Health Sciences processes for monitoring and compliance; and
- Analyzed Campus and Health Sciences OATS administration procedures and performed detailed testing in the following areas to verify whether policy requirements were being followed:
    - Category I prior approval,
    - Annual report submission,
    - Student involvement prior approval,
    - Time limit thresholds and prior approval,
    - Salary limit thresholds and prior approval (APM 671 only),
    - Income collection (APM 671 only).

IV.   CONCLUSION

Based on our review, we concluded that internal controls should be improved to provide reasonable assurance that outside activities were managed in accordance with policy. We noted opportunities for improvement in the areas of Category I activities, annual report submission, student involvement, salary threshold and time threshold limitations.

We found that both Campus and Health Sciences faculty did not always obtain prior approval before engaging in Category I activities. For Campus, we noted instances where approvers for Category I activity were approving those activities without documented approval authority. Also, Campus faculty did not always consult the Conflict of Interest Office prior to engaging in a Category I activity as required by the conflict of commitment implementation procedures.

We also noted instances where approvals to exceed time (Campus and Health Sciences) and salary (Health Sciences only) were granted by Campus and Health Sciences administrators who did not have delegated authority from the Chancellor. Some Health Sciences departments were also not aware of the requirement for faculty to obtain prior approval to exceed salary thresholds. Activities that

included student involvement were approved by the proper authority; however, they were not always completed prior to the activity, as is required by policy.

The Health Sciences Academic Affairs office was actively monitoring compliance rates by compiling multiple reports each month and following up with individual divisions. This appears to have resulted in a significant improvement in compliance from FY 2018-19 (the first year of OATS use) to FY 2019-20. However, Campus procedures did not include similar central oversight mechanisms and the annual submission compliance average was at 64% for FY 2018-19.   Additionally, consequences for non-compliance were not established or enforced for either the Campus or Health Sciences.

The OATS application appeared to be functioning as intended, but system limitations hindered management's ability to easily monitor compliance, and various users indicated it was not easy to navigate. The UC OATS Working Group of subject matter experts continue to work with the IT partner (DGIT) by proposing enhancements and prioritizing issues to implement. Any application issues disclosed must be discussed by and agreed upon by the Working Group members from participating campuses before system enhancements are approved and implemented. Examples of application limitations include a lack of user-friendly reports that can be easily generated, which resulted in a cumbersome process for administrators to export data for monitoring and reporting to leadership. Other issues we noted with functionality were already known and some were being addressed, for example, an enhancement to system functionality to classify requests that were denied/returned and track such requests, and an enhancement that would allow faculty to request approval in the system before exceeding the salary threshold.

These observations are discussed in greater detail in the balance of this report.

V.   OBSERVATIONS REQUIRING MANAGEMENT ACTION

A.	Prior Approval of Category I Activities
Category I activities did not always receive prior approval, and approval was not always granted by the delegated authority.	
Risk Statement/Effect	
Failure to obtain approval prior to participating in an activity that may raise conflict of commitment issues may result in faculty participating in prohibited activity or activities that interfere with professional obligations to the University.	

Campus
Conflict of commitment policies require faculty, deans, and faculty administrators to obtain prior written approval for engagement in all Category I activities. Delegation of authority has been granted from the Chancellor to the Executive Vice Chancellor – Academic Affairs (EVC-AA) for prior approval of Category I activities for faculty, deans, and faculty administrators. The EVC-AA is allowed to re-delegate the authority to approve prior approval of Category I activities for faculty[1] once but has not done so.

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[1] Authority for deans and faculty administrators may not be re-delegated beyond the EVC-AA.

According to the office of the EVC-AA procedures for administration of COC policies, campus departments have been notified that faculty should consult the Conflict of Interest (COI) office for any Category I activity prior to submitting their request for prior approval. Once faculty have consulted the COI office, they are then asked to share one of the following statuses for notation in OATS: (1) the activity is being reviewed by the COI office, (2) the activity has been approved by the COI office, (3) the activity was denied by the COI office, or (4) COI is not applicable to activity. While the University has implemented both OATS and Kuali COI, the two systems do not currently interface and share data. As a result, the consultation process with the COI office occurs outside of the system and requires manual upload of forms, e.g., Academic Leave of Absence/Sabbaticals (ALAS), into OATS. Requests for Category I activity as of October 26, 2020 were as follows:

Table 1: Campus Requests for Category I Activity

Time Period	Not Submitted[1]	In Process	Approved
FY 2018-19	5	44	32
FY 2019-20	18	62	58
Total	**23**	**106**	**90**

Source: AMAS Analysis of OATS Data

Not Submitted[1] includes requests for activities that have not yet been submitted by faculty as well as requests that had been submitted but returned to faculty by a reviewer or approver for a denied activity or a required edit.

We selected a sample of ten Campus Category I approval requests: three for FY 2018-19 and seven from FY 2019-20 to review in greater detail and noted the issues described below. Our sample included requests from Biological Sciences, Sociology, Computer Science and Engineering, Theatre, Visual Arts, Scripps Institution of Oceanography (SIO), Electrical and Computer Engineering, Linguistics, Rady School of Management, and Economics. The results of our testing are as follows:

Table 2: Campus Category I Sample Testing Results

Time Period	Submitted Timely		Approved Timely		Approved by Person with Proper Delegated Authority		Did Not Specify Whether COI Office Was Consulted	In Process
	Yes[1]	No	Yes[1]	No	Yes	No		
FY 2018-19	1	2	1	2	2	1	1	0
FY 2019-20	4	3	1	5	1	5	4	1
Total	**5**	**5**	**2**	**7**	**3**	**6**	**5**	**1**

Source: AMAS Analysis of OATS Data; Yes[1] Submitted/approved prior to activity

Of the ten selected samples: faculty submitted five requests untimely; two were not approved timely, and six were approved by a person without proper delegated authority. Paper documents are no longer used but sometimes approvals can occur via email if those requests are within policy and have no exception (i.e., do not involve students, exceed time threshold, exceed income threshold, or are questionable from COI perspective).

Additionally, for FY 2018-19, one paper request had sought approval for an activity with a duration of five years. The office of the EVC-AA provided the hard copy approval that was approved in 2016 by the EVC-AA; however, the form did not indicate for how long the approval was granted. Approvals are generally for one fiscal year but may be granted for a longer term, not to exceed five years.

One approval in SIO was due to a role setup that inadvertently allowed the SIO VC a role equivalent to the EVC-AA approval role. However, the Campus OATS administrator provided an update that they had identified this issue and corrected the workflow.

Conflict of commitment policies require faculty to obtain prior written approval for engagement in all Category I activities. Delegation of authority has been granted from the Chancellor to the Vice Chancellor Health Sciences to the Associate VC – Academic Affairs for prior approval of Category I activities. This authority may not be relegated. The Compliance Advisory Group (CAG) is a UCSD Health Sciences committee comprised of senior leaders who review and advise on conflict of commitment matters, but primarily review Category I prior approval requests for non-permitted or questionable activity requests. This group is advisory to the Vice Chancellor of Health Sciences. Requests for Category I activity as of October 26, 2020 were as follows:

Table 3: Health Sciences Requests for Category I Activity

Time Period	Not Submitted[1]	In Process	Approved
FY 2018-19	7	14	48
FY 2019-20	8	45	81
Total	**15**	**59**	**129**

Source: AMAS Analysis of OATS Data
Not Submitted[1] includes requests for activities that have not yet been submitted by faculty as well as requests that had been submitted but returned to faculty by a reviewer or approver for a denied activity or a required edit.

We selected a sample of ten Health Sciences Category I approval requests: four for FY 2018-19 and six from FY 2019-20 to review in greater detail. Our sample included requests from Medicine, OBGYN and Reproductive Sciences, Radiology, Neuroscience, Dermatology, School of Pharmacy, and Gastroenterology and Hepatology. We made the following observations:

Table 4: Health Sciences Category I Sample Testing Results

Time Period	Submitted Timely		Approved Timely		Approved by Person with Proper Delegated Authority		Denied by CAG
	Yes[1]	No	Yes[1]	No	Yes	No	
FY 2018-19	1	3	0	3	3	0	1
FY 2019-20	2	4	0	6	6	0	0
Total	**3**	**7**	**0**	**9**	**9**	**0**	**1**

Source: AMAS Analysis of OATS Data; Yes[1] Submitted/approved prior to activity.

Seven requests were untimely, nine were not approved timely, and one was denied by CAG. The timeliness of approval may, in part, be the result of the need for additional review of the activity by CAG prior to approval.

As noted in Tables 1 and 3 above, there were several Category I requests not yet submitted (Not Submitted) and many still in process with approval pending (In Process). At the time of our review, OATS did not have the functional capability to:
- Deny/return a Category I request, making it difficult to determine which of the In Process requests indicated as Not Submitted had not been submitted or may have been returned to faculty as "denied."
- Identify and track which In Process requests may have been denied/returned and which ones were actively still In Process with approval pending. However, Health Sciences actively tracked these In Process requests details for past fiscal years on a spreadsheet outside of OATS.

The Assistant VC - Academic Affairs stated they were working on resolving the In Process requests and the Health Sciences OATS Administrator later provided updates on application enhancements:
- Functionality to classify requests denied/returned as "returned" instead of Not Submitted has been reviewed by the Working Group and is ready for development.
- Functionality had been implemented to allow future requests to be denied and returned. Also, such activities would be tracked in the system.

B.	Annual Report Submissions
	Faculty were not always in compliance with annual report submission requirements and Deans have not taken appropriate corrective action. The OATS system included non-eligible campus faculty.
Risk Statement/Effect	
	Faculty who neglect to disclose outside professional activity may violate UC conflict of commitment policies.

UC conflict of commitment policies require faculty, deans, and faculty administrators to provide an annual report even if they did not engage in any outside professional activities. Annual certifications by faculty, deans, and faculty administrators and acknowledgment of receipt by department chairs are due no later than November 1[2] for the prior fiscal year ending June 30th. According to the conflict of commitment policies, department chairs were responsible for monitoring compliance and consulting with the dean about any concerns. Deans review chair's annual reports.

Campus
The former Campus OATS administrator compiled three compliance reports after the FY 2018-19 deadline of November 1. For FY 2018-19, Campus compliance was at 64% as of April 2020. During our review, the Campus OATS administrator could not provide updated compliance figures for FY 2018-19 or FY 2019-20 and deferred to campus and SIO deans for additional reporting details.

For FY 2018-19, we met with six campus departments with low and untimely compliance rates to discuss department processes for monitoring annual report submissions. Nearly all departments referenced a lack of effective training resources and/or difficulty navigating OATS as causes for their low compliance. For example, some faculty were under the impression they had successfully submitted their FY 2018-19 annual report but had selected the wrong fiscal year. A new feature ("WalkMe") has been added to OATS, which is intended to augment training by adding in-system help and assisting user navigation; staff have been notified of this feature, and faculty notifications will be sent. However, some of these departments also acknowledged their compliance rate prior to OATS implementation was not at 100%, which, in some cases, was due to faculty not having outside activities to report. However, policy required annual submissions even if the faculty member did not engage in any outside professional activities during the year and unlike the paper-based process, OATS is now making this gap apparent.

In some cases, departments indicated that faculty were included in the FY 2018-19 figures incorrectly (such as individuals with 0% appointments or new faculty appointees), resulting in inaccurate

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[2] OATS went live in September 2019 to process annual report submission for FY 2018-19 ending June 30, 2019; therefore, faculty were unable to input information into OATS until September 2019. Many continued to fill out paper forms despite guidance that paper forms would not be accepted for FY 2018-19.

compliance figures for those areas. The EVC-AA office indicated that for FY 2018-19 figures, they spent time adding or removing faculty due to the first data set upload not being accurate. For FY 2019-20, the EVC-AA office ran lists for each division and verified data with Deans' offices to ensure accurate data.

For FY 2019-20 compliance, the departments expected higher compliance rate as both faculty and departments would have more experience with the system. However, management acknowledged lack of consequences for faculty makes the policy challenging to enforce.

In addition to meeting with departments, we selected a sample of ten FY 2018-19 annual report submissions to review in greater detail and we observed the following:

Table 5: Annual Report Submissions – Campus

Time Period	Submitted and/or Approved Timely		Reported Activities but Listed "Zero" Hours	Faculty Member Did Not Receive Prior Approval for Category I Activity	Category I Activity Had Not Received Approval
	Yes	No			
FY 2018-19	1	9[1]	2	1	1

Source: AMAS Analysis of OATS Data

[1]Two reports were submitted by faculty by the deadline (10.30.19 and 11.1.19) but were not reviewed and approved by the deadline. Seven reports were submitted by faculty after the deadline (between 11.2.19 to 12.11.19).

We also noted that procedures addressing non-compliance had not been implemented. UC conflict of commitment policy APM 025 states that faculty may be subject to "discipline, corrective action, or administrative remedies." However, to date, no faculty member has faced consequences for failure to comply with policies on outside professional activities requirements.

Health Sciences
Once OATS was implemented, the Health Sciences began frequently monitoring compliance with FY 2018-19 annual report submission from November 1, 2019 through May 18, 2020. Also, the School of Medicine Dean's office sent faculty periodic reminders to complete and submit their annual report. Health Sciences Compliance also sent out emails to faculty who had not submitted their FY 2018-19 annual disclosures. While not at 100% compliance by the deadline, Health Sciences compliance figures improved significantly during the beginning of 2020. As of November 1, 2019, Health Sciences reported 55% of the annual reports had been submitted. At that time, they did not track the number of annual reports completed (only whether a report was submitted or not submitted). By January 2, 2020, the completion rate was at 72%, and by March 3, 2020, they were at 96%. As of July 30th, 2020, Health Sciences was at 99% compliance for FY 2018-19, which did not include two departments with 100% compliance on paper forms.

Compliance for FY 2019-20 improved substantially over the prior year. As of November 3, 2020, Health Sciences compliance for FY 2019-20 was 93% for the School of Pharmacy and 46% for the School of Medicine (SOM). By December 8, 2020, the compliance rate had increased to 100% for the School of Pharmacy and 85% for the SOM.

For FY 2018-19, we met with six Health Sciences divisions with low and untimely compliance rates to discuss department processes for monitoring annual report submissions. Similar to Campus, nearly all departments referenced a lack of effective training resources and/or difficulty navigating OATS for their low compliance. Additionally, some departments noted their history of non-compliance prior to OATS,

which was partially due to faculty without activity to report and who were not accustomed to reporting. In addition to meeting with departments, we selected a sample of twenty-three FY 2018-19 annual report submissions to review in greater detail and the following was noted:

Table 6: Annual Report Submissions – Health Sciences

Time Period	Submitted and/or Approved Timely		Reported Activities but Listed "Zero" Hours	Exceeded the Salary Threshold but Did Not Obtain Approval	Faculty Member Participated in A Prohibited Activity	Faculty Member Did Not Receive Prior Approval for Category I Activity
	Yes	No				
FY 2018-19	6	17	3	2	1	1

Source: AMAS Analysis of OATS Data

We noted two instances of salary that exceeded threshold but without approval. UC conflict of commitment policy and procedure, APM 671, allows the University to "impose administrative remedies and/or corrective action and disciplinary measures toward any faculty member who fails to comply." Additionally, Health Sciences faculty are subject to good standing criteria, which is to be established by each department, in order to earn and retain income from professional activities. Loss of good standing may affect the amount of the faculty member's negotiated additional compensation and/or incentive and bonus compensation and their ability to engage in outside professional activities. However, to date, no faculty member has faced consequences for failure to comply with the Plan or implementing procedures on outside professional activities requirements. All faculty who have not completed their FY 2018-19 annual report have an open compliance inquiry, and the Office of Compliance and Privacy continues to assist with following up on these cases.

C.	Salary Threshold

Health Sciences faculty did not always obtain prior approval from the appropriate authority for exceeding salary thresholds and income earned above the approval threshold was not always deposited to the Plan.

Risk Statement/Effect

Without obtaining appropriate prior approval, faculty members may participate in activities that raise conflict of commitment issues.

UC conflict of commitment policy APM 671 requires faculty Plan participants to obtain prior approval from the Chancellor for activities that result in exceeding either annual time or earnings thresholds. Additionally, the policy states, "income earned above the approval threshold, with the exception of income earned from Category III activities, must be deposited to the Plan." Implementing procedures further clarify that prior approval is required by the Chancellor to exceed the earnings approval threshold or to directly retain earnings that exceed the threshold.

As noted in Table 6 above, a review of annual reports disclosed two instances where salary exceeded the threshold, but no approvals were obtained. During an additional review of 13 approvals that exceeded salary thresholds, we noted the Associate VC – Academic Affairs, Health Sciences had approved 12, and the Health Sciences OATS Administrator had approved one.

We met with four departments to discuss their process for monitoring and compliance with salary thresholds and made the following observations:

- Two departments were unaware of the requirement for prior approval.
- One noted prior approval for exceeding salary thresholds was not happening frequently.
- The fourth department indicated they had a process in place for a department reviewer and approval by the Chair, but further review indicated the request was not approved in advance.

Per the Health Sciences OATS administrator, the process for requesting prior approval to exceed salary thresholds in OATS was cumbersome and difficult to navigate as the system only recognized activity that had already happened. The administrator indicated an enhancement was currently being developed to allow faculty to request approval prior to exceeding the salary threshold and should be implemented in the next few months. However, the departments we met with did not recognize the above OATS limitation as an issue in obtaining prior approval because they were generally unaware of the requirement or stated it had not been part of their established processes.

One department we met with processed a request to exceed the salary threshold for FY 2018-19 that was submitted after the fiscal year. They notified the faculty member in January 2020 that their reported salary exceeded the salary threshold amount by $32,800 and asked the faculty to provide a check in the same amount for deposit; however, as of October 2020, the department had not yet collected the funds. Another department that did not have a process in place for prior approval indicated they had collected funds due for FY 2018-19, but they had not processed the approval to exceed the threshold in OATS.

OATS allows Campus faculty to enter salary amounts for outside professional activities but does not report on the amounts entered because APM 025 does not have salary thresholds requirements, unlike APM 671. This policy difference has created confusion for some Campus faculty who were not aware salary thresholds did not apply to them and is another example of additional education that could enhance faculty understanding of the policies' differences.

D.	Student Involvement
Student involvement in outside activities was not always approved in advance. In some cases, the duration or effort for the activity was not indicated.	
Risk Statement/Effect	
Student participation may interfere with their academic obligations if the activity is not reviewed and approved in advance.	

Both APM 025 and APM 671 require "prior written approval from the Department Chair before involving a student in an outside professional activity." The policies do not provide an exception for Category III activities. Because OATS was newly implemented to manage conflict of commitment beginning for FY 2018-19 annual reports, obtaining prior approval for student involvement in OATS for this period was not possible.

For FY 2019-20, 36 activities indicated student involvement. Twenty-eight activities were for Campus and eight were Health Sciences. Our review noted instances where prior written approvals were not submitted or approved timely in advance of the activity. For example, we noted that 22 were not submitted timely, and 14 were not approved timely. For several requests, we could not determine if

requests were submitted and/or approved timely as the activities were submitted without a start or end date or any effort (hours) assigned. See additional details in Table 7: Student Involvement, below:

Table 7: Student Involvement

FY 2019-20	Submitted Timely			Approved Timely			In Process, with Department Reviewer	Totals
	Yes	No	Unable to Determine	Yes	No	Unable to Determine[2]		
Campus	1	14	11	1	11	10	4	**26**
Health Sciences	1	5	1	1	3	1	2	**7**
Total	**2**	**19[1]**	**12**	**2**	**14**	**11**	**6**	**33**

Source: AMAS Analysis of OATS Data

[1] Does not include one Campus request that was not submitted; one Campus request returned for being a Category III activity and; one Health Sciences request returned as the activity was determined to be prohibited.

Additionally, we judgmentally selected a sample of five approved activities each for FY 2018-19 and FY 2019-20 to review approving authority. All sampled activities were approved in accordance with policy by the Department Chair or Dean, when applicable.

E.	**Time Threshold**
Faculty did not always obtain prior approval from the appropriate authority for exceeding time thresholds.	
Risk Statement/Effect	
Without obtaining appropriate approval in advance, faculty may participate in activities that raise conflict of commitment issues.	

Campus

UC conflict of commitment policy APM 025 allows faculty to engage in Category I and II activities for "up to 39 days per year for academic-year faculty and 48 days per year for fiscal-year faculty". The policy further states that all requests to exceed the maximum number of days permitted require prior written approval from the Chancellor in advance of performing the activity. We reviewed activities that exceeded time thresholds for FY 2018-19, FY 2019-20, and FY 2020-21.

For FY 2018-19, one faculty member submitted an after-the-fact request in December 2019 to exceed the threshold. They reported 1 hour of time devoted to the consulting activity and 891.75 hours expected to exceed threshold for one day of activity. The request was sent back to the faculty member with a note from the Administrative Vice Chair noting that one hour of activity does not need review. There was no comment regarding the 891.75 hours, and the faculty indicated it was for one day of activity, so this may have been an error, although that was not clear from the documentation.

For FY 2019-20, we noted two campus submissions for exceeding the time threshold. Neither submission had been approved in advance.

For FY 2020-21, one approval has been granted by the Assistant VC – Academic Affairs. APM 025 states that all Category I activities and requests to exceed the maximum number of days permitted require prior written approval from the Chancellor in advance of performing the activity; however, delegation of authority has not been granted from the Chancellor to the EVC AA or the AVC.

While policy and implementing procedures allow Health Sciences faculty to exceed time thresholds with prior approval from the Chancellor, it is prohibited per Health Sciences practice and faculty must instead take leave without pay in these instances.

During our review, we noted three faculty submitted after-the-fact requests to exceed time thresholds for FY 2019-20.   These instances were not approved, and the Health Sciences OATS administrator indicated the requests would be escalated to CAG for review since the activities had already been completed.

VI.   MANAGEMENT ACTION PLANS

Management Action Plans to address the findings of our review are provided below:

Approval Authority

The Executive Vice Chancellor – Academic Affairs (EVC-AA) Office will:
1. Ensure that all Category I requests are routed to the EVC or determine who will have approval authority for Category 1 requests, and ensure the re-delegated authority is formally documented. Authority for Deans and Faculty Administrators may not be re-delegated beyond the EVC-AA.

The EVC-AA and the Health Sciences (HS) Associate VC – Academic Affairs (AVC-AA) offices will:
2. Ensure that activities that require prior approval from the Chancellor (such as exceeding salary or time thresholds) are correctly routed to the Chancellor or seek re-delegation of authority. HS faculty are not allowed to exceed time threshold, but the request would be routed to the Chancellor or delegate to acknowledge or deny if this were to occur. Appropriate documentation of activity, including requests and decisions, will be maintained, ideally in the system.

Corrective Action / Consequences

The Offices of the EVC-AA and the HS AVC-AA will:
1. Update or develop local implementing procedures to
   - Document responsibilities for review and monitoring to ensure policy compliance.
   - Outline potential consequences and an escalation process for Deans and faculty who are non-compliant with policy requirements to submit annual reports timely, or obtain prior approval for activities as required.

Monitoring and Deadlines

The Office of the EVC-AA will:
1. Implement a central process for Deans to monitor compliance with COC policies for annual report submissions and approvals, including expectations for communication to the EVC on compliance in their area.

The Office of the HS AVC-AA will:
2. Implement a process for departments and divisions to report on collection efforts of salaries that exceeded the threshold.

The Office of the EVC-AA and the HS AVC-AA will:
3. Evaluate moving up the faculty deadline to submit annual reports to ensure there is enough time for review, resolution of any issues, and approval by the November 1 deadline.

Data Clean-Up / Review

The Offices of the EVC-AA and the HS AVC-AA, in coordination with Deans as appropriate, will:
1. Remind departments to review eligible faculty each fiscal year by indicating in OATS when faculty have separated or notifying the appropriate OATS administrator when faculty are identified as otherwise ineligible.

Education and Awareness

The Offices of the EVC-AA and the HS AVC-AA, in coordination with Deans as appropriate, will undertake education efforts to:
1. Ensure faculty are aware of policy requirements regarding obtaining prior approval for student involvement and exceeding time thresholds (for Campus).

2. Remind department reviewers to follow-up on and monitor issues related to annual report reviews such as faculty who report zero-hour activities, activities that did not obtain prior approval as required, and prohibited activities.

3. Ensure OATS administrators communicate system enhancements and updates to improve system functionality and ease of use to all OATS users including department contacts, faculty, deans, faculty administrators, reviewers, and approvers.

The Offices of the EVC-AA and the HS AVC-AA will:
1. Consider whether to propose additional OATS training (system and policy) for all faculty.

The Office of the HS AVC-AA will undertake education efforts to:
1. Remind faculty of their responsibilities to obtain prior approval before exceeding salary thresholds and depositing income into the Plan per department processes.

2. Remind faculty that Health Sciences practice does not permit faculty to exceed the time threshold of 48 days and that leave without pay must be requested in these instances.