

The logo for UCIrvine, featuring the letters 'UCI' in a large, bold, serif font, followed by 'RVINE' in a smaller, all-caps, serif font. A vertical line separates the 'UCI' and 'RVINE' parts.The text 'INTERNAL AUDIT SERVICES' in a serif font, positioned to the right of the UCIrvine logo. A vertical line separates the logo from this text.

Conflict of Commitment – UC OATS

Internal Audit Report No. I2021-207

August 4, 2021

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August 4, 2021

**MARIANNE BECKETT
ASSISTANT VICE CHANCELLOR
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**RE: Conflict of Commitment – UC Outside Activity Tracking System (OATS) Audit
Report No. I2021-207**

Internal Audit Services has completed a limited scope review of Conflict of Commitment - UC OATS and the final report is attached.

We extend our gratitude and appreciation to all personnel with whom we had contact while conducting our review. If you have any questions or require additional assistance, please do not hesitate to contact me.

Sincerely,



Mike Bathke
Director

Attachment

C: Audit Committee

I. BACKGROUND

Faculty are required to report outside professional activities to their campuses on an annual basis in accordance with the University of California (UC) Academic Personnel Manual (APM) policy 025 – “Conflict of Commitment and Outside Activities for Faculty Members” and for APM 671 – “Conflict of Commitment and Outside Activities of Health Sciences Compensation Plan Participants.” In addition, Deans and Faculty Administrators are subject to additional outside professional activities reporting requirements in APM 240 and 246. Outside professional activities, compensated or uncompensated, and regardless of financial interest, are activities that are within a faculty member’s area of professional academic expertise. A conflict of commitment occurs when a faculty member’s outside activities interfere with the faculty member’s professional obligations to UC.

The UC Outside Activity Tracking System (UC OATS), is a web based electronic application where faculty members, deans, and academic administrators can report outside activities and income, in accordance with UC APM conflict of commitment policies 025 and 671. UC OATS allows for reporting and managing outside professional activities, for submitting and viewing forms online, and for the tracking of total time. For Health Sciences Compensated faculty, Deans and faculty administrators can also track earnings from their outside professional activities. UC OATS was implemented systemwide in 2018. UCI implemented UC OATS in November 2019 for the reporting of outside professional activities in academic year (AY) 2018-2019.

The Office of Academic Personnel (AP) oversees faculty reporting requirements. Annual disclosures are due annually on January 15 and faculty should submit their forms through UC OATS.

AP conducted an internal data audit of compliance rates for a two-year period for AY 2018-19 and AY 2019-20. Office of Information Technology (OIT) extracted the two years’ worth of data from UC OATS as of May 5, 2021 and provided the information to AP. Based on their data audit findings, AP communicated each school’s compliance rate on the three stages of submission:

1. **Completed:** faculty submitted their annual certification via UC OATS and the Dean approved their submission.
2. **In Process:** faculty submitted their annual certification via UC OATS; however, the annual certification is pending at the reviewer or approver stage.
3. **Not Submitted:** faculty has not yet submitted their annual certification for review and approval. This may be due to outstanding Category I requests that are yet to be finalized or the faculty member has not started the submission process.

II. PURPOSE, SCOPE, AND OBJECTIVES

At the request of AP, and in accordance with the fiscal year (FY) 2020-2021 audit plan, Internal Audit Services (IAS) conducted a high level and limited review of AP's UC OATS compliance data audit.

IAS reviewed the data provided by AP and calculated the compliance rates of the "Completed," "In Process," and "Not Submitted" forms for each school. IAS identified schools whose faculty were below 50% compliant in submitting their annual certification forms. IAS also reviewed compliance rates for AY 2017-18 when faculty manually submitted the annual certifications forms.

A more detailed review of Conflict of Commitment – UC OATS is scheduled in the FY 2021-22 audit plan.

III. OBSERVATION AND MANAGEMENT ACTION PLANS

Observation

In general, the compliance rate for annual certification submissions is low and requires significant improvement. In the review of AP's UC OATS compliance data audit, IAS found that overall, there was a slight increase of four percent in completion rates from AY 2018-19 at 64% to AY 2019-20 at 68%. However, further improvement is needed. This means that for AY 2018-19, 36% of forms were "In Process" or "Not Submitted" and for AY 2019-20, the number of incomplete and/or non-submitted forms was at 32%. In each reporting period, IAS notes that at least five to six schools had below a 50% completion rate. Moreover, three schools had a zero to one percent completion rate.

Prior to UC OATS, the process of submitting annual certifications was manual and in paper format. The completion rates with the manual process were significantly more successful with an overall 98% completion rate for AY 2017-18.

The transition from a manual to an electronic process has been a challenge and AP should continue to conduct regular data audits and follow-up aggressively with those areas that need improvement. Further, AP should implement a process to escalate notice of non-submission to upper management. In future audits, timeliness of submission should also be reviewed which should further improve the compliance rate of submission of the annual certifications.

Management Action Plan

As of June 1, 2021, AP has sent out communications to all schools/areas with their compliance rates for AY 2018-19 and AY 2019-20 and included training opportunities, policy reminders, and consequences for failure to submit annual certifications. AP also attached an excel workbook containing a more detailed summary of each department's annual certification compliance for APM identifying

those who have not complied with the APM reporting requirements. Communications also encouraged submission of the missing certifications to AP by June 30, 2021. Since then, outreach efforts have increased the compliance rates but a few schools continue to be challenging. AP will be working with senior administrators in schools with low compliance rates to identify problems and provide targeted UC OATS policy and systems training to personnel who manage UC OATS to do so more effectively within their schools. AP will also discuss with senior academic leaders consideration in implementing consequences, such as loss of faculty privileges (sabbatical leave, ineligible to participate in merit/promotion process and special salary programs, loss of good standing in Health Sciences Compensation Plans, etc.) for continuing non-compliance with APM policies on outside professional activities.

AP will continue to conduct regular UC OATS compliance data audits to ensure annual certifications are completed and submitted timely in UC OATS. Based on audit findings, AP will follow up with schools that need improvement with policy reminders and consequences for failure to submit annual certifications. Future audits will also include timeliness of submission. Additionally, for the upcoming academic year, AP will be sending out reminders to APM 671 faculty to complete their annual certifications by August 2, 2021, which will help in securing higher rates of completion by the deadline.

Due date: September 30, 2021