

**REPORT ON THE UNIVERSITY OF CONNECTICUT'S  
COMPLIANCE WITH CGS 1-84(r)  
FACULTY CONSULTING PROGRAM**

**December 29, 2015**

**Report Issued by the Faculty Consulting Oversight Committee**

**SUMMARY**

Pursuant to a change in the Connecticut State Statutes and action by the University of Connecticut Board of Trustees, new policies and procedures for approving consulting activities for the Faculty and members of the AAUP bargaining unit were implemented in December 2007. The Board of Trustees approved the latest revisions to these policies in April 2013.

Faculty Consulting Offices (FCOs) were established in Storrs and at the UCHC that have provided training to those who consult and for those who must participate in the consulting approval process, such as department heads and deans. A University-wide Consulting Management Committee (CMC) was convened to provide recommendations regarding the identification and management of potential Conflicts of Interest arising from consulting activities.

As required by CGS 1-84(r), the Faculty Consulting Oversight Committee was convened including members appointed by the Legislature/Executive branch and from the Citizens' Ethics Advisory Board. This Committee has met on a regular basis to review the implementation of the consulting program and to review the audits of the program conducted by the University's Office of Audit, Compliance and Ethics.

Implementing this program required development of policies, procedures, forms and databases; identification and training of staff; and awareness and training of faculty, department heads, and deans. The Office of Audit, Compliance and Ethics has carried out annual (and previously semiannual) audits as required and, as expected, have identified areas in which clarifications and improvements have been recommended. The University addresses each of the issues raised in a timely and appropriate manner.

**The Faculty Consulting Oversight Committee has determined that the University of Connecticut is complying with CGS 1-84(r).** The oversight required by the Act, including the Faculty Consulting Oversight Committee itself and the audits, has and should continue to enable ongoing review and improvement of the program.

The Oversight Committee has the following recommendations for improvement of the program over the next year:

- a. The University's Consulting Policy's scope should be revised to provide an abbreviated application for approval for consulting activities that are eligible for accelerated approval routing (i.e. have a low risk of conflict of interest) and in which the total payment by the contracting entity to the faculty member is \$599 or less for the fiscal year.
- b. The University's Consulting Procedures should be revised such that activities eligible for accelerated approval are not then routinely sent to the appropriate dean and provost's office

for review as an informational items, but that instead at midyear the faculty consulting offices will draw a random sample of 5% of such request for such a review. If such review demonstrates no material issues in the following year this mid-year review will no longer be necessary.

To date, the program, with its policies, procedures, and implementation, have resulted in a system that pro-actively identifies and manages potential conflicts of interest. Any individual who does not participate with the program is subject to sanctions by the University and may also be subject to additional sanctions by the Office of State Ethics.

## **BACKGROUND**

Public Act (PA) 07-166 (Section 12)<sup>1</sup>, approved on June 19, 2007, created a carve-out from the portion of the State Ethics Code dealing with consulting. Participating in appropriate consulting activities is viewed as being mutually beneficial for the University and its faculty and the intent of the Act is to enable such activities.

This carve-out applies to faculty and members of the faculty bargaining unit (herein fore referenced as “faculty”) of a constituent unit of the State system of higher education. In the context of the Act, “consulting” represents situations in which faculty are compensated for services rendered while not acting as a State employee. The request to consult must be based on the faculty member’s expertise in a field or prominence in such field and not due to the State position held. Faculty must receive prior approval before such consulting begins. No other State agency requires prior approval or any such mandated disclosure of outside employment activities.

The Act transfers final authority for approval of such activities to the University and it allows management plans to be implemented for addressing perceived conflicts of interest. Specifically, the legislation allowed these individuals to enter into a consulting agreement with a public or private entity, provided such agreement or project does not conflict with the individual’s employment as determined by policies established by the Board of Trustees for such constituent unit.

This carve-out from the State Ethics Code is predicated on a set of requirements being met including significant institutional oversight. The University of Connecticut Board of Trustees (BOT) approved the University’s “Policy on Consulting for Faculty and Members of the Faculty Bargaining Unit,” and reviewed the operational procedures for implementation, on September 25, 2007. The Policy and Procedures define a consistent set of rules for consulting for all the faculty of the University. These documents have been reviewed and revised by the BoT several times since 2007 in order to make improvements to the program.<sup>2</sup>

The new consulting system became fully operational on December 15, 2007. Since that time, both the Storrs Campus and UConn Health campus have each established a Faculty Consulting Office (FCO) with reporting lines and staffing. Usage data systems have been developed by each FCO. Further, both campuses have developed on-line and live training programs.

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<sup>1</sup> See <http://consulting.uconn.edu/statutes.html> .

<sup>2</sup> The policy and procedures governing consulting may be found at: <http://consulting.uconn.edu/policies.html> .

Requests to consult must be reviewed and approved by each faculty member's department head, dean, and the provost's designees (one for each campus). A subset of consulting activities with very low risk of conflict of interest are eligible for an accelerated approval process that only requires the approval of the department head, but for the purpose of quality control has been reviewed routinely by the Dean and Provost's designees. In FY 2015, these reviews took place only in quarterly random audits of 10% of such activities by the Provost's designees and demonstrated no material issues. As a result, for FY 16 it is being recommend to use one mid-year annual review of 5% of such activities and if no materials are found to eliminate such reviews by the Provost's designees. At the discretion of the auditors, the yearly audit could include review of such activities.

Consulting may not negatively impact the faculty member's ability to fully and satisfactorily address his/her assigned job duties. At the end of the fiscal year, each faculty member must submit a reconciliation report indicating variances from the requested time spent consulting during the normal work time and confirming any and all appropriate reimbursements for use of University resources, if any.

If a faculty member does not adhere to the provisions described in the Act or the University's Consulting Policy and Procedures, the Office of State Ethics will retain jurisdiction over the activity and have the responsibility for determining whether it complies with the State Code of Ethics and whether sanctions should be imposed. Violations of the University's Consulting Policy and Procedures will in addition be subject to sanctions issued by the University which may result in termination.

### **CONSULTING MANAGEMENT COMMITTEE (CMC)**

As required by the implementation procedures, a University-wide Consulting Management Committee (CMC) was first convened on December 10, 2007. The CMC is authorized to review and recommend disposition of certain consulting situations that do not have obvious resolution. The CMC also offers input on unforeseen situations put before it that may arise as a result of consulting activities. To date, the CMC provided advice to the directors of the Faculty Consulting Offices on an ad hoc basis, and has also reviewed eleven general situations resulting in formal position papers. For example, based on one position paper, participation in promotional presentations with pharmaceutical companies has been banned.<sup>3</sup>

### **AUDITS**

As required in CGS 1-84(r), the University's Office of Audit, Compliance and Ethics has conducted audits on the University's faculty consulting program<sup>4</sup>. Per standard practice, management has had the opportunity to provide responses to each audit finding and recommendation. These audits are reviewed by the Joint Audit and Compliance Committee of the Board of Trustees as well as by the Faculty Consulting Oversight Committee.<sup>5</sup>

### **FACULTY CONSULTING OVERSIGHT COMMITTEE**

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<sup>3</sup> These position papers and the minutes of the CMC may be found at <http://consulting.uconn.edu/cmc/index.html> .

<sup>4</sup> Initially, audits were required twice a year but the legislature changed this to a once a year audit schedule starting in FY 12.

<sup>5</sup> Copies of past audits may be found at: [http://consulting.uconn.edu/reports\\_audits.html](http://consulting.uconn.edu/reports_audits.html) .

As required in CGS 1-84(r), the Faculty Consulting Oversight committee meets on an on-going basis in order to review the University's compliance with CGS 1-84(r), and to file annual reports regarding such compliance with the University's Board of Trustees and to the Legislature. This document is the seventh of such reports.<sup>6</sup> The Committee's responsibility is to ensure that the University complies with the provisions of the Act and the University's policies and procedures on consulting. It may also make recommendation for improvements to the consulting program.

The membership of the Faculty Consulting Oversight Committee is:

<b>Name</b>	<b>Background</b>
Clemons, T.	Former Legislator
Cobb, C.	Professor, School of Education
Dennis-Lavigne, A	Member, Board of Trustees
Freedman, J. (chair)	Former Legislator
Nair, S	Professor, School of Business
Pawelkiewicz, W.	Former Legislator
Chiusano, C.	Chair, Citizen's Ethics Advisory Board Member
Siegle, D	Professor, School of Education

The Committee last met on November 17, 2015 and December 9, 2015. It has reviewed the latest final audit report and the FY 2015 annual report of the Faculty Consulting Offices (attached).

The Committee believes the program was effectively initiated and through on-going revisions has been improved. In fact, in many regards the program is more rigorous than how consulting is handled for other State employees not covered by CGS 1-84(r), especially through the requirement for approval prior to the consulting activities taking place.

The audits have led to improvements to the Consulting Program including revisions to the consulting request form, enhancements to the training program, improving the clarity and predictability of decision making, and assuring sufficient information is available to inform the decision making of the approvers. The University has developed an on-line request form/approval process that became operational in FY 12 and has been revised in FY 13, FY 14 and FY 15. As described in the attached report, this system has successfully addressed its objectives. All of these actions should ensure complete compliance with CGS 1-84(r).

The initial implementation of the consulting program, both in terms of logistics and compliance, has met initial expectations. There have been areas of different interpretations regarding the requirements of CGS 1-84(r) and the University's Policy and Procedures. The audit processes in place appear to be working to identify such areas and to report them to senior management and to the Faculty Consulting Oversight Committee. Management has demonstrated its willingness to address the audit findings in a timely manner. Management appears to be keenly aware of the need to fully comply with CGS 1-84(r), but that as a new program, this program is a work in progress that requires monitoring and revision as necessary

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<sup>6</sup> Past reports may be found at: [http://consulting.uconn.edu/reports\\_audits.html](http://consulting.uconn.edu/reports_audits.html) .

The Committee takes note that number and severity of audit finding has decreased over time and this demonstrates management's commitment to operate the program optimally and in full compliance with the Legislature's intent for the program. The Committee also takes notes that the two Faculty Consulting Offices (Storrs/regional campuses and the Health Center) work together exceedingly well and thus present a consistent and reliable approach to consulting across all the units of the University.

Recommendations for Improvement:

- a. The University's Consulting Policy's scope should be revised to provide an abbreviated application for approval for consulting activities that are eligible for accelerated approval routing (i.e. have a low risk of conflict of interest) and in which the total payment by the contracting entity to the faculty member is \$599 or less for the fiscal year.
- b. The University's Consulting Procedures should be revised such that activities eligible for accelerated approval are not then routinely sent to the appropriate dean and provost's office for review as an informational items, but that instead at midyear the provost's office will draw a random sample of 5% of such request for such a review. If such review demonstrates no material issues in the following year this mid-year review will no longer be necessary.

**VOLUME OF CONSULTING ACTIVITIES**

In FY '15, the seventh full year of operations, the Faculty Consulting Office on the Storrs Campus received 1,077 requests to consult from 456 individuals. The UConn Health office received 831 requests from 190 individuals. Both campuses had a 100% response rate for those individuals required to complete reconciliation reports. The FY '15 annual report of the University's Faculty Consulting Program is attached.