Effort Reporting System Management Group
Meeting Notes
April 9, 2009
Accepted May 13, 2009

This special meeting was conducted in person at UCOP in Oakland. Participants included: Sue Abeles, Mike Allred, Rich Andrews, Jim Corkill, John Ellis, Cecilia Hamilton (by phone), Kirk Lew, Bruce Morgan (by phone), Jorge Ohy, Sheryl Vacca, Rachelle Jeppson, Luanna Putney, Carrie Gatlin, Steve Hunter, and Jon Good.

The meeting was convened at the request of Sr. Vice President Sheryl Vacca from the Office of Ethics, Compliance and Audit Services, to provide an update to the ERS Management Group on the findings from the recent internal effort-reporting related audits, share issues that have emerged in conversations with various faculty groups, and seek the Group's advice in determining what next steps should be taken to perform additional fact-finding so that a plan can be developed to address the issues.

Sheryl Vacca introduced the discussion by reviewing recent Ethics, Compliance and Audit Services activities with respect to UC effort reporting and highlighted the following points:

- Effort reporting at UC has been and will always be on the compliance agenda given our large federal research portfolio and the fact that direct salary charges are a significant percentage of direct research expenditures.
- Internal Audit recently examined effort reporting at all campuses, whether using the new ERS or the old PAR system. Preliminary audit reports have been distributed to each campus.
- At a University-wide Risk Council meeting, effort reporting was discussed in terms of the general process and people issues. Several comments came out about the process in general (not specific to ERS).
- The University Committee on Faculty Welfare has commented on problems associated with ERS, including that ERS was difficult to use. President Yudof had responded to this committee that "we" would look at this to make things better. Sheryl noted that President Yudof is committed to compliance with effort reporting, and that his background is with the Huron system solution.

In response to the latter two points, Ethics, Compliance, and Audit Services has initiated a fact-finding mission to get a clearer picture of the issues driving the comments. What is emerging from the fact-finding to-date is that issues seem to be mostly about people, process, and culture than ERS system-related.

Rachelle walked the group through the fact-finding work that's been accomplished to date. Rachelle noted that issues raised during the fact-finding were almost all "people" issues and the "systems" issues that arose appeared to be outside the scope of the ERS. Rachelle pointed out that each summary finding listed in the handout did not mean that all the findings were true for all locations.

(Rachelle's 4/9/2009 handouts are available here.)

Rachelle noted one important distinction between the ERS and PAR campuses: those campuses still using the PAR system didn't have standardized training to work with, unlike campuses that had implemented ERS. The PAR campuses relied more on departmental administrators to provide the training.

Sheryl noted that she would like to partner with the ERS Management Group to find ways to address the many "people" issues. **The ERS Management Group agreed to partner with her office.**

Sheryl indicated that she would like to have a plan in place by July 1st and would like to examine some of the issues in more detail to inform the plan. Because of limited staff support available to do the examination, she suggested that sending out a questionnaire or engaging a consultant (to be the "arms and legs" for Compliance, but not the "voice") were options to consider. Sheryl invited the thoughts of the ERS Management Group.

Sue Abeles remarked that there was a need for better policies and some "teeth" around the effort reporting processes. This is not likely to make everyone happy. Sue mentioned that her experience with systems implementations tells her there's always going to be some pushback. Sheryl agreed, pointing out that pushback was going to be more related to cultural and individual PI attitudes than anything else.

Sue also mentioned that departmental staff are very protective of their PIs and that department staff knowledge of effort reporting is quite variable.

John Ellis commented that Berkeley's focus has been on training and, to back up Sue's comment, the variability in the knowledge of departmental staff, even after training, has impacted the effectiveness of the ERS deployment.

John Ellis also noted that a lot of faculty are hostile to the ERS, asking why work to change the rules for (reduce/eliminate) effort reporting isn't being undertaken.

Mike Allred noted that structures within departments, even campuses, aren't necessarily where they need to be to support effort reporting. Davis is promoting the concept of effort reporting service centers in deans offices to support the process. Davis has already made several large changes, such as moving to the Federal fiscal year for reporting rather than the UC fiscal year.

John Ellis noted that Berkeley is moving to the research center concept as well.

It was also pointed out that Deans' styles are variable regarding enforcement with compliance requirements. The key to successfully addressing many of the culture issues is the leadership of the Provost and Deans.

John Ellis pointed out that many faculty are also concerned about possible consequences for certifying erroneously.

Mike Allred noted that Davis has implemented monthly ledger reviews by PIs of transactions on their projects as a means of providing more familiarity with project expense activity.

Sheryl asked whether anyone would be averse to her office coming to the campuses to hear what's going on, as a basis for better telling the effort reporting story. **The Management Group agreed that there was no reason not to visit the campuses for that perspective, and suggested that the discussion begin with the Controller at each campus.** The Controllers can guide Compliance to the appropriate campus constituents (groups, departments, EMF, etc.)

Sue Abeles remarked that improvements to the ERS can be made if it turns out that is what's needed.

John Ellis commented that Deans are very knowledgeable, and the understanding is a matter of getting individual faculty to better understand.

Kirk Lew noted that consequences fall onto the Deans, not the individual PIs.

Sheryl remarked that President Yudof will get unsolicited feedback on the internal audit reports. (Sheryl also noted that the President's familiarity with HURON has come up a couple of times).

Mike Allred, responding to the point about cost sharing in the audit findings, noted that cost sharing is a problem particular to UC. Other large universities do not allow PI's to pledge cost sharing in proposals to the level that UC does.

Mike also referenced Rich Andrews' work with the Federal Demonstration Partnership (FDP) examining alternatives to the effort reporting requirements. Luanna Putney asked how the FDP project would impact ERS if that project does go forward? Mike Allred responded that ERS would need to change to support the proposed new process.

Rich Andrews noted that the FDP moves very slowly. It has already been concluded that no changes to A-21 are needed to move forward with proposed changes in the certification process. The FDP project group meets April 9th to discuss moving forward. Key decision maker(s) at FDP have suggested that cognizant agencies (HHS and ONR) provide approval for the project. ONR will approve. HHS will need to be educated. The proposal calls for either approving the change in method immediately or moving into a pilot (which would take up to 18 months to complete). Among the elements of the proposal is project-based effort reporting, rather than person-centric reporting. Rich will know more about the status of the FDP project on April 10th. The next FDP meeting is scheduled for Irvine on the 2nd Thursday in June.

Sheryl suggested the following effort reporting presentation plan for the President's Compliance Committee:
- Review issues
- Show current UC compliance

- Identify steps that can be taken to improve compliance

The Management Group agreed with this plan.

Sheryl suggested that a sample from the first five implementing campuses might be enough to extrapolate to the UC system as a whole. Sue suggested that Compliance examine a mix of units at each campus, those where there appear to be issues with compliance and those where there don't appear to be issues.

John Ellis inquired more generally about faculty training. Mike Allred noted that Davis is developing training materials that will be mandated on the campus (Chancellor and Provost have already agreed to the mandate). The Davis plan is to put materials into the Learning Management System in the fall. Sheryl noted that the President would likely be willing to mandate training.

Sheryl expressed her objective of presenting effort reporting findings at the President's Compliance Committee in July. The Compliance Committee is focus on research matters and is primarily a UCOP group that includes campus participants as needed. Sheryl invited the ERS Management Group to provide a couple of representatives to sit in on the July meeting and to co-present findings.

Next Steps:
- Sheryl Vacca, Rachelle Jeppson, and Luanna Putney to review fact-finding progress on the May 13, 2009 ERS Management Group conference call.
- The ERS Management Group will convene via conference call with Sheryl Vacca, Rachelle Jeppson, and Luanna Putney in June to working on the message for presentation to the President's Compliance Committee.

<u>Next Meeting</u>

The next meeting is scheduled as a conference call for **<u>Wednesday, May 13, 2009, from 1:00pm-3:00pm</u>**.