



AUDIT AND ADVISORY SERVICES
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March 27, 2025

To: Distribution

Re: **Research Compliance – International Travel
Audit Report No. 08-25-0001**

We have completed a limited review of research compliance related to international travel as part of the 2024-25 annual audit services plan. The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*. Enclosed is the report detailing the results of our work.

We sincerely appreciate the cooperation and assistance provided by the Office of Research, Business & Financial Services, Environmental Health and Safety, and personnel from the following research departments: Ecological Biology (EEMB), Electrical Engineering (ELEG), Marine Science Institute (MSII), Materials (EMNT), Computer Science (COMS), Chemical Engineering (CHNE), California Nano Institute (CNSI) during the review. If you have any questions, please don't hesitate to contact me.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ashley Andersen".

Ashley Andersen
Director
Audit and Advisory Services

Enclosure

Distribution

Office of Research

Scott Grafton, Interim Vice Chancellor for Research
Jean Jones, Assistant Vice Chancellor for Research
Barry Rowan, Research Integrity Director

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UC **SANTA BARBARA**
Audit & Advisory Services

Audit Report

Research Compliance – International Travel

March 27, 2025

Performed by:

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Approved by:

Ashley Andersen, Audit Director

Report No. 08-25-0001

EXECUTIVE SUMMARY

OBJECTIVE

The primary purpose was to evaluate internal controls implemented at the University of California Santa Barbara (UCSB) for tracking international business travel for researchers and enforcing compliance with agency requirements, export control regulations, and University policy regarding international travel. The main objectives were to determine whether:

- International travel policies, procedures, and guidance provide adequate information to keep researchers aware of international travel compliance requirements.
- Roles and responsibilities are formalized to track and enforce international travel compliance requirements.
- The international travel review process identifies and addresses compliance issues or incidents.
- International travel training programs and guidelines are available to researchers and departments providing administrative support to researchers.
- There are monitoring mechanisms to enforce foreign travel registration as required by the University of California (UC) Policy G-28 Travel Regulation (UC Travel Policy)¹ to:
 - Improve safety when visiting Level 4 countries² listed in the United States (U.S) State Department Travel Advisory list.
 - Assist in identifying international travel compliance requirements.
- UCSB researchers request preapproval or consult the Export Control Office (ECO) when:
 - It is required in the grants used to pay travel expenses.
 - Travelling to sanctioned or embargoed³ countries.
 - Engaging with Restricted Foreign Research Institutions⁴.
- The Office of Research (OR) has initiated a preparedness program to comply with the new National Security Presidential Memorandum (NSPM-33)⁵ regarding foreign travel requirements.

¹ This policy helps to comply with IRS regulations regarding the provision and reimbursement of business-related travel, and to conform to the IRS “accountable plan” rules.

² Do Not Travel: Countries with greater likelihood of life-threatening risks. See background section.

³ The Office of Foreign Asset Control (OFAC) administers sanctions programs to sanctioned or embargoed countries. See background section for details.

⁴ The U.S governments (OFAC, Department of Defense (DOD), and Department of Commerce (DOC)) maintain lists of restricted foreign research institutions. Collaborating with restricted parties can create export control risks, including federal violations, as well as raising individual risk profiles.

⁵ NSPM-33 requires all federal research funding agencies to strengthen and standardize disclosure requirements for federally funded awards. See background section for details.

SCOPE

The scope of our review was focused on the campus practices and internal controls for monitoring and enforcing compliance requirements related to foreign travel by UCSB researchers for business purposes from January 2022 to October 2024.

CONCLUSION

Based on the results of the work performed within the scope of the audit, we found that:

- University policies and guidance provide a foundational framework for addressing foreign travel compliance requirements. However:
 - Travel policies and guidelines do not explicitly define proactive⁶ controls to monitor and enforce compliance requirements such as travel registration, restricted party screening, and pre-approval for sanctioned countries.
 - The compliance responsibilities, including enforcement, are fragmented, resulting in unclear and undefined ownership for certain compliance areas. Multiple offices, including the Export Control Office (ECO), Business and Financial Services (BFS), and Environmental Health and Safety (EHS), have responsibility for various aspects of compliance, such as export controls, financial compliance, and travel safety. A more formal assignment of roles and responsibilities for oversight would increase accountability and promote a more proactive approach to research travel compliance requirements.
- There are no comprehensive travel review processes across departments to address non-financial or broader compliance risks for international travel.
 - Training resources available to the research community cover export control, OFAC requirements, and other financial requirements. Mandatory UC training, including ECSR and cybersecurity, addresses specific compliance requirements related to international travel and activities. However, there is no compulsory training focused solely on foreign travel.
- Travel registration is not enforced. Furthermore, departmental practices show inconsistencies in awareness of and adherence to the travel registration requirement.
- The existing monitoring approaches focus on identifying compliance issues after the fact. Most departments do not actively monitor compliance with foreign travel requirements, including trips paid with grants, with prior approval requirements. Compliance issues are only evaluated before travel if researchers register the travel in advance or disclose compliance concerns. Departments typically evaluate compliance requirements post-trip.
- Travel to sanctioned countries complied with OFAC general license requirements. However, the review process can be improved through timely consultation with the ECO and documentation.

⁶ Controlling travel requirements before traveling rather than controlling travel requirements after the travel has happened.

- Some researchers visited restricted research institutions and may not have contacted ECO or were unaware of the need for restricted party screening to ensure compliance with federal export regulations. Additionally, departments do not have a role in ensuring that researchers perform restricted party screening.
- OR is familiarizing itself with the new NSPM-33 requirement and engaging in national discussions. Due to the absence of federal policies, OR is in a reactive stance, waiting for the policies to be defined before taking the next steps. Some research departments were completely unaware of the new requirements. To enhance preparedness, OR should take proactive steps by developing interim guidelines and collaborating with key departments to ensure a smooth transition and timely compliance once federal policies are finalized.
- Enforcing travel registration will help to ensure that researchers' safety during travel to high-risk countries or Level 4 countries listed on the U.S. Travel Advisory is adequately monitored.

OBSERVATIONS, RECOMMENDATIONS, AND RESPONSES

1. FOREIGN TRAVEL POLICIES, PROCEDURES, GUIDANCE, AND TRAINING

OBSERVATION

University policies, procedures, and guidance provide information related to export control laws, travel regulations, financial compliance, and travel risk management. Additionally, the OR website offers training videos tailored for international travel, particularly for those handling UC-controlled items. However, there are opportunities to implement internal controls to monitor and enforce compliance requirements. There are no travel review processes across departments to address non-financial or broader compliance risks associated with international travel. Most department training focuses primarily on financial policies, especially those related to travel reimbursements.

Foreign Travel Policies, Procedures, and Guidance

Our review found opportunities to implement more proactive internal controls to monitor and enforce compliance requirements in areas such as travel registration, restricted party screening, and pre-approval for travel to sanctioned countries. Specifically:

- While the international travel compliance requirements are covered in critical areas, the following gaps could be addressed to ensure researchers are fully aware of and adhere to international travel compliance requirements:
 - The UC Travel Policy requires that all out-of-state business-related travel be booked through the Connexus system⁷ or registered in UCAway⁸. However, the enforcement of this requirement, and particularly how it is monitored (e.g., consequences for non-compliance), is not fully explained in detail.
 - The Export Control Office (ECO) is responsible for reviewing and facilitating compliance with U.S. law when traveling to countries subject to U.S. embargoes or sanctions. Researchers must obtain a license (either general or specific) before traveling to these countries. However, there are limited internal controls to help ensure researchers comply with this requirement. For example, the enforcement of prior approval and pre-registration policies could help campus administrators and central offices provide assurance that university travelers⁹ adhere to this requirement.
 - There is a process for screening restricted parties using the Consolidated Party List¹⁰ or the Visual Compliance tool¹¹ to ensure compliance with government laws. Researchers are encouraged to perform the screening and consult ECO on positive

⁷ This systemwide travel management program encompasses all aspects of university travel, including policy development, processes, planning, data management, and preferred supplier services and contracts.

⁸ UC travel registration portal.

⁹ Researchers for the scope of this audit.

¹⁰ The U.S International Trade Administration maintains a platform to search of restricted parties (individuals and entities). Collaborating with restricted parties can create export control risks, including federal violations, as well as raising individual risk profiles.

¹¹ UC restricted party screening software.

matches. However, this activity or process is not proactively enforced or monitored. Clear communication of this requirement could help improve the compliance knowledge of the research community.

- Responsibilities to monitor compliance with international travel regulations and university policy are spread across several departments. Roles are usually reactive, where compliance is checked after the travel occurs (e.g., during reimbursement), rather than proactive enforcement. Specifically:
 - While restricted party screening is encouraged, it is not formalized who is responsible for monitoring compliance or verifying that these screenings are conducted before international travel or collaboration. For example, neither ECO nor any other department reviews whether the research institutions visited are included on the Restricted Foreign Research Institutions List prior to the travel occurring. ECO can review only if the researcher consults it. Additionally, the instructions to perform the restricted party screening are merely encouraging researchers to participate rather than a mandatory requirement, considering its significance.
 - If a researcher visits an embargoed country without obtaining prior approval, BFS and ECO can only identify the issue during reimbursement processing. If the researcher fails to notify the ECO about a trip to a sanctioned country, the office will not be aware until reimbursement is requested.
 - The license review process is triggered when the researcher contacts ECO or submits information about their upcoming travel. The Research Integrity Office does not proactively monitor or identify individuals who may be traveling to embargoed countries without proper authorization. It is essential to consider mechanisms to proactively monitor the activities of researchers, such as enforcing prior authorization or registration.

A more formal assignment of roles and responsibilities for proactive oversight would increase accountability and promote policy enforcement.

Travel Review

During the review, we interviewed Business Officers from a sample of seven departments (EEMB, ELEG, MSII, EMNT, COMS, CHNE, and CNSI) that have federal awards that may be subject to export control regulation or include foreign travel restrictions about their travel review process for identifying and addressing compliance issues or incidents that occurred during faculty travel.

All departments interviewed have a post-travel review. The focus is primarily on financial compliance and reviewing travel expenses in Concur for reimbursement, while overlooking broader compliance risks such as data privacy issues, cybersecurity threats, intellectual property concerns, and research integrity violations that may arise during travel. This could raise concerns that non-financial compliance issues or incidents might go undetected. It is essential to establish a comprehensive travel review process that extends beyond financial compliance to encompass checks for regulatory, ethical, and policy adherence.

Training

During the review, we found the OR website features training videos specifically designed for researchers traveling outside the U.S. or dealing with UC-controlled items¹². The training video series, compiled by UC, covers export control and OFAC requirements for travelers to regulated countries. However, these trainings are optional.

We interviewed business officers from the departments (EEMB, ELEG, MSII, EMNT, COMS, CHNE, and CNSI) about their understanding of international travel requirements and the training programs in place. The departments display a varied understanding of international travel requirements. Specifically:

- Their understanding of international travel requirements and training is primarily focused on the financial aspects and geared mainly toward the reimbursement process, with limited attention to broader legal, regulatory, and safety aspects of international travel.
- Some departments have more robust support available for travelers, such as travel coordinator personnel and dedicated travel websites. For example, MSII offers a travel coordinator to provide personalized guidance before trips for researchers who request this service.
- Departments rely heavily on general resources, such as department websites and university-wide announcements, for updates about international travel policies and requirements.

RECOMMENDATION 1.1

We recommend that the Office of Research evaluate the level of awareness of international travel requirements on campus and determine if additional communication or guidance is needed.

MANAGEMENT RESPONSE 1.1

The Office of Research will assess existing guidance regarding international business travel requirements and determine if additional guidance or communication to the campus is needed.

Audit and Advisory Services will follow up on the status of these issues by July 31, 2025.

RECOMMENDATION 1.2

We recommend that the Office of Research evaluate options for researchers and departments to attest that they are familiar with foreign travel compliance requirements.

MANAGEMENT RESPONSE 1.2

The Office of Research will evaluate options for ensuring researchers' and departments' familiarity with international research travel requirements.

¹² Items that are subject to export regulations and controls.

Audit and Advisory Services will follow up on the status of these issues by July 31, 2025.

2. TRAVEL REGISTRATION

OBSERVATION

Our review highlighted inconsistencies in awareness and enforcement of travel registration requirements, as well as the need to enforce compliance as required by the UC Travel Policy.

We assessed whether foreign travel reimbursements had been previously registered in UCAway and whether departments had implemented mechanisms to ensure that researchers' foreign travel was registered. Specifically:

- We randomly selected a sample of 40 foreign travel expense reports in Concur¹³ for the period from January 1, 2022, to September 20, 2024, and compared them with trips registered in UCAway. We found that out of the 40 travel expense reports reviewed, 29 reports, representing 73% of the trips, were not registered or did not comply with the travel registration guidelines.
- Our interviews with the business officers of the departments (EEMB, ELEG, MSII, EMNT, COMS, CHNE, and CNSI) revealed that personnel of some of these departments are not aware of the requirement to register foreign travel, and the application of this requirement is inconsistent. For example:
 - Staff in some departments, such as EEMB and COMS, are not aware of the requirement, while others know the requirement.
 - Staff of the departments do not enforce travel registration, and they rely heavily on researchers or Principal Investigators (PIs) to comply. Departments such as MSII, EMNT, and CNSI promote travel registration through one or a combination of website resources, email reminders, and guidance to either book trips in Concur or register through UC Away.
 - There is broad awareness of Concur's capability to document pre-approval, but its adoption varies significantly. While some departments, such as CNSI, mandate its use for all foreign travel, others, such as COMS and ENMT, treat it as optional. MSII, EEMB, ELEG, and CHNE do not currently use Concur to document the pre-approval of travel, but they are willing to adapt if necessary.

RECOMMENDATION 2

We recommend that Business and Financial Services, in collaboration with the Office of Research, evaluate measures to implement a formal pre-travel registration and pre-approval process for all international travel, with enforcement mechanisms to ensure compliance with UC Policy G-28 – Travel Regulation.

¹³ UCSB travel and invoice management system. Used for booking travel, pre-approving travel, and reporting on travel expenses.

MANAGEMENT RESPONSE 2

Business and Financial Services, in collaboration with the Office of Research, will evaluate opportunities to strengthen enforcement of the current travel registration requirements, including the use of existing tools such as Concur, to facilitate increased compliance for international business travel.

Audit and Advisory Services will follow up on the status of these issues by September 30, 2025.

3. FOREIGN TRAVEL COMPLIANCE

OBSERVATION

Our review has highlighted opportunities to implement controls that enforce compliance with the requirement of some federal agencies to obtain approval for foreign travel paid with their sponsored projects. Travel to embargoed countries showed adherence to general license requirements. However, clearer communication, timely consultations with ECO, and better support documentation could improve the process. For the new NSPM-33 requirements, the OR is waiting for sponsored agencies to release NSPM-33 compliance frameworks before defining the next steps.

Sponsored Agency's Approval

There was only one international trip within the scope of this audit for which the sponsoring agency required the researcher to obtain approval before the trip. However, the agency was informed after the trip. One of the reasons for this issue was that most departments typically address compliance after the trip. This has highlighted the need to evaluate the possibility of a standardized pre-travel review process for all foreign travel, ensuring that all compliance aspects, including agency approvals, are reviewed and cleared prior to travel.

From January 1, 2022, to September 20, 2024, we identified only one travel expense report in Concur linked to two awards with foreign travel restrictions in ORBIT¹⁴. The award conditions required written prior approval from the agency for all foreign travel. We found that the researcher requested the agency approval post-trip instead of before the trip. This was non-compliant with the agency's award requirement.

Additionally, we interviewed the Business Officers of seven departments (EEMB, ELEG, MSII, EMNT, COMS, CHNE, and CNSI) about their procedures and role in monitoring researchers' compliance with agency foreign travel requirements. The responses revealed that departments typically address compliance post-travel during the reimbursement phase. Specifically:

- Departments such as ENMT, COMS, and CHNE indicate that they do not actively monitor researchers' pre-travel for compliance. Their involvement begins post-travel, focusing mainly on reimbursement. These departments rely on the researcher or PI to be aware of travel requirements and seek prior approval from sponsors when necessary.
- Departments such as ELEG and CNSI try to comply and request prior approval only

¹⁴ The Office of Research's contract and grant electronic database.

when they are informed of travel plans.

- MSII appears to have a more proactive role in ensuring compliance as they review awards for travel restrictions and coordinate approvals with the PI and the Travel Coordinator.
- EEMB does not directly administer external funding and is not responsible for meeting agency requirements. Other research units like MSII manage all their faculty's external funding.

OFAC Travel License Requirement

Our review of the only two trips to an embargoed country confirmed that both trips complied with the OFAC travel requirement for obtaining a license. However, there are opportunities to improve the travel review process through timely consultation with the ECO and the development of the documentation process for consistent application.

We identified two trips by UCSB researchers to Cuba, a country included on the embargoed country list, for the period from January 1, 2022, to September 20, 2024. We assessed the ECO license review process for both cases and found the following:

- For one trip, the researcher properly informed the ECO two months before the travel, and the ECO issued a general license¹⁵ for the trip. This was consistent with the trip's purpose and the type of license required by OFAC.
- On the other trip, ECO was notified after the trip when the travel reimbursement was requested. ECO concluded that the reimbursement could be processed because the travel only required a general license, as per OFAC requirements. BFS reimbursed the researcher after the Vice Chancellor for Research approved the reimbursement. This approval process needs to be formalized and documented for consistent application.
- For both trips:
 - The Certificate of Travel¹⁶ was signed. However, the certificate was signed after the trip for one researcher. This post-trip control does not guarantee that researchers understand the expectations and requirements before traveling to embargoed countries.
 - ECO performed the restricted party screening and prohibited accommodation review.
 - The approval audit trail confirmed that the expense reports in Concur were routed to the ECO for approval as required. Officials from ECO approved the expenses in Concur, and this was done before BFS reimbursement of the expense.

¹⁵ An OFAC general license is a self-executing authorization that allows certain transactions to take place without the need for a specific license application. General licenses apply to a class of people and authorize specific types of transactions that would otherwise be prohibited by sanctions programs.

¹⁶ A document that confirms the purpose of travel and an explanation of the requirement of the license.

We were informed that ECO has a post-travel review process for travelers who do not consult with ECO prior to the trip. However, the requirements and process have not been appropriately documented for consistent application by ECO. It is essential to document the post-travel review process.

NSPM-33 - Foreign Travel Security Requirement

OR is familiarizing itself with NSPM-33 and waiting for sponsored agencies to release NSPM-33 compliance frameworks before defining the next steps. Additionally:

- We were informed that current policies, such as the UC Travel Policy, may not fully address the specific foreign travel compliance requirements that agencies will mandate, and it is unclear whether the UC system will implement a new policy or update the existing one.
- Current systems and platforms, such as Concur and Connexus, may provide a foundation for compliance; however, the use of these systems in registering and booking travel is currently not enforced, and their effectiveness in meeting requirements remains uncertain until agency policies are defined and made public.

We interviewed the Business Officers of the seven departments (EEMB, ELEG, MSII, EMNT, COMS, CHNE, and CNSI) about their awareness and preparedness for this new requirement. We noted that the departments' awareness is inconsistent and not uniformly prepared for compliance, with several departments needing better communication and planning to meet the new policy. For example:

- Three departments (EEMB, ENMT, and COMS) are unaware of the new NSPM-33 requirements.
- CHNE has limited awareness.
- Three departments (ELEG, MSII, and CNSI) are aware of the requirements and are waiting for further guidance or to address any concerns from OR.

It is essential to implement a campus-wide communication and training program on NSPM-33 requirements to ensure that all departments and relevant stakeholders are well-informed and equipped to comply.

RECOMMENDATION 3.1

We recommend the Office of Research help departments identify internal controls to monitor and enforce foreign travel compliance requirements that go beyond financial compliance. This guidance should put emphasis on implementing proactive controls instead of reactive controls and implement a process to obtain approvals from agencies with foreign travel restrictions.

MANAGEMENT RESPONSE 3.1

Funder requirements for prior approval of international travel are common. Sufficient workflows exist between the Office of Research, Business and Financial Services, and campus departments to monitor such restrictions. A campus decision to enforce prior approval

and/or registration requirements for international travel (Recommendation #2) would allow the campus to leverage existing software solutions to ensure proactive notification of planned international travel is received by department staff who can ensure that necessary sponsor approvals are obtained when appropriate.

Audit and Advisory Services will follow up on the status of these issues by September 30, 2025.

RECOMMENDATION 3.2

We recommend that the Office of Research document the exception process and implement controls for post-travel reviews to enhance consistency.

MANAGEMENT RESPONSE 3.2

The Office of Research will document the exception process and identify other aspects of the process that could be better documented or described in our procedures.

Audit and Advisory Services will follow up on the status of these issues by July 31, 2025.

RECOMMENDATION 3.3

We recommend the Office of Research implement a campus-wide communication and training program on NSPM-33 requirements to ensure that all departments and relevant stakeholders are well-informed and equipped to comply.

MANAGEMENT RESPONSE 3.3

Efforts are currently underway at UCOP to update existing research security training so that it meets new agency requirements that are being implemented in response to NSPM-33. UCSB will implement this training once it is available to campuses.

The Office of Research has launched a dedicated Research Security web page, will soon implement research security training, and will conduct additional outreach on this topic.

Audit and Advisory Services will follow up on the status of these issues by September 30, 2025.

4. RESTRICTED FOREIGN RESEARCH INSTITUTIONS AND HIGH-RISK COUNTRIES

OBSERVATION

Our review found a lack of tracking and active monitoring in the restricted party screening process. Some researchers traveled or collaborated with restricted research institutions and may not have performed the restricted party screening prior to their travel or collaboration. The Office of Research needs to enhance awareness and establish a requirement for the screening process.

The federal government entities (OFAC, DOD, and DOC) maintain a list of Restricted Foreign Research Institutions. Collaborating with restricted institutions can create export control risks,

including federal violations, and also raise individual risk profiles.

Based on foreign travel expense report data obtained from Concur for the period from January 1, 2022, to September 20, 2024, we found four cases where UCSB researchers traveled to restricted foreign research institutions for several reasons, including research collaboration and conferences. Specifically:

- One researcher, who is related to emerging technology, traveled to Sun Yat-Sen University for research collaboration.
- Three researchers, two of whom are related to emerging technology, traveled to the Chinese Academy of Sciences for purposes such as research collaboration, conferences, or job recruitment. This institution has some departments on the restricted list. However, there wasn't enough information to determine which departments the researchers went to.

Given the limited information available in Concur to provide better assessments of the trip, these cases were reported to Research Integrity for a deep analysis. Research Integrity informed us that they did not identify any export control compliance or other federal sponsor compliance issues, nor did they find any unreported foreign affiliations associated with their travel.

Additionally, we interviewed seven departments (EEMB, ELEG, MSII, EMNT, COMS, CHNE, and CNSI) about their procedures and roles in screening institutions. We noted that the responsibility for screening and avoiding restricted parties primarily lies with individual researchers, as most departments do not have formal procedures or proactive involvement in this area. MSII is the only department that appears to integrate the screening process into its travel planning procedures – they are in the process of developing a checklist to improve screening practices.

Level 4 Countries

We identified opportunities to enforce travel registration to ensure that researchers' safety during travel to high-risk countries or Level 4 countries, as listed on the U.S. State Department Travel Advisory, is adequately monitored.

Our interviews with the seven departments indicated a lack of a process for assessing travel risks to high-risk countries¹⁷.

EHS explained that the University provides employees who register their travel with real-time intelligence, notices, and alerts via email about political unrest, natural disasters, health warnings, and information about required immunizations, entry/exit, safety and security, transportation, weather, and communications. This is a valuable resource when traveling in countries where information is tightly controlled and would help employees avoid difficulties during a trip. Given that travel registration is not enforced, and no department is responsible for monitoring travel to high-risk countries, some researchers may lose out on this safety resource if they fail to register their trip.

Based on travel expense report data obtained from Concur and UCAway trip data, no travel

¹⁷ See background for the list of countries in Level 4 advisory list.

to high-risk or Level 4 countries occurred between January 1, 2022, and October 9, 2024.

RECOMMENDATION 4

We recommend the Office of Research develop a standardized protocol for restricted party screening that is enforceable and includes monitoring mechanisms on a risk-based process.

MANAGEMENT RESPONSE 4

The Export Control Officer is responsible for screening business travel to countries of concern and embargoed countries and determining whether the trip is subject to export restrictions. Tools exist (e.g., Concur, Connexus, and UCAway) for registration, pre-approval, and monitoring of international business travel.

Campus enforcement of prior approval and/or registration requirements for international travel (Recommendation #3) would allow the campus to increase automation of the screening process by leveraging existing solutions and provide the Export Control Officer with notification of requests for international travel. If a plan for enforcement is adopted, the Office of Research would implement a risk-based approach to screening international business travel with consideration for resources available.

Audit and Advisory Services will follow up on the status of these issues by September 30, 2025.

GENERAL INFORMATION

BACKGROUND¹⁸

International travel presents a unique set of risks that must be managed to protect and maintain the institution's integrity. These risks can arise from compliance, security, environmental, health, political, and cultural sensitivity factors. The UC Travel Policy governs all University travel. It is the policy of the University to comply with IRS regulations regarding the provision and reimbursement of business-related travel expenses and to conform to the IRS rules.

International Travel Regulation and Requirements

Federal agencies are highly concerned about the improper diversion of intellectual property and unpublished research results, which is distinct from collaborative activities routinely engaged in by faculty. Travel to sanctioned or embargoed countries may have restrictions or require a license from the U.S. government. The University must comply with federal regulations when faculty and students travel to certain sanctioned or embargoed countries for purposes of teaching or performing research. Some forms of technology and consumer goods are subject to export controls, even if the destination country is not sanctioned. Items such as University-owned laptops, tablets, and other research and high-tech equipment may require review by the Export Control Officer to determine if an export license is needed. Some international travel requirements¹⁹ are the following:

¹⁸ Office of Research website: International Engagement.

¹⁹ Auditor analysis of various policies and websites.

- OFAC Licensing for Embargoed/Sanctioned Countries: U.S. persons may require specific licenses from OFAC for travel-related activities to sanctioned countries. Prior contact with the ECO is recommended before traveling to embargoed or significantly sanctioned destinations. The Research Integrity Office conducts a license determination review to ensure compliance with U.S. law. BFS will only process reimbursements for travel to sanctioned destinations if a license determination review occurred before the trip. OFAC Embargoed/sanctioned countries are Cuba, Iran, North Korea, Syria, and Ukraine (Crimea, Luhansk, and Donetsk regions).
- Export Control: Federal export control laws and regulations restrict the transfer of specific items, information, or services for reasons of national security or trade protection. Faculty and other academic appointees, staff, students, and non-employee participants in University programs should contact the ECO before engaging in situations. Researchers and the institution must plan to ensure compliance with export control regulations. This involves identifying which items may be subject to controls and seeking the necessary reviews and approvals in advance. Researchers must obtain necessary permissions and documentation and implement robust security measures to ensure data and personal safety during travel.
- Travel Registration: Registration for travel outside of California and international travel must be registered as required by the UC Travel Policy.
- Fly America Act Compliance: Federal-funded international travel requires the use of U.S. airlines when available. The UC Travel Policy incorporates this requirement, with exceptions allowed under certain agreements such as the Open Skies Agreement.
- International Collaboration & Restricted Party Screening: Researchers are encouraged to consult with the ECO for either screening or for positive matches. Researchers could consult the consolidated list or have ECO use the Visual Compliance tool to screen parties before any engagements.
- U.S. Department of State Travel Advisories: Travelers are encouraged to consult the U.S. Department of State's travel advisory website for updated safety information, especially when traveling to high-risk Level 4 countries. The high-risk or Level 4 countries listed on US Travel Advisories as "Do not Travel" are Sudan, Ukraine, Libya, North Korea, Belarus, Haiti, Burkina Faso, Central African Republic, Mali, Somalia, South Sudan, and Afghanistan.
- Agency Prior Approval Requirement: Researchers traveling internationally with funding from the National Institutes of Health (NIH) or the National Science Foundation (NSF) must seek prior approval, which is tracked through UCSB's ORBiT system.
- Conflict of Interest disclosures: Researchers are required to disclose any travel reimbursements received from non-governmental sponsors through the Conflict of Interest (COI) disclosure system.
- Safety Requirements: Travel registration is required to receive safety resources on destinations. UC's travel insurance for business-related trips covers all foreign travel.
- Financial Reimbursement: All business-related travel expenses are documented,

supported, and reimbursed in accordance with the UC Travel Policy.

NSPM-33 Requirement

On July 9, 2024, the Executive Office of the President (The White House Office of Science and Technology) issued guidelines for research security programs at Covered Institutions²⁰ per NSPM-33 and certain provisions of Public Law. Covered institutions have up to 18 months to implement the requirements set forth in the memorandum.

NSPM-33 requires all federal research funding agencies to strengthen and standardize disclosure requirements for federally funded awards. It requires a certification from research organizations awarded more than \$50 million per year in total Federal research funding that they have implemented a research security program that includes the four elements: cybersecurity, foreign travel security, research security training, and export control training.

- Foreign Travel Security: As the second element of the standardized requirement, federal research agencies shall require covered institutions to:
 - Certify that the institution will implement periodic training on foreign travel security to covered individuals engaged in international travel, including sponsored international travel, for organization business, teaching, conference attendance, or research purposes, within one year after a foreign travel security training resource is made available by a federal research agency,¹⁹ and ensures that all such covered individuals take this training at least once every six years; and
 - Implement a travel reporting program to include an organizational record of international travel, including sponsored international travel, for organization business, teaching, conference attendance, and research purposes by covered individuals, for covered individuals participating in Research & Development awards when a federal research agency has determined that security risks warrant travel reporting in accordance with the terms of an R&D award.
- Implementation Timeline: Within six months of the issuance of this memorandum, federal research agencies shall submit to OSTP and OMB plans for updating policies to ensure this guidance is reflected in the Research Security Programs Standard Requirements of each federal research agency. Updated policies of federal research agencies shall take effect no later than six months after finalized plans have been submitted to OSTP and OMB.

CRITERIA AND METHODOLOGY

To accomplish the objectives presented above, our work included interviews, observations, a review of support documentation, and other steps. Specifically, we:

- Reviewed UC policies, best practices, and other guidance relevant to the scope of the audit:
 - UC Policy, *G-28 Travel Regulations* (updated on April 11, 2024)
 - UC Policy, *Export Control*

²⁰ Research organizations awarded more than \$50 million per year in total federal research funding.

- UC Policy COI 700, *Disclosure of Financial Interests and Management of Conflicts of Interest in Private Sponsors of Research*
 - International travel UCOP
 - Export Control for International Travel - Office of Research
 - Export Control and Compliance - Office of Research
 - Export Control For Researchers - Office of Research
 - Travel Planning Business & Financial Services
 - International Collaborations and Export Controls - Office of Research
 - Executive Office of the President, *OSTP-RSP Guidelines Memo* (updated July 9, 2024)
 - U.S Department of State, *Travel Advisories*
 - Restricted Foreign Research Institutions
 - FBI Best Practices Academics
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- Obtained and reviewed policies and procedures (from the Office of Research and departments) related to international travel. Assessed whether these policies and procedures are comprehensive and cover all necessary aspects such as ownership, roles and responsibilities, and compliance requirements.
 - Identified training programs provided to researchers and department staff regarding international travel requirements and restrictions. Evaluated the effectiveness of training programs and confirmed how policies, guidance, and procedures are communicated to researchers and department staff.
 - Compared foreign travel expense reimbursements in Concur with foreign travel registered in UCAway/Connexus to identify any unregistered travel. Confirmed whether departments have a process in place to ensure that researchers' international travel is registered.
 - Confirmed that travel expense reports (reimbursements to embargoed countries) denied by the Office of Research were not paid by BFS.
 - Reviewed a sample of travel to embargoed countries and determined whether the required licenses were issued. Determined whether the Office of Research properly retains records of the review process.
 - Identified a sample of federal agency awards and Industry awards that include foreign travel restrictions or requirements. Reviewed a sample of international travel expenses paid with the mentioned awards to confirm compliance with restrictions or requirements. Reviewed departmental procedures and role in monitoring researcher compliance with foreign travel restrictions.
 - Assessed whether the Office of Research and departments have formalized plans to prepare the campus research community to comply with the new NSPM-33 requirement for foreign travel.
 - Obtained international travel expense reports and identified institutions visited by researchers. Selected a sample of international travel reports and verified that visited institutions are not included on the restricted foreign research institution list. Confirmed departmental procedures and role in screening restricted institutions.

- Identified travel to high-risk countries on the US Travel Advisory list and assessed whether the Office of Research plays a role in assessing the convenience of the travel. Confirmed whether departments play a role in faculty travel to high-risk countries.
- Confirmed whether departments have an international post-travel review process in place to identify and address compliance issues or incidents that occur during faculty travel.
- Our assessments of departmental controls are based on interview responses and documentation received from the following selected departments that have federal awards that are export control-related or include foreign travel restrictions:
 - Ecological Biology (EEMB)
 - Electrical Engineering (ELEG)
 - Marine Science Institute (MSII)
 - Materials (EMNT)
 - Computer Science (COMS)
 - Chemical Engineering (CHNE)
 - California Nano Institute (CNSI)

This audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

AUDIT TEAM

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Gifty Mensah, Principal Auditor