

Leeds Beckett Research Due Diligence Policy

1. Introduction

1.1 The Due Diligence Policy sets out how the University will comply with the UK Research & Innovation (UKRI) Terms and Conditions with regards to Due Diligence (DD) checks to ensure that research funding will be appropriately accounted for and to be able to evidence this on request.

1.2 DD provides a way to mitigate the risks associated with funding going overseas, which are much greater than for funding going to UK Research Organisations or other UK partners. DD checks provide assurance to Leeds Beckett that international partners have the capacity and expertise to carry out the research.

1.3 UKRI have stated in their Due Diligence Guidance for Research organisations that they 'require research organisations that are involved in partnering with overseas organisations to have policies and processes in place regarding due diligence and to carry out the process using a risk-based approach'.

1.4 Carrying out DD checks was added to the RCUK (now UKRI) Terms and Conditions in August 2017 with the below wording:

'The Research Organisation shall ensure that it carries out appropriate due diligence on any third parties used to deliver any part of the work funded by the grant and shall ensure in particular, that activities carried out by such third parties comply with these terms and conditions. The Research Organisation shall provide the Research Council on request with details of expenditure of the Grant by any third party.'

1.5 Furthermore, the process also fits into the University's strategic goal of success within the GCRF, which is a 5-year £1.5bn fund announced as part of the UK Government's spending review published in November 2015, to support research that addresses the challenges faced by developing countries. GCRF and Newton Fund both require UK universities to partner with overseas organisations in Overseas Development Assistance (ODA) countries.

2. Scope

2.1 This policy applies to all staff applying for research funding with countries listed on the Development Assistance Countries (DAC) list and all other international countries excluding the EU. All Deans and Directors of Research should consider and take into account the DD checks ahead of sign off and application approval.

2.2 In relation to the University the Research & Enterprise Services (Research Team and Post Award (Research) Team) will lead the policy and provide process guidelines as to its implementation and will be responsible for assessing its effectiveness annually.

2.3 A DD and Risk Management framework supports the assessment of a potential overseas partner's:

- legal status and governance arrangements;

- ability to deliver its part of the project;
- financial stability;
- and reputational risk to Leeds Beckett University in partnering with them.

2.4 This policy is effective from academic year 2018/19 and will be reviewed annually.

3. Principles

3.1 The process for DD should not delay project start up nor be seen as a deterrent to applicants and wherever possible should be the role of Research Pre and Post Award to undertake required checks, with the support and engagement of academic staff.

3.2 It is realised that overly onerous DD checks have the potential to damage existing or potential relationships with third parties. This policy therefore aims to both meet the obligations of the funders but also offer genuine risk management benefits to the University as it expands its research horizons.

3.3 In assessing the risk of a partner that falls within this policy, project-specific factors will also be considered to ensure a fair and appropriate risk level is assigned.

3.4 If an academic continues to partner with an overseas organisation, either as part of the same project or other projects, the DD checks will be repeated every 2 years unless:

- there are any issues or material changes with the overseas partner;
- or significant differences in the nature of research being undertaken with the overseas partner
- the DD assessment is deemed 'high risk', in which case we will repeat annually.

4. Process

4.1 The Research Team will work with the Principal Investigator (PI) to develop an application for research funding in accordance to the current pre-award support already offered. Where a DAC listed or international (excluding EU) partner is identified, the Research Team, working closely with the PI, will undertake the pre-award risk assessment (see Appendix A) to comply with DD.

4.2 To complete the pre-award risk assessment, the Research Team, in conversation with the PI, will send the collaborating institution the Pre Award DD Questionnaire and Declaration Statement (see Appendix B).

4.3 The pre-award risk assessment and completed Pre Award DD Questionnaire and signed Declaration Statement will be made available with the bid documents on the Research & Enterprise Management System (REMS). This will allow Deans and Directors of Research to assess the bid prior to submission and approve using the existing established workflow in REMS/Supportive Peer Review Process.

4.4 Upon notification of award, the DD process moves to the Post Award (Research) Team, where further checks are undertaken prior to entering into any agreement involving the

partner organisation. This will run alongside the process for negotiating and drafting of the collaboration agreement.

4.5 The Post Award team, working closely with the PI, will undertake the Post Award Risk Assessment (see Appendix C). To complete the Post Award Risk Assessment, the Post Award team, in conversation with the PI, will send the collaborating institution the Post Award DD Questionnaire and Declaration Statement (see Appendix D).

4.6 The Post award risk assessment and completed Post Award DD Questionnaire and signed Declaration Statement will be made available with the award documents on the Research & Enterprise Management System (REMS).

4.7 The Risk Assessment Table (see Appendix E) provides guidance on scoring the risk of each category in the pre and post award assessments and indicates the level of sign off required dependant on the overall risk score.

4.8 Sign off will be required at both pre- and post-award stage before a research funding application is submitted or research grant contract is agreed.

Glossary

DAC - Development Assistance Countries

DD - Due Diligence

GCRF - Global Challenges Research Fund

ODA - Overseas Development Assistance

RCUK - Research Councils UK

REMS - Research & Enterprise Management System

UKRI - United Kingdom Research and Innovation

Appendix

A - Pre-award risk assessment

B - Pre Award DD questionnaire including Declaration Statement

C - Post-award risk assessment

D - Post award DD questionnaire including Declaration Statement

E - Risk Assessment table

APPENDIX A - Pre Award risk assessment - risk scoring guidance

Category of evidence	Comments	Risk Score	How will any risk be mitigated?
Carry out an online search on the organisation, both their official website and for any news stories.	<i>Link to organisation website and any notable news stories</i>	<p><i>Score low for organisations with a detailed official website and positive news stories.</i></p> <p><i>Score high for organisations with a lack of detail on official website (or no official website) and negative news stories.</i></p>	<i>For medium and high scores investigate news stories further. If no official website, or lack of detail on website, ask organisation if any other external information available.</i>
Check the corruption index for the country the organisation is based in. https://www.transparency.org/news/feature/corruption_perceptions_index_2016	<i>Corruption index ranking</i>	<p><i>Score low (1) for organisations with a ranking between 100 - 70</i></p> <p><i>Score medium (2-3) for organisations with a ranking of 69 - 31</i></p> <p><i>Score high (4) for organisations with a ranking of 30 - 0</i></p>	<i>For medium and high scores ensure that all other risk scores are at an acceptable risk level.</i>
Type and size of the organisation	<i>Type and size of the organisation (number of employees, if applicable, and number of students, if applicable).</i>	<p><i>Score low for organisations that are the relevant type and of a size commensurate for carrying out the proposed arrangement (that they have the appropriate personnel resources).</i></p> <p><i>Score high for organisations that are not the relevant type and of a size that would</i></p>	<i>For medium and high scores ensure that all other risk scores are at an acceptable risk level.</i>

		<i>limit their capacity for carrying out the proposed arrangement.</i>	
Details of collaboration with other UK HEIs	<i>Using organisation response to pre-award Due Diligence questionnaire, list UK HEIs the organisation has collaborated with (and nature of the collaboration where applicable).</i>	<i>Score low for organisations with existing collaborations with other UK HEIs. Organisations should not be penalised (scored high) for having no existing or previous collaborations with other UK HEIs, however, consideration should be given to the strength of the relationship between the Leeds Beckett academic and the partner organisation, and additional contextual factors.</i>	<i>For medium and high scores ensure that all other risk scores are at an acceptable risk level.</i>
Legal status, including its capacity to enter into the proposed arrangement, the jurisdiction and any licence it operates under	<i>Using organisation response to pre-award Due Diligence questionnaire, add legal status of the organisation and any licence it operates under.</i>	<i>Score low for legal status that means the organisation will be fully able to enter into the proposed arrangement. Score high for legal status that means the organisation will not be able to enter into the proposed arrangement or may have limited capacity to do so.</i>	<i>For medium and high scores ensure that all other risk scores are at an acceptable risk level.</i>
Current, pending or threatened litigation	<i>Using organisation response to pre-award Due Diligence questionnaire and an online search, list any current, pending or threatened litigation.</i>	<i>Score low for no current, pending, or threatened litigation. Score high for current, pending or threatened litigation.</i>	<i>For medium and high scores ensure that all other risk scores are at an acceptable risk level.</i>

<p>Confirmation that organisation owns or has the right to use the venues and resources required for the partnership.</p>	<p><i>Using organisation response to pre-award Due Diligence questionnaire, add confirmation that organisation owns/has right to use venues and resources required for the partnership.</i></p>	<p><i>Score low where the organisation owns or has the right to use the venues and resources required for the partnership. Score high where the organisation does not have the right to use the venues and resources required for the partnership.</i></p>	<p><i>For medium and high scores ensure that all other risk scores are at an acceptable risk level.</i></p>
<p>Regulations relevant to collaboration specifically ethics, research integrity and misconduct.</p>	<p><i>Using organisation response to pre-award Due Diligence questionnaire, add links to ethics and research integrity and misconduct policies.</i></p>	<p><i>Score low where the organisation has regulations in place relevant to the collaboration. Score high where the organisation has no regulations in place relevant to the collaboration.</i></p>	<p><i>For medium and high scores, organisation should agree to abide by Leeds Beckett policies as appropriate.</i></p>

APPENDIX B - Leeds Beckett UK Overseas Due Diligence Questionnaire – Pre Award

This form is for the use of overseas organisations seeking to collaborate with Leeds Beckett on, and receive monies for, a research project. All applicants should complete, in English, the organisation details below, as well as the document checklist at the bottom of the form. All additional attachments should also be provided in English. Applicants should also provide the relevant approval through the appropriate authorising signature.

Name of Organisation
Postal Address
Head of Organisation
Name of Contact (if different from above): Telephone Number: E-mail:

Question	Response
1. Do you have any collaborations with other UK HEI's? If so, please confirm details	
2. What is the legal status of your organisation, including its capacity to enter into the proposed arrangement, the jurisdiction and any license it operates under?	
3. Does your organisation have any current, pending or threatened litigation? If so, please confirm details.	
4. Please confirm that your organisation owns or has the right to use the venues and resources required for the partnership.	
5. Do you have regulations in place relevant to the proposed collaboration, specifically ethics and research integrity and misconduct policies? If so, please send copies with this document or provide links to the documents on your organisation website.	

Declaration

All research grants are subject to the Research Councils' Terms and Conditions <http://www.rcuk.ac.uk/funding/grantstcs/>. If for any reason you cannot adhere to any of them, please state which and why below.

The information you have provided will be shared with other research organisations and funders, if for any reason you cannot comply with this, please give further details below.

On behalf of the research organisation I can confirm that we accept all Research Councils' Terms and Conditions with regards to Research Grants.	Yes	No
If no, please give further details here.		

Signed

Name and Position

Date

APPENDIX C - Post Award risk assessment - risk scoring guidance

Category of evidence	Comments	Risk Score	How will any risk be mitigated?
Confirmation that organisation is able to provide a safe working environment for University staff and students.			
Will UK legal agreements/contracts be enforceable in the country?			
Have you undertaken due diligence on you sub- contractors to assess their ability and suitability to undertake the work required?			

Policies

Please confirm that you have policies and procedures in place that cover the following, providing copies of the documents or links to a website where the information is hosted.

Policy/Procedure	Comments	Risk Score	How will any risk be mitigated?
e.g. Anti Bribery Policy	Partner organisation does not have a policy. Insufficient governance and controls may result in increased risk of bribery.		Partner organisation to agree to abide by the Leeds Beckett University anti-bribery policy for the purposes of this project
Risk Management			
Anti-fraud, corruption and bribery			
Whistleblowing			
Research Integrity			
Ethics			

Equality and Diversity			
Data Management			
Conflicts of Interest			

Financial

2. Confirmation that the below has been provided

Category of Evidence	Comments	Risk Score	How will any risk be mitigated?
Three years of audited accounts			
Current budget statement			
Sources of income			
Details of professional indemnity insurance cover			
Strategic Plan			
Mission Statement, Strategic Plan and Key Risk Register			
Confirmation of Solvency			

APPENDIX D - Leeds Beckett UK Overseas Due Diligence Questionnaire – Post Award

This form is for the use of overseas organisations seeking to collaborate with Leeds Beckett on, and receive monies for, a research project. All applicants should complete, in English, the organisation details below, as well as the document checklist at the bottom of the form. All additional attachments should also be provided in English. Applicants should also provide the relevant approval through the appropriate authorising signature.

Name of Organisation
Postal Address
Head of Organisation
Name of Contact (if different from above): Telephone Number: E-mail:

Question	Response
Confirmation that organisation is able to provide a safe working environment for University staff and students.	
Will UK legal agreements/contracts be enforceable in the country?	
Have you undertaken due diligence on your subcontractors to assess their ability and suitability to undertake the work required?	

Policies

Please confirm that you have policies and procedures in place that cover the following, providing copies of the documents or links to a website where the information is hosted.

Policy/Procedure	Website Link	Date Last Reviewed
Risk Management		
Anti-fraud, corruption and bribery		
Whistleblowing		
Research Integrity		
Ethics		
Equality and Diversity		

Data Management		
Conflicts of Interest		

Financial

Please confirm that you have the following and provide copies.

Category of Evidence	Comments/Included	Date Last Reviewed
Last three years of audited accounts		
Current budget statement		
Sources of income		
Details of professional indemnity insurance cover		
Strategic Plan		
Mission Statement and Key Risk Register		
Confirmation of Solvency		

Declaration

The information you have provided will be shared with other research organisations and funders. If for any reason you cannot comply with this, please give further details below.

<p>On behalf of the research organisation I/We can confirm the above information and all policies/documents provided are accurate and valid.</p> <p>I confirm I/We will notify of any updates and relevant changes.</p> <p>By signing this declaration we confirm that I/We accept all Research Councils' Terms and Conditions with regards to Research Grants.</p>	<p>Yes</p>	<p>No</p>
<p>Please give any other information or further details here.</p>		

Signed

Name and Position

Date

APPENDIX E - Risk Assessment Tables

Risk Level Descriptors	
Score	Risk Level
1	Low
2	Low to Medium
3	Medium to High
4	High

Pre Award

Overall Risk	Score	Designated sign off
Low Risk	8 - 15	Research Funding Advisors
Medium Risk	16 - 23	Director of Research/Dean of School
High Risk	24 - 32	Head of Research/Director of R&E

Post Award

Overall Risk	Score	Designated sign off
Low Risk	18 - 27	Post Award Team
Medium Risk	28 - 55	Director of Research/Dean of School
High Risk	56 - 72	Head of Research/Director of R&E

