

DUE DILIGENCE SCRUTINY AND PARTNER EVALUATION

Outline of the procedure	2
Underpinning principles	3
Responsibilities	4
The nominated coordinator	4
The Vice Principal (International)	4
Finance	6
The Clerk to Collaborative Provision Committee	6
Completing the CPC2	7
The outcome of the due diligence scrutiny	8
Partner Evaluation and Approval.....	9
Responsibilities	9
Ongoing Due Diligence	11

Outline of the procedure

1. The procedures set out below have been designed to meet the expectations of the UK Quality Code for Higher Education and to meet the common and core practices for standards and quality. They also take account of a number of guiding principles set out within the accompanying Advice and Guidance sections.
2. There are two parts to this stage of the approval process of new collaborative partners. Due diligence scrutiny on a proposed collaborative partner is undertaken by professional service staff to judge whether the proposed partner is an appropriate organisation for the University to be associated with.
3. The approval of the CPC1 by the Collaborative Provision Committee triggers the formal due diligence process. Following the completion of financial and reputational due diligence a partner evaluation visit will be undertaken by a member of staff independent of the parent School.
4. The Clerk to Collaborative Provision Committee will liaise with the nominated coordinator, the Vice Principal (International) and appropriate Finance staff to ensure that a full or partial due diligence scrutiny is completed for each proposal to offer provision in partnership with another organisation.
5. The Vice Principal (International) and appropriate Finance staff will endeavour to complete the combined financial and reputational due diligence scrutiny report within 14 working days of receipt of the necessary information. In cases where this target cannot be met the nominated coordinator will be informed at the earliest possible opportunity.
6. Where the proposed collaborative partner operates in a new country, or the proposed academic offering is something that may give rise to a different tax status, Finance will consider the need for external Tax Advice at this stage.
7. The Collaborative Provision Committee will receive the combined due diligence report and will either approve the proposal to proceed to a partner evaluation or ask for further information or clarification from the nominated coordinator.
8. A partner evaluation is undertaken on behalf of the Collaborative Provision Committee for all new, proposed collaborative partners, especially if the location of the partner is in a country where there is no Edinburgh Napier collaborative presence. The evaluation visit will be undertaken by a member of academic staff who is independent of the proposed programme and its parent School.



9. The Clerk to the Collaborative Provision Committee will liaise with the nominated co-ordinator and the member of staff undertaking the partner evaluation to ensure information is available to complete the partner evaluation exercise
10. The nominated co-ordinator will liaise with the member of staff undertaking the partner evaluation to arrange travel and accommodation
11. The nominated co-ordinator will advise the proposed partner of the partner evaluation visit and will send them details of the information required (ref [CPC7](#))
12. The member of staff undertaking the partner evaluation will visit the proposed partner and will complete a [CPC7](#) with a recommendation as to whether the proposal should proceed to approval.
13. The Collaborative Provision Committee will receive the partner evaluation report and, based on the report's recommendations and the information within the [CPC7](#), will either approve the proposal to proceed to academic approval or advise the nominated co-ordinator and parent school that it is not approved to proceed.

Underpinning principles

14. The scrutiny associated with completing due diligence and the resulting decisions are undertaken separately from decisions relating to the academic probity of the proposal.
15. A full due diligence scrutiny and a partner evaluation will be undertaken for all proposals involving an organisation which is not currently an approved partner of the University.
16. The due diligence process must be completed and approved by the Collaborative Provision Committee. Thereafter the Committee will decide if a partner evaluation visit is to take place prior to the proposal moving to programme approval.
17. The time taken to complete due diligence is controlled by the nominated coordinator and dependent on the Vice Principal (International) and the Head of Finance receiving comprehensive information on the proposed partner through the [CPC1](#).



Responsibilities

The nominated coordinator

18. The nominated coordinator is responsible for:

- Providing the partner with the Initial Due Diligence Checklist which provides Finance and International Operations with a lot of the information required to complete the due diligence assessment.
- Relaying any queries from the partner back to the Finance and International Operations representatives
 - a) where relevant, providing a plan of action and an implementation timescale which sets out clearly how any identified financial risk from the due diligence scrutiny will be managed and mitigated against to protect the University's reputation and standing. This can be achieved with support from both Finance and International Operations.
 - b) ensuring that any plan of action is signed by the Dean of School to verify that the school is willing to support the proposal and mitigate against all identified financial risk.

The Vice Principal (International)

19. The Vice Principal (International) or their nominee, in liaison with appropriate colleagues, is responsible for:

- a) undertaking a full reputational due diligence scrutiny and reporting to the Collaborative Provision Committee on:
 - legal and regulatory frameworks of the proposed country of delivery
 - higher education structures in the proposed country of delivery
 - the political, ethical and cultural context
 - the legal status of the proposed partner in its own country and its ability to enter into a legally binding agreement
 - the status of the proposed partner in the country where the proposal will be delivered (for example, private organisation, educational establishment, etc)
 - the reputation or academic standing of the proposed partner.



- b) undertaking a partial reputational due diligence scrutiny on proposals which relate to a new partner in a country in which the University is already delivering provision in partnership and reporting to the Collaborative Provision Committee on:
- the status of the proposed partner in the country where the proposal will be delivered (for example, private organisation, educational establishment, etc)
 - the reputation or academic standing of the proposed partner.
- c) undertaking a review of an existing full or partial reputational due diligence scrutiny relating to an approved partner which was completed five or more years previously and reporting to the Collaborative Provision Committee on:
- the status of the proposed partner in the country where the proposal will be delivered (for example, private organisation, educational establishment, etc)
 - the reputation or academic standing of the proposed partner.
- d) where necessary liaising closely with Governance Services on any legal matters arising from the reputational due diligence scrutiny or the proposal more generally
- e) endeavouring to complete the reputational due diligence scrutiny report within 14 working days of receipt of the necessary information
- f) informing the nominated coordinator of any delays in completing the reputational due diligence scrutiny report at the earliest possible opportunity
- g) retaining the outcome of each country-wide scrutiny undertaken as a means of informing future partnership working in that country which includes comment on:
- legal and regulatory frameworks
 - higher education structures
 - the political, ethical and cultural context.
- h) ensuring that country-wide information is monitored and reviewed to ensure that it remains accurate and complete
- i) reporting routinely significant changes to country-wide information to Collaborative Provision Committee as required.



Finance

20. The Head of Finance is responsible for:
- a) providing representation at Collaborative Provision Committee to monitor future proposals requiring financial due diligence scrutiny
 - b) receiving completed CPC1s to inform all proposals requiring financial due diligence scrutiny
 - c) nominating a business partner to undertake financial due diligence scrutiny on all proposed new partners including completing the CPC2 financial risk matrix
 - d) providing a narrative or interpretation of the financial due diligence scrutiny with a view to reporting to the Collaborative Provision Committee on:
 - the ownership and financing of the proposed partner
 - the financial stability of the proposed partner
 - the range of business links the proposed partner may have in the UK or internationally
 - A commentary on areas such as the University's existing financial exposure within the region
 - A reference to any perceived strategic risk that has been highlighted previously or found during the diligence exercise
 - highlight any potential taxation issue that may be relevant, including any financial or other consequences for staff undertaking any of the teaching
 - any identified risks to the University's reputation should the proposal be approved.

The Clerk to Collaborative Provision Committee

21. The Clerk to Collaborative Provision Committee is responsible for:
- a) liaising with the nominated coordinator, the Vice Principal (International) and the Head of Finance as appropriate to ensure that a full or partial reputational or financial due diligence scrutiny is completed for each proposal to offer provision in partnership with another organisation
 - b) ensuring that the Committee receives a completed CPC2 for each proposal to offer provision in partnership with another organisation
 - c) ensuring that the Committee receives a combined report from the Vice Principal (International) and the Head of Finance on the level of reputational risk to the University in relation to operating in the proposed country and in working with the proposed partner and a narrative or interpretation of the financial due diligence scrutiny respectively



- d) providing the collaborative approval panel with reputational and financial due diligence scrutiny reports as appropriate
- e) retaining completed CPC2s and reputational and financial due diligence scrutiny reports for future internal or external audit and review purposes
- f) circulating Collaborative Provision Committee meeting minutes to appropriate school support officers in each school.

Completing the CPC2

22. The [CPC2](#) is a due diligence financial risk matrix which has been designed to record the measures used by Finance when assessing a potential partner.
23. The CPC2 has two distinct parts, one to be completed by the nominated coordinator and the second by appropriate Finance staff.
24. The nominated coordinator completes the first section of the CPC2 to provide Finance with:
 - a) the full name and address of the proposed partner organisation – care should be taken to ensure that the name and address relate directly to the proposed legal Partner entity that will be entering into the Collaboration Agreement
 - b) proposed partner financial accounts for the three preceding years
 - c) the ownership and financing of the proposed partner
 - d) as much general background information on the proposed partner as is available.
25. Finance complete the second section of the CPC2 to provide Collaborative Provision Committee with:
 - a) a completed CPC2 financial risk matrix
 - b) a narrative or interpretation of the financial due diligence scrutiny reporting on:
 - the ownership and financing of the proposed partner
 - the financial stability of the proposed partner
 - the range of business links the proposed partner may have in the UK or internationally



- commentary on areas such as the University's existing financial exposure within the region
- reference to any perceived strategic risk that has been highlighted previously or found during the diligence
- highlight any potential taxation issue that may be relevant, including any financial or other consequences for staff undertaking any of the teaching
- any identified risks to the University's reputation should the proposal be approved.

The outcome of the due diligence scrutiny

26. The outcome of the full or partial reputational due diligence scrutiny will advise on the level of reputational risk to the University in relation to operating in the proposed country and in working with the proposed partner.
27. The outcome of the financial due diligence scrutiny will advise the level of financial risk as low, medium, or high.
28. Where an element of high reputational or financial risk has been identified the implication is that this is likely to affect adversely the University's reputation and standing. In such cases the nominated coordinator must provide a plan of action and an implementation timescale which sets out clearly how the identified risk will be managed and mitigated against to protect the University's reputation and standing protected. The plan must be signed off by the Dean of School to verify that the school is willing to support the proposal and mitigate against all identified financial risk.
29. Collaborative Provision Committee receives the combined report from the Vice Principal (International) and Finance.
30. In considering the reputational and financial due diligence scrutiny report the Committee will either:
 - a) approve the outcome of the reputational or financial due diligence scrutiny and authorise the proposal to proceed to the partner evaluation stage, or
 - b) ask for further information or clarification before taking a decision.
31. In cases where the Committee cannot support a proposal after receipt of due diligence scrutiny reports the Convenor will provide feedback to the Dean of School.



Partner Evaluation and Approval

The partner evaluation provides the Collaborative Provision Committee with an independent report on the suitability of the proposed partner as a collaborative partner of the University in relation to the proposed programme and further potential collaborative activities. The Clerk to the Collaborative Provision Committee is responsible for identifying and briefing the individual undertaking the partner evaluation visit. The nominated coordinator is responsible for all arrangements associated with the visit to the partner.

If the proposed partner is a publicly-funded UK higher education institution, subject to satisfactory review by the Quality Assurance Agency, a partner evaluation is unlikely to be required.

Responsibilities

The nominated coordinator

32. The nominated co-ordinator is responsible for

- Ensuring the member of staff undertaking the partner evaluation is given any additional information on the partner as requested;
- Informing the proposed partner that the University has requested a partner evaluation visit
- Ensuring all administrative arrangements relating to travel and accommodation are completed and for arranging for all financial costs associated with the partner evaluation visit to be met by the parent School

The Clerk to Collaborative Provision Committee

33. The Clerk to Collaborative Provision Committee is responsible for

- Advising the nominated co-ordinator that a partner evaluation visit is required and the information required from the proposed partner
- Identifying and briefing the member of staff undertaking the partner evaluation
- Providing the member of staff with the CPC1 and the reputational and financial due diligence reports
- Receiving the completed partner evaluation report from the member of staff undertaking the evaluation and submitting it to the Collaborative Provision Committee



- Retaining completed partner evaluation reports (the CPC7) electronically for internal and external audit or review activities

The member of staff undertaking the partner evaluation (the reporter)

34. The member of staff undertaking the partner evaluation is responsible for
- Ensuring s/he has all relevant background information required to inform the visit to the proposed partner
 - Completing a partner evaluation report (using the CPC7 template) and making a recommendation on the suitability of the proposed partner for submission to Collaborative Provision Committee

Completing the CPC7

33. The CPC7 is both a template for the partner evaluation report and a prompt list for the information that should be sought to complete the report. Some of the information will have already been sourced to complete the CPC1 and the reputational due diligence reports and these will be made available to the member of staff completing the partner evaluation.

The outcome of the partner evaluation visit

34. The partner evaluation report will be received and considered by Collaborative Provision Committee. Based on the contents of the report the Committee will make a final decision on the suitability of the proposed partner.
35. Where the Panel recommend the proposed partner as suitable the Committee approves the report and agrees the proposal can move to formal approval
36. Where the Panel has reservations about the suitability of the partner the Committee will decide if any of the concerns can be successfully resolved and will agree a time frame in which these concerns should be addressed by the nominated co-ordinator and proposed partner if the proposal is to move towards approval, or;
37. Agree the concerns cannot be addressed and the proposal cannot be supported.
38. In cases where the Committee cannot support a proposal after receipt of the partner evaluation report the Convenor will provide feedback to the Dean of School.



Ongoing Due Diligence

39. There will be ongoing due diligence of collaborative partners undertaken annually using the Partner Information checklist. Partners will be sent the checklist in June each year and asked to complete and return by August, highlighting any changes to their circumstances eg in terms of finance, governance or policies.
40. The responses of all partners will be submitted to the International Projects Manager and Finance Business Partner by the start of September, and will be summarised in an Ongoing Due Diligence Summary, along with national-level information, prepared by for submission to the October CPC meeting. Using the ongoing due diligence template partners will be graded as green, (no changes), amber (changes that are unlikely to impact on provision) and red (changes likely to impact on provision). Any countries which have experienced significant social, political or economic changes in the preceding year will also be listed as amber or red as appropriate. CPC will be advised to consider 'amber' and 'red' partners and countries, and approve continuation or request further investigation, as appropriate to enable a decision to be made on the relationship with partners.

Responsibilities

41. The TNE and Global Online Operations Manager is responsible for:
 - Circulating the partner information checklist to partners and advising them of submission dates for completed checklists
 - Forwarding partner responses to the Finance Business Partner and advising of any nil responses by September each year
42. The International Projects Manager is responsible for:
 - Preparing information on any national level changes and identifying if these are amber or red for addition to the ongoing due diligence summary
 - Preparing the annual ongoing reputational due diligence summary based on the information received from partners
43. The Finance Business Partner is responsible for:
 - Preparing the annual ongoing financial due diligence summary based on the information received from partners and the International Projects Manager
 - Retaining the completed annual partner information checklists and ongoing due diligence summaries for future audit purposes



44. CPC is responsible for:

- Considering and approving the annual ongoing due diligence summary at the October meeting
- Approving the continuation of partnerships which have been identified as amber or red or requesting further information to enable a decision to be made

