



University of the
Highlands and Islands
Oilthigh na Gàidhealtachd
agus nan Eilean

Due Diligence Policy and Process: for funded research projects which include overseas partners.

Policy agreed at UHI Partnership Council Nov 2018

1. Background and Context

The purpose of this policy is to ensure that an appropriate and proportionate approach is taken to due diligence for funded research projects, primarily those which involve an overseas element. The policy is separate from but related to the University's research ethics policies and arrangements.

It is particularly important that a thorough approach is taken to due diligence for projects deemed to be at high risk, and it is acknowledged that this work will be necessarily time consuming.

Within the UK context, funding organisations, especially UKRI, are beginning to audit universities on their processes around due diligence pertaining to funded research projects. This is especially the case when organisations from DAC (Development Assistance Committee) list countries are involved in projects. In this respect, funds which are badged as GCRF (Global Challenges Research Fund) or ODA (Official Development Assistance) have increasing requirements about information required to complete due diligence on partner organisations which are required to be evidenced to the funder.

2. Alignment with UKRI Due Diligence Guidelines

This policy aligns with, and utilises the UKRI due diligence guidelines. It is expected that PIs will ensure compliance with the UKRI due diligence guidelines in conjunction with this policy and procedure.

As such this policy and process should be read alongside the UKRI guidelines.

This policy and process applies to all research projects contracted to the University (including those undertaken for the University by academic partners) which include overseas partners. For projects contracted to individual academic partners, it is recommended that the policy is adopted by those partners, or that a similar policy is created.

3. The Process

3.1 PIs should assess the level of risk of a project by considering the level of funding and the global corruption index. A small project in a country which is deemed to be less corrupt is clearly less risky than a large project in a country which is deemed to be more corrupt. Level of risk and process to be followed

is determined by assessing the corruption index score of the country the partner is based in and the level of funding for the project partners. Projects indicating a higher risk will require a more comprehensive approach to due diligence, so that the University is satisfied that it is managing risk appropriately.

The first step is to establish the corruption index score for the country that the partner is based in. There after the due diligence process to be followed is shown in figure 1. Note that the University will not normally support research projects being undertaken in countries where the corruption index score is 28 or less. If, exceptionally, a PI wishes to conduct research in a country with a corruption index score of 28 or less, then a case should be made in writing for approval by the Vice Principal Research and Impact and the Deputy Principal)

3.2 Once the PI has considered the risk level, then this should be confirmed and recorded in discussion with the PI's line manager.

3.3 Low Risk: No further action is required.

3.4 Medium risk: As a general guideline, projects with partners assessed as Medium risk (see figure 1), then the PI should follow the guidance at step 1 of the UKRI guidelines for each partner and ensure that a record of activity/overview of evidence is undertaken as part of due diligence is retained and submitted to UHI Grants and Contracts. It is for the PI in discussion with their line manager to confirm one of three outcomes:

- Due diligence checks provide sufficient assurance that there is an acceptable level of risk to the University should the project proceed;
- Due diligence checks provide broadly sufficient assurance that there is an acceptable level of risk to the University for the project to proceed, but it is recommended that further information is provided to minimise risk further. This could include progressing due diligence checks in line with step 2 of the UKRI guidelines;
- Due diligence checks do not provide sufficient assurance that there is an acceptable level of risk to the University and the project should not proceed.

If the line manager is unsure of which outcome to assign, the decision should be escalated to the Vice Principal Research and Impact.

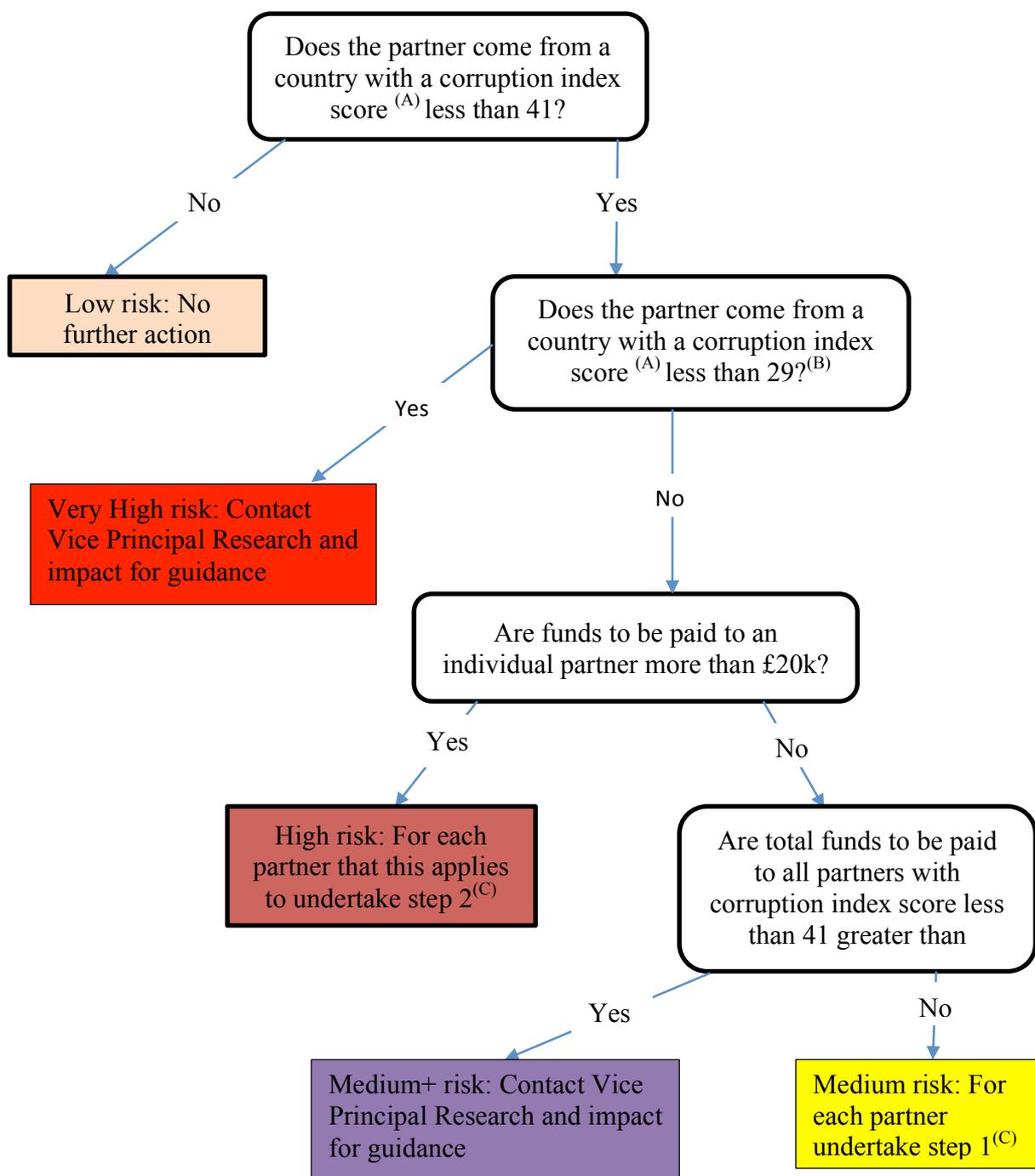
3.5 Medium + risk: Contact the Vice Principal Research and Impact for guidance.

3.6 High risk: As a general guideline, the information as outlined in step 2 of the UKRI guidelines should be collected. This includes both a response to the questionnaire and documentation. It is the responsibility of the PI to liaise with the overseas organisation in order to request completion of the questionnaire and collection of information and evidence.

- 3.6.1 Once collected the PI should submit all documentation and evidence to the UHI Grants and Contracts office.
- 3.6.2 The UHI Grants and Contracts office will then arrange for the information and evidence to be assessed. Normally this assessment would be undertaken by an external and impartial expert selected by the Vice Principal Research and Impact. The assessment would include a recommendation as to whether the due diligence provides sufficient confidence that the project should proceed.
- 3.6.3 The recommendation arising from the due diligence assessment will be considered by a small group, Chaired by the Vice-Principal for Research and Impact, the Deputy Principal and an Academic Partner Principal. The group will take a decision based on the available evidence as to whether or not the project should proceed. There are three outcomes:
- Due diligence checks provide sufficient assurance that there is an acceptable level of risk to the University should the project proceed;
 - Due diligence checks provide broadly sufficient assurance that there is an acceptable level of risk to the University for the project to proceed, but it is recommended that further information is provided to minimise risk further;
 - Due diligence checks do not provide sufficient assurance that there is an acceptable level of risk to the University and the project should not proceed.
- 3.7 It should be noted that due diligence approval is separate from, and additional to, other approvals related to research ethics and financial arrangements.
- 3.8 The University takes cognisance of step 3 of the UKRI guidelines and has financial procedures in place to ensure full compliance with this, especially in regard to the controlled release of funding.

Figure 1 (next page) - Due diligence decision flow chart

Figure 1: Due diligence decision flow chart



- a) Country corruption index score available at this website: <https://www.transparency.org/> (Select corruption perception index to obtain latest data)
- b) The University will not normally support research projects being undertaken in countries where the corruption index is 28 or less.
- c) Step numbers 1 and 2 refer to steps in UKRI due diligence guidelines