

Responsible partnerships - understanding due diligence

Session 5

Thursday 4.5.2023 at 10.30-11.30

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Session content

This session will cover:

- Key terminology around responsible partnerships and due diligence
- Types of academic partnerships
- Definition of responsible partnerships
- What is due diligence and why it is important
- Examples of due diligence and risk assessment processes and models
- Insights and case studies from South-East Asia

The objective of the session is to:

- Bring together individuals who are interested in the development and implementation of due diligence processes
- Share good practice and tools
- Establish an informal working group and continue development of models and practices collaboratively after the event.

Key terminology

Code of Conduct

*Tapa toimia,
periaatteet ja
pelisäännöt,
eettinen ohjeisto*

Ethical principles

*Eettiset
periaatteet*

Research integrity

*Hyvä tieteellinen
käytäntö*

See e.g. Finnish
National Board on
Research Integrity
TENK

University strategy and
Code of Conduct.
Reflect values, “doing the
right thing”.

(Legal) compliance

*Määräysten
mukaisuus,
ohjeidenmukaisuus*

Defined by laws, regulations and rules.
Mandatory adherence.
E.g. Export control and sanctions compliance
(*vientivalvonta ja pakotteiden noudattaminen*).

Due diligence

*Asianmukainen
huolellisuus*

A process to check that partnerships
comply to laws and regulations, align
with our values and strategy, and do not
put our reputation at risk.

**Aim: To identify potential opportunities
and risks early in the process. To
enhance responsible partnerships.**

What are responsible
partnerships?

Responsible partnerships is about...

- Values
- Ethical principles (research ethics and integrity; power dynamics)
- Compliance
 - Compliance with laws and regulations, e.g. export control and sanctions
- Global responsibility and sustainability (e.g. links to SDGs)
- Equity, diversity and inclusion
- Assessing the opportunities and challenges related to international collaboration
 - Shared interest? Win-win for all?
 - Balance between competition and cooperation
- Being aware of barriers and risks, and having an ability to mitigate them
- Dealing with unintended consequences, negative or positive
- No one size fits all - differences will always be there

Academic partnership types



Collaboration intent (MoU),
general collaboration



Student exchange, mobility



Joint/double degree programmes



Teaching collaboration



Education export



Network partnerships



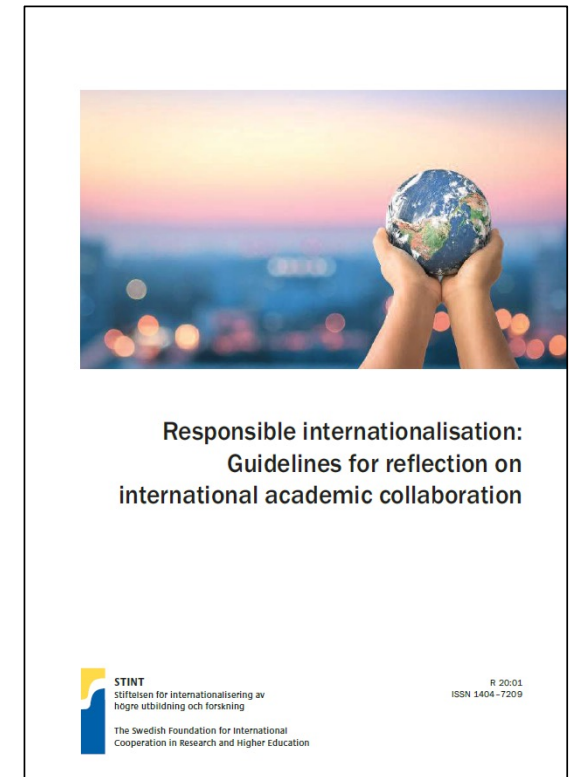
Project partnerships



Research collaboration/projects

Assessing international collaboration

- Why and how does the collaboration take place?
 - Identify benefits and expected impact
 - Ensure transparent collaboration forms
 - Seek legal advice when necessary
 - Ensure balance in collaboration
- Analysing the relationship: Who is collaborating?
 - Which institutions, which levels? Is a formal agreement needed?
- Political, social, cultural context of the partner country
- Legal context
- Institutional autonomy
 - Legal status of the partner university
- Ethical aspects
 - Avoiding violation of accepted ethical standards



Shih, T., Gaunt, A. & Östlund, S. (2020). *Responsible internationalisation: Guidelines for reflection on international academic collaboration*. Stockholm: STINT, 2020.

What is due diligence and
why it is important?

What is due diligence?

- identifying, evaluating and verifying all available information on a new partnership opportunity (or a major change in a current one)
- tool to assess risk
- setting out the rationale for the partnership
- exploring the operational detail
- building and sharing a business case with the appropriate decision-making bodies to gain approval

Why is due diligence needed?

To:

- ensure the suitability of the partner and activity
- evaluate the viability of the proposal
- assess the likely financial and other impact
- test the business against institutional and international strategies
- assess and control the risk in order to protect the university (and people) against financial, reputational, ethical and security risks

Examples of partner selection and risk assessment tools

Partner Selection – generic key considerations 1/2

Partner Selection - Key Considerations		Evidenced considered:	
Geographical Relevance	Key national market with scope for significant:	Business engagement	UKTI; local/government/embassy links; external agencies; FCO; research councils/funding agencies
		International student recruitment	Market plans; external market intelligence e.g. BC country briefs; local/government/embassy links
		Mobility opportunities (student/staff)	Market plans; external market intelligence e.g. BC country briefs; local/government/embassy links
		Access to research/KT funding	Research councils/funding agencies; UKTI; local/government/embassy links; external agencies; FCO
	Scope for city-to-city engagement and support		
Ease of access and attractiveness of location			
Geopolitics: travel restrictions, sanctions, export control		Foreign and Commonwealth Office and Control Risk advice, Treasury	
Stability & Financial Health	An acceptable level of financial stability (Moody)	1-3	
	An acceptable level of political stability (World Bank)	-1 to +1	
	An acceptable level of governance of bribery and corruption (World Bank)	-1 to +1	
	Ability to contribute to a sustainable, long-term co-operation.	<p>What size is the partner institution and do they have significant resources?</p> <p>For example:</p> <ul style="list-style-type: none"> • are they well-resourced, multi-disciplinary institution? e.g. a public/private university; non/for profit? • a well-resourced, niche institution with small student numbers? e.g. a music college/ conservatoire or art college? • Something in between? 	

Partner Selection – generic key considerations 2/2

Partner Selection - Key Considerations		Evidenced considered:	
Status & Reputation	National/International Credibility and Profile	International rankings; National/Regional league tables, reputational checks (media).	
	Legal status		
	Recognition by the National Ministry of Education or equivalent		
	Accreditations/Professional Recognition (where appropriate)		
	Leverage potential with other partners (commercial, government, academic)	Details of the status and effectiveness of any current or previous relationships with other UK or international institutions.	
Academic standards and quality assurance framework	Outline of partner institution's internal quality assurance systems, committees and key roles, including its processes for monitoring and review of programmes; use of student feedback; oversight by QAA-equivalent body (if non-UK)		
Mission & Commitment	Institutional willingness and commitment to invest for the long-term	Leadership/ Operational level	Strategic plan (or equivalent); any future developments if known; confirmation emails from senior management or relevant staff.
	Academic fit and strategic alignment	Comparable and/or complimentary research and teaching strengths	Comparable Education, Research and Internationalisation strategies.
	Commitment to academic freedom		Mission statement; Country and Institutional statement on the political, ethical and cultural context including cultural assumptions about HE research and learning. Code of Conduct, ethical principles, data protection etc.
	Commitment to student experience		Statement on available student support services including arrangements for recognising and enabling the needs of disabled students; institutional policy on student complaints; employability, careers information; Equality/Disability policies; H&S policies and practices.
	Sufficient use of English as a language of instruction and provision of English language training/support.		

Examples of specific financial, legal and commercial considerations

Financial	Legal	Commercial
Bank details and audited accounts from last 3 yrs (incl cash flow)	Details of any pending or previous investigation or inquiry by a governmental or official body, litigation or prosecution	Details of all Freedom of Information Act/Data Protection, Conflict of interest policies
Confirmation of the solvency of the organisation (incl details of loans, debts, mortgages, liabilities)	Details of all insurance arrangements relating to the proposed partnership (e.g. liability)	Details of anti-corruption/anti bribery/anti fraud policies
A copy of the financial control policy of the organisation	Confirmation that organisation owns all intellectual property rights of its staff and students	Details of any collaborations with third parties, affiliations, which the organisations is currently involved with and if any collaborations have recently terminated, an explanation of the reasons for such termination
Details of any exchange control or currency rules affecting payments into or out of the country where your organisation is based	Constitutional documents for the organisation including evidence that the organisation has the power to enter into the proposed partnership	Confirmation that the organisation owns all its own real estate
Tax status of the organisation		Details of governance structure

Score: 0 - low/negative, 5-high/postive

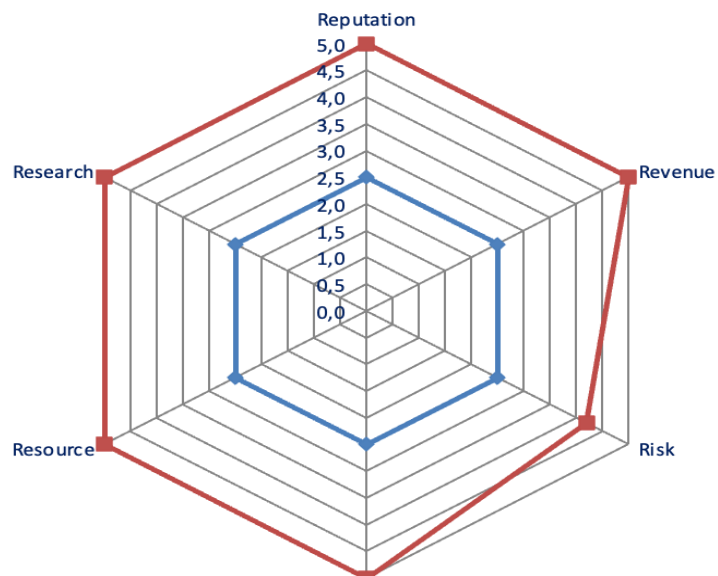
Measure	Narrative	Score
Reputation	Measurement of association benefits linked to partner institution's positioning, portfolio, status and ranking	5,0
Revenue	Measurement of fiscal or monetary benefits, both direct and indirect. The de-minus contribution is £50k pa per School (£50k pa = 2.5)	5,0
Risk*	The extent to which a partnership exposes the institution to some combination of political, security, financial and legal risk	4,2
Reach	The extent to which a partnership either reinforces market presence or takes the institution into (new) target markets or territory	5,0
Resource	Encouraging measurement of resource demands and/or the extent to which the partnership provides access to complementary resources	5,0
Research	The extent to which a partnership delivers research benefits or provides a platform for research links and knowledge exchange	5,0

Risk* Using the drop down menus, assess risk using the following measures

Financial Stability of Country	Moody's rate A	5
Political Stability of Country	World Bank Rated >1.0	3
Governance of Bribery and Corruption	World Bank Rated >1.0	3
Foreign Office Travel Advice	No restrictive advice	5
Collaborative Categories	Category I: Erasmus Partnership	5
Consolidated risk score		4,2

Note: all measures should score outside of the xx de minimus

Partnership Agreement Risk Visualisation Tool



Academic approval risk indicators – 3 examples

(1=low risk – 5= high risk)

A. THE CONTEXT

Language of Instruction	
UK or English first language	1
UK based, English second language	2
European based, English second language	4
Overseas (other than Europe), English second language	5

Educational Culture	
UK	1
Commonwealth	2
European	4
Other	5

Safety of Host Country (to FCO Travel Advice). Subject to continual monitoring.	
No advice issued against travel in Host Country	1
Advice issued against travel near region in which proposed partner is based	2
Advice issued against travel in region in which proposed partner is based	4
Advice issued against all travel in Host Country/Region	5

Host Country's Political and Social Climate (1) (with reference to Corruption Perception Index: https://www.transparency.org/en/cpi/2022)	
CPI 75-100	1
CPI 50-74	2
CPI 25-49	4
CPI 0-24	5

B. THE PROPOSED PARTNER AND PROGRAMME

Status	
Large HEI (public or private, govt. approved/supported)	1
Publicly funded FE College	2
Small private college/organisation	4
Non-educational institution	5

Resources	
Well-resourced <i>large</i> institution	1
Well-resourced <i>small</i> institution	3
Limited	5

Prior experience of collaboration with UK (or other) HEIs	
At this level	1
At lower level	3
None	5

HE 'ambience' for our students	
N/A as not sending students to partner	1
Many programmes/students at this level	2
Some programmes/students at this level	4
No other programmes/students at this level	5

For Profit	
No	3
Yes	5

Collaborative 'history'	
N/A as only exchange is proposed	1
Established collaborative programme	2
Established on campus only	4
New programme	5

Credit level	
Level 0	1
Level 1, 2	2
Level 3, M	4
PGR	5

D. DELIVERY MODEL

Student Learning Experience	
Partner as administrative support centre (<i>i.e. local centre only provides premises, IT facilities, etc.</i>)	1
Partner as learner support centre ('supported collaboration' - learner materials and/or local tutoring based on materials and task defined by xx)	3
Partner as Teaching Centre ('delegated collaboration' - all or most teaching and tutoring delegated to partner)	5

Control of Outcome Standards (in addition to external examiner scrutiny)	
Most assessment set and marked (or second marked) by xx	1
Assessment shared	3
Most assessment delegated to partner	5

TOTAL =	
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Overall Risk Scores
 < 27 = Low
 28 – 42 = Medium
 43 – 56 = High
 57 – 70 = Very High

NOTES:

- The overall total score of any proposal will lie between 7 (min) and 30 (max), with a 'rule of thumb' range of <15 regarded as 'low risk'; 16-21 as 'medium risk'; and 22-30 as 'high risk'.
- The 'delivery model' is regarded as a particularly significant factor in the assessment of risk, so particular attention is paid to this section
- Other checks/factors to consider:
 - views of any local accreditation agency and/or British Council
 - any local legislation about collaboration
 - general 'fit' with University collaborative strategy
 - existing or potential geographical 'node'
 - existing or potential multi-disciplinary partner
 - any internal university issues (e.g. re-structuring)
 - host Department's track record on quality
 - other latent benefits, (research/consultancy opportunities, staff development, curriculum development, contribution to community need etc.)

Risk heading	Risk level	Risk levels			
	1-4	Level 1	Level 2	Level 3	Level 4
Partner location		UK	Europe	Rest of world	Country with political instability, human rights issues, economic instability
Type of partner		Public HEI UG and PG	Public HEI PG only	Private HEI	Private or public non-HE institution
Language of delivery and assessment		Delivery in English language and English is the first language	Delivery in English language and English is the second language	Delivery is in a combination of English and another language and English is the second language	Delivery is entirely in a language other than English and English is the second language
Partner's educational context		UK HE	European or North American HE	Other developed HE	Developing HE system
Partner's experience of delivering HE		Long established provider of HE at all levels	Established provider of HE at UG or PG level only	Has only been a HE provider for a short period of time	Never delivered HE before
Partner's experience of collaboration		Multiple, long standing collaborations with other UK and international HEIs	Existing collaborations with international HEIs	Existing collaborations with international HEIs but not at the level of award being proposed	No experience of collaborations
Delivery sites		The course is delivered entirely at one delivery site	The course is delivered across two delivery sites	The course is delivered at multiple delivery sites by the same members of staff	The same course is delivered at multiple delivery sites by different staff
Course details		Existing xx course	New course designed by xx	New course jointly designed by xx and the partner institution	Course designed wholly by the partner
Delivery		Course delivered entirely by xx	50% or more of the course is delivered by xx	Less than 50% of the course is delivered by xx	Course delivered entirely by the partner
Assessment		Course assessed entirely by xx	50% or more of the course is assessed by xx	Less than 50% of the course is assessed by xx	Course assessed entirely by the partner
Quality Assurance or PSRB accreditations		QAA or equivalent reviewed, international accreditation or PSRB accreditation	QAA or equivalent reviewed, national accreditation or PSRB accreditation	Quality reviewed but no accreditations	Not quality reviewed and no accreditations

Risk assessment and risk management plan (example)

CATEGORY/RISK	DESCRIPTION	MITIGATION PLAN	PRIORITY	RESPONSIBLE
Reputation and values				
The collaboration becomes a reputation risk				
Institutional autonomy and academic freedom are threatened				
Societal and cultural risks				
Partnership				
Undefined/unclear goal of the partnership				
Changes in university leadership and policies				
Partnership management and administrative risks				
Internal collaboration and decision-making				
Quality assurance				
Contractual risks				
Exit strategy/exit criteria				
People				
Key person risks				
Communication				
Knowledge sharing				
Staff				
Students				
Economic risks				
Changes in regulation in country X				
Changes in regulation in Finland				
Economic management				
Country risks				
Geographical, geopolitical, security risks				
Environmental and health risks				
Local legislation and regulations				

Exit/teach out strategies – key considerations for terminating collaborative education partnerships

Need to consider potential risks and suitable contingency plans for example for:

- **Operational risks:** lack of communication; loss of key staff/high staff turnover (training, replacements); financial impact; breach of contract (emergency planning, payment plans, debt write offs); ownership of data/IT systems; impact on student recruitment/admission; brand impact
- **Quality management:** decline in quality of teaching and assessment (monitoring mechanisms), changing academic regulations to find a new partner, changing legal framework
- **Student progression and achievement:** impact on student experience, student communications, complaints, identifying at risk students, transfer options, interim awards

Summary by partnership type (not exhaustive list)

Type of partnership	Shared basic checks	Specific considerations
MoU	Geographical relevance Stability & financial health (country level) Status & reputation Strategic fit & commitment	n/a
Collaborative degrees (joint/dual/double, TNE)		Academic standards and quality, degree recognition/accreditation, student experience (see below)
Student exchange		Reciprocity, academic suitability, cost of living, accommodation, equality and disability policies, health & safety policies, insurance & liability policies
Income generating activity (e.g. education export)		Financial, legal, commercial wellbeing
Research		IP, ethics and safeguarding, research misconduct, contract and grant management, import/export controls, academic freedom

Country/region specific case study (TFK)

South East Asia – Anna Korpi, Counsellor Education and Science,
TFK Expert

Next steps

Next steps

- Bring together individuals who are interested in the development and implementation of due diligence processes
- If you or your colleague(s) are interested in being part of an informal working/peer support group in Teams, please sign up here <https://link.webropol.com/s/duediligencegroup>
- The main aim is to:
 - Provide a channel for communication and peer advice (NB. There will be no formal monitoring of comms)
 - Share best practices and tools
 - Continue development of due diligence models and processes collaboratively after the event.

Reading material

Reading material

- [Shih, T., Gaunt, A. & Östlund, S. \(2020\). Responsible internationalisation: Guidelines for reflection on international academic collaboration. Stockholm: STINT, 2020.](#)
- European Commission, Directorate-General for Research and Innovation, *Tackling R&I foreign interference : staff working document*, Publications Office of the European Union, 2022, <https://data.europa.eu/doi/10.2777/513746>
- [Responsible conduct of research and procedures for handling allegations of misconduct in Finland. Guidelines of the Finnish Advisory Board on Research Integrity 2012 \(PDF\)](#)
- <https://www.npsa.gov.uk/trusted-research-academia>
- <https://www.gov.uk/government/collections/overseas-business-risk>
- <https://arma.ac.uk/first-output-from-the-consolidated-approach-to-assurance-and-due-diligence-project/>

Questions, comments?

Thank You!