

## **DUE DILIGENCE AND RELATIONSHIP REVIEW POLICY**

### **1. INTRODUCTION AND PURPOSE**

All relationships with third parties entered into by The Royal Veterinary College (the College) should be subject to prior and continuing consideration at the appropriate level to check that they support the College's mission and strategic aims, and are consistent with the overall objectives of the College.

Linked to the above, the [National Concordat on Openness on Animal Research](#) (May 2014) [the Universities UK Research Integrity Concordat \(July 2012\)](#), the UK Research Integrity Office's [Code of Practice for Research](#) (September 2009) the College's [Risk Management Policy](#) (June 2016) and [Sponsorship and Corporate Relationships Policy](#) (October 2018) makes it clear that, in order to mitigate the risk of ethical issues causing damage to the College's reputation, ability to secure funding and capacity to develop beneficial relationships in the future, the whole of the College community, including its staff, students, governors and associates, should consider the ethical aspects of relationships and manage such issues appropriately.

This policy is not intended to replace the current approval mechanisms and delegated authorities in place across the College and its academic and administrative departments. It is intended:

- (a) to remind all staff and other members of the College community of the need to carefully consider the relationships they form, and to be alert to ethical issues in connection with proposed and continuing relationships;
- (b) to highlight the mechanisms under which staff and other members of the College community should raise any ethical concerns; and
- (c) to explain how the ethical review process dovetails with the existing College review processes in certain areas.

### **2. COLLEGE MISSION AND VISION**

The mission of the College is to provide inspirational leadership and excellence in veterinary science through innovative scholarship and pioneering clinical activity.

### **3. SCOPE AND DEFINITIONS**

The scope of this policy includes all relationships with third parties entered into by, or in connection with the College, with particular focus on:

- Academic collaborations that involve teaching
- Commercial partnering
- Receipt of philanthropic income and other gifts
- Receipt of research funding and related relationship agreements
- Receipt of other income
- Procurement and supplier relationships

#### **4. GUIDELINES FOR REVIEWING ALL RELATIONSHIPS**

In considering any relationship, the following guidelines apply irrespective of income source or type of relationship.

Relationships should:

1. Support the College's mission and strategic aims
2. Be consistent with the overall objectives of the College

Relationships should not:

1. Compromise the College's status as an independent institution
2. Create material conflicts of interest
3. Arise, in whole or in part, from illegal activity that might include:
  - Tax evasion
  - Fraud
  - Bribery
  - Violation of international conventions on human rights or the environment
  - Violation of any applicable UK sanctions laws and, in some limited circumstances (as more particularly described in section 5), relevant US sanctions laws
4. Lead the College to contravene data protection and/or freedom of information legislation
5. Require the College to be involved in action that is illegal
6. Require the College to compromise its research integrity by (for example) suppressing or falsifying academic research findings

7. Require the College to deviate from its normal hiring, promotion, procurement and contracting procedures<sup>1</sup>
8. Require the College to provide special or discriminatory consideration for admission to its programmes of study, or in relation to its employees in contravention of the Equality Act 2010 and any other applicable legislation

Judgement is required to check that the College's interests are maintained when reviewing a relationship if it has the potential to:

1. Restrict academic freedom
2. Deter others from supporting or working with the College
3. Cause any other damage, including financial or reputational, to the College
4. Expose the College to potentially significant liability

Relationships where the sources of income or funding are difficult to establish require special scrutiny, such as crowd funding or any form of fundraising generated through social media.

## 5. PROCESSES FOR REVIEWING RELATIONSHIPS AND ESCALATING ETHICAL CONCERNS

The College has in place policies, procedures and regulations which set out the scope of authorities delegated to its staff. Individual members of the College community must abide by these policies, procedures and regulations when forming relationships with third parties.

Individual members of the College community also retain responsibility for considering ethical issues relevant to their work and escalating matters where appropriate in accordance with the processes set out below, and any specific processes applicable to the particular work area or relationship.

Any ethical review must include a check of any proposed third party with whom the College is considering forming a relationship (including any person who controls that third party) against the list of financial sanctions regimes currently in force in the UK (the so called '*Consolidated List of Targets*' which can currently be found on the [UK Government's website](http://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets) at [www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets](http://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets)), as well as against any other UK sanctions lists that may apply from time to time.

<sup>1</sup> For example, the provision of funds to the College for research or other purposes should not cause the College to deviate from such procedures without specific clearance under the escalation processes set out in section 5.

In addition, where a proposed relationship with a third party is:

- other than in relation to recruiting students, receiving fees from students, clinical activities, recruiting academics or research activities; and
- not otherwise within the ordinary course of the College's business, or the reviewer is not able to determine if the proposed relationship is within the ordinary course of the College's business.

Any ethical review must include a check of the proposed third party as well as of any persons that beneficially own, control or direct the third party against: (1) the Specially Designated Nationals and Blocked Persons List (SDN List) published by the (US) Office of Foreign Assets Control (OFAC); (2) the OFAC Consolidated Sanctions List; and (3) other US economic sanctions lists that may be published from time to time by the US government (all of which can currently be found on the [US government's website](http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx) at [www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx](http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx)).

The following sections set out specific requirements that apply to particular relationships. In the event that a member of the College community is not clear which procedure applies in the relevant circumstances, they should seek guidance from their Head of Department or equivalent, who may seek further guidance as required. Where a relationship does not fall within a particular section below, members of the College community should, having considered the matter in accordance with the guidelines above, escalate any ethical concerns in accordance with section 6 below.

The majority of ethical review will occur when forming new relationships or extending existing relationships. However, members of the College community should also be aware of ethical concerns arising while relationships are on-going and escalate these concerns following the escalation processes set out below.

#### **A. Academic Collaborations**

"Academic Collaboration" also known as Collaborative Provision means a formal relationship of an academic nature entered into with third parties such as joint degree programmes, memoranda of understanding, joint institutes or centres and such similar relationships as are typically considered by the College's Course Proposal and Development Group (CPDG) in line with the government's UK Standing Committee for Quality Assessment Code. Academic Collaboration can also include progression agreements, incoming study abroad and capacity building partnerships.

Collaborative or consortia research<sup>2</sup> grants are excluded from the definition and are considered through the research review process set out at section E below. Grants and other income which does not fall within the definition of Academic Collaboration and are not classified by Research England as research grants/research income are considered by the Research Office in accordance with section F below.

<sup>2</sup> [Research" is to be defined in accordance with HESA's definition of research](#)

For broader forms of academic collaboration such as co-authored papers, if ethical issues are identified these should follow the process for raising matters of general ethical concern set out at section 6 below. Such matters are not treated as Academic Collaborations for the purposes of this policy.

The College has in place policies and procedures for certain collaborative arrangements and placements which lay out the approval and associated due diligence processes for establishing new Academic Collaborations.<sup>3</sup> Staff are required to inform the CPDG of proposed Academic Collaborations, to enable these processes and procedures to operate effectively.

If during the design and/or negotiation of a new Academic Collaboration, an ethical or other concern is identified in light of the guidelines for reviewing relationships, this concern should be escalated to the Chair of the Animal Welfare Ethical Review Board (AWERB), for animal welfare related issues who will review the concern and provide guidance in addition to the relevant Vice Principal for that academic activity. Matters that cannot then be resolved through the usual procedures for such Academic Collaborations through the relevant Vice Principal will be referred to the College Executive Committee and Council.

A record of all proposed Academic Collaborations should be retained by the CPDG and Registry, including:

- Confirmation in each case that the Academic Collaboration has been approved/rejected by the CPDG, including from an ethical perspective.
- Details of escalations, recommendations and subsequent decisions.
- Records of ethical due diligence carried out.
- All reports containing details of the ethical due diligence carried out/any recommendations made/signatures or documentation confirming approval.
- Copies of materials that attest to the nature of the relationship.

## **B. Commercial Partnering**

The College's RVC Business team and Research Office seek to develop commercial partnerships with a range of organisations, whether on their own initiative or following a request for assistance from other College areas seeking to develop significant relationships. There will also be a wide variety of commercial relationships that are developed without input from the RVC Business team or Research Office, including relationships that are specific to a research proposal or Academic Collaboration. In such cases, the RVC Business team will not have responsibility for carrying out ethical due diligence, unless this is specifically agreed. Such review should be undertaken by the relevant College area as specified in this policy.

<sup>3</sup><https://www.rvc.ac.uk/about/the-rvc/academic-quality-regulations-procedures/collaborative-provision>

Where no specific College area is specified, it will be a matter for the relevant individual forming the relationship to consider the ethical aspects of any proposed commercial partnering and to consider whether it is necessary to escalate an issue in accordance with section 6 below.

The RVC Business team has developed “*A Client Approval Policy (Animal Services) Process*” (June 2017) which lays out the approval and associated due diligence processes which will be undertaken by the RVC Business team in conjunction with academic stakeholders when instigating or developing relationships on behalf of College stakeholders.

If, during the negotiation of a partnership, an ethical/reputational concern is identified by a member of the RVC Business team, the relevant stakeholders should be advised and the matter should be escalated to the Head of RVC Business and the academic champion for the relationship, who will review the concern and provide guidance. Matters that cannot be resolved at this level should be referred by the Head of RVC Business or relevant academic champion to the Principal and the most relevant mission lead Vice-Principal (via the College Secretary) for decision.

A record of all proposed commercial partnerships reviewed by the RVC Business team is to be retained by that team, including:

- Confirmation in each case that the Head of RVC Business and any academic champion for the relationship have approved/rejected the commercial partnering from an ethical/reputational perspective, or escalated the matter to the College Secretary.
- Details of any subsequent approvals/rejections provided by the College Secretary based on a decision by the Principal and/or Vice-Principal.
- All reports containing details of the ethical/reputational due diligence carried out/any recommendations made/signatures confirming approval.
- Copies of materials that attest to the nature of the relationship.

### **C. Philanthropic income and other gifts**

This section relates to the receipt of philanthropic income and gifts, including legacies. For these purposes “philanthropic income” means:

- (a) Income which does not confer full or partial ownership of a deliverable on the funder in return for the funding; and
- (b) Income that is in essence (albeit not entirely) philanthropic.

“Gifts” include philanthropic income and other non-financial gifts of a philanthropic nature. The College has developed the Guidelines on Gifts and Hospitality (February 2013) <https://intranet.rvc.ac.uk/Finance/Policies.cfm> and the Financial Procedure Note 04 Trust Funds and Donations (June 2019) <https://intranet.rvc.ac.uk/Finance/Policies.cfm> which set out the approval and associated due diligence processes for accepting philanthropic income and other gifts, including legacies. This includes a review of the ethical considerations as well

as the wider scope of any proposal. The External Relations Department must approve the process for soliciting and accepting all gifts prior to receipt, including the terms of such gifts. Staff are required to notify proposed receipt of all philanthropic income and gifts (including proposed legacies) to the External Relations team to enable this process to operate effectively.<sup>4</sup>

Responsibility for the review of proposed gifts rests with the External Relations team, reporting to The Royal Veterinary College Animal Care Trust (ACT) Management Committee and College Council. In addition, where a Department is affected by the gift, the gift will need to be considered and approved by that Department and approved by the relevant Head of Department prior to acceptance.

The External Relations team should also seek input from other College areas as appropriate where income is not purely philanthropic. If an ethical concern is identified during the solicitation or negotiation of philanthropic income or other gifts, this should be escalated to the ACT Management Committee or the College Secretary who will review the concern and provide guidance. Matters that cannot be resolved at this level should be referred to the Principal (via the College Secretary) for decision.

In addition, any proposed receipts of philanthropic income or other gifts involving sums or values of £100k and above must be referred to the College Secretary for review and approval prior to acceptance, and any over £1,000,000 to the Principal via the College Secretary. Where gifts are accepted subject to certain conditions, care must be taken to properly reflect such conditions in the terms of the gift agreement or similar document to be entered into with the relevant donor (by consulting the College's lawyers for this purpose).

A record of all philanthropic income and other gifts notified is to be retained by the External Relations team, including:

- Confirmation in each case that the ACT Management Committee has approved/rejected receipt or escalated the matter to the College Secretary if an issue is raised or if the £100k threshold has been exceeded.
- Details of any subsequent approvals/rejections provided by the College Secretary and/or the Principal.
- Records of ethical due diligence carried out.
- All reports containing details of the ethical due diligence carried out/any recommendations made/relevant signatures confirming approval.
- Copies of materials that attest to the nature of the relationship.

<sup>4</sup> Staff should provide the details to their usual link within the External Relations team. Where a member of staff does not have a specific link with a member of the External Relations team, details should be provided to the Director of External Relations.

## **D. Procurement, purchasing and supplier relationships**

The College's procurement and purchasing is governed by the Procurement Policy Guidelines (January 2020)<sup>5</sup> which set out the need for ethical matters to be considered in certain circumstances. The purchasing process should include a requirement upon all staff raising and authorising a new supplier request to: (1) confirm that no ethical issues are raised to their knowledge, or (2) set out any relevant ethical issues for further consideration by the Director of Finance and Head of Procurement.

If during the appointment of a new supplier an ethical concern is identified, this should be escalated to the Director of Finance and Head of Procurement, who will review the concern and provide guidance. Matters that cannot be resolved at this level should be referred by the Director of Finance and Head of Procurement to the Principal (via the College Secretary) for decision.

A record is to be retained by the Finance team of all proposed new suppliers raised under the procurement policies or otherwise, including:

- confirmation in each case that the Director of Finance or Head of Procurement has approved/rejected the use of the supplier or escalated the matter to the Principal where a concern was raised.
- details of any subsequent approvals/rejections provided by the Principal.
- records of ethical due diligence carried out.
- all reports containing details of the ethical due diligence carried out/any recommendations made/signatures confirming approval.
- Copies of materials that attest to the nature of the relationship.

A record should also be kept of any other ethical issues raised with the Finance team and how that matter has been dealt with.

## **E. Research funding and related relationship agreements**

For the purposes of this policy, [“research” is defined in accordance with the HESA definition of research.](#) The Due Diligence and Relationship Review Policy does not refer specifically to research ethics and governance, which are subject to specific policies and procedures. Concerns about Research Integrity including [research misconduct](#) should continue to be handled under the existing College policy for such matters. Grants or arrangements of a research nature which do not meet the HESA definition for research should be considered in accordance with section F below.

<sup>5</sup> <https://intranet.rvc.ac.uk/Finance/Procurement.cfm>



The College has in place review procedures relating to Bid Management, Departmental Approval and College Authorisation of Research Proposals and Related Agreements through the Research Strategy Committee and review by the Research Office of (amongst other things):

- (a) research funding proposals; and
- (b) research-related agreements

This review occurs within an agreed policy framework prior to approval by the relevant Head of Department or other authorised person. Within each Department, academics work closely with the Research Office to secure the proper review of research matters in accordance with these procedures.

In addition to the existing review and approval procedures operated by Departments in conjunction with the Research Office, the relevant Research Office teams are required to conduct and complete an appropriate relationship review form<sup>6</sup> and request a credit check for any new funder. In the case of UKRI funded projects, the relevant section of the Guidance<sup>7</sup> on Research and Training Grant Terms and Conditions (RGC 2.6/TGC 2.6) requires completion of appropriate due diligence on any Third Parties used to deliver any part of the Project/research training activity. The Guidance states that grant recipients shall ensure that such Third Parties comply with these Standard Terms and Conditions of Grant/Training Grant and any Specific Terms and Conditions of Grant/Training Grant.

Any new overseas collaborators or service providers (or overseas collaborators /service providers who have not had a review within the past three years) must be checked at application stage for research proposals under Stage 1 of the Due Diligence Process as shown in Appendix B. All collaborators should be sent the College's template letter of support, the Supplier Set-up form and in the case of overseas collaborators or service providers, the UKRI Due Diligence Questionnaire (for completion and signature at proposal application stage<sup>8</sup>.) If the application for UKRI funding is successful and if a new overseas collaborator / service provider is to be offered a sum in excess of £15,000 from an UKRI project, the completion of a full due diligence check, carried out in conjunction with the Finance team, is required under Stage 2 of the Due Diligence process prior to research related agreements being entered into, as shown in Appendix B.

Research Office staff will be required to confirm that each matter has been considered from an ethical perspective at each of the stages. They will record the results of that review within the existing mechanisms for review and approval, and complete the Due Diligence Master-sheet, including saving a copy of the recipient organisation's credit check report. The latter should be requested from Finance and saved within a folder for that organisation (currently

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<sup>6</sup> Forms, guidance and templates saved in New Partners and Funders Due Diligence / Due Diligence Questionnaire and Guidance sub folder in R/:Drive

<sup>7</sup> As above

<sup>8</sup> As above

the Research Office's New Partners and Funders Due Diligence/ Partner and Funder Information and Documents folder on the R\Drive, but there are plans to move this to the College's Worktribe project management system when it is live). This is Stage 1 of the Due Diligence Process.

Where the review raises an ethical concern, the relevant member of the Research Office team shall complete Part 2 of the Stage 1 Due Diligence process and follow the process to advise the Head of Department or other authorised person. In parallel, the Research Office shall escalate the matter to the Director of Research Administration and the Head of Research Contracts and Due Diligence. Each of these people will separately review the concern and, having discussed the matter between them, provide guidance. Where an ethical issue has been escalated, the confirmation of both the Head of Research Contracts and Due Diligence, and the Director of Research Administration that the ethical matter has been resolved is required before any binding commitments are made. In the event that the Head of Research Contracts and Due Diligence and/or the Director of Research Administration is not satisfied that the matter has been resolved, the issue should be first referred to the Vice Principal Research and Innovation and if not resolved then escalated to the Principal (via the College Secretary) for decision.

Where no ethical issues are raised, this will be confirmed to the relevant Head of Department or other authorised person to enable that individual to consider the wider implications of the proposal before indicating any approval.

As part of the general procedures for keeping records of research grant applications and related agreements, a record of all proposed research funding grant applications and research-related agreements and approvals is to be retained by the Research Office (as appropriate), including:

- confirmation in each case that the appropriate College authority has approved/rejected each grant application and the execution of each research related agreement or escalated the matter in accordance with the applicable policies and procedures
- Confirmation that all necessary approvals have been received under the applicable escalation procedures
- Records of the review process that has been conducted, including records of ethical due diligence carried out and all reports containing details of the ethical due diligence carried out/any recommendations made/approvals given
- Copies of materials attesting to the case under consideration

## **F. Overlap**

It is acknowledged that there will be some instances where the College needs to consider relationships or the receipt of income, review of which falls within the domain of more than one review regime. Where there are overlapping elements, the relevant College areas should discuss and agree where the responsibilities for review and any appropriate approvals should lie. Where there is a conflict of opinion which cannot be resolved the matter should be escalated to the Head of Department, and /or the relevant Vice Principal mission lead who will obtain guidance from the College Secretary as appropriate.

## **6. General process – ethical matters**

### **a. Matters not falling within sections A-F**

Where an ethical matter is identified in connection with a relationship or a proposed relationship with a third party and does not fall to be considered under the policies and procedures referred to in sections A-F above, members of the College community should raise the issue with their Head of Department and the relevant Vice Principal mission lead for consideration and, where possible, resolution. If the matter involves receipt of funds, the Finance Department should also be consulted. Matters that cannot be resolved at this level should be referred by the Head of Department to the Principal (via the College Secretary) for decision.

### **b. All matters**

Where any matter falling within the scope of this policy requires escalation to the College Secretary and/or Principal, the individual charged with escalating the matter will be responsible for providing the proforma attached at Appendix A, setting out the issues and including (where appropriate) a recommendation as to how the matter should progress. Referrals should be made as early as possible in the process. If there are any areas where the College Secretary and/or Principal (as appropriate) requires more information on which to base a decision, these should be listed in the proforma and returned to the referring individual, who is responsible for arranging any additional due diligence checks and for collating any additional information requested before resubmitting the matter for further consideration. The Principal should accept referrals by email between meetings where necessary so that issues can be considered before commitments need to be made.

## **7. Accountability reporting**

The College Secretary (in consultation with others as appropriate) should produce a report to the Audit Committee each term, outlining the ethical issues considered by him/her and by the Principal and how such matters have been dealt with. Any concerns with how the ethics statement or related policies are functioning should be included within the report.

The College aims to be transparent about relationships entered into, the parties involved, and the purposes of those relationships. However, there will be cases where anonymity should be properly respected, and College will carefully consider any requests for anonymity. The College will, however, disclose details of relationships where it is required to do so by law, by any applicable governmental or other regulatory authority, or by order of a court.

A report detailing gifts received will be included in the College's annual Fundraising Report.

## **8. Failure to follow RVC Due Diligence and Relationship Review Policy or processes**

Where a member of RVC staff, has a legitimate concern that a particular area of the Policy is not being followed by a department or section of the College, that staff member should escalate the issue to a neutral staff member, preferably their line manager or Head of Department in the first instance or the relevant Vice Principal mission lead for consideration, and where possible resolution. If the matter involves receipt of funds, the Director of Finance should also be informed. Matters that cannot be resolved by the Head of Department or Vice Principal mission lead should be referred by the Head of Department or Vice Principal to the Principal (via the College Secretary) for decision.

Matters that cannot be resolved at this level due to the suspected involvement all of the named roles stated above should be referred by the concerned staff member through the College's [Public Interest Disclosure Policy and Procedures 2015](#) (as updated) for consideration.

Approved by the Audit Committee: 24 September 2020  
Policy owner: Head of Research Contracts and Due Diligence  
Effective from: 1<sup>st</sup> November 2020  
Revised:

## Appendix A

### **NOTIFICATION OF MATTER FOR ETHICAL CONSIDERATION UNDER THE RVC'S RELATIONSHIP REVIEW POLICY**

**A. DETAILS OF INDIVIDUAL MAKING THE NOTIFICATION** *(to be completed by the individual making the notification, being one of the following: Head of RVC Business, Head of External Relations, Head of Department, Vice Principal, Director of Finance, Head of Procurement, Director of Research Administration, College Secretary):*

**Name**

**Position**

**B. DETAILS OF THE ETHICAL ISSUE** *(to be completed by the individual making the notification).*

- 1. Type of relationship** *i.e. gift, corporate partnership, research partner etc.)*
- 2. Reason for notification** *(i.e. gift above £100k or above, corporate partnership above £100k, ethical concern arising in the course of due diligence or otherwise)*
- 3. Is there a specific ethical issue that needs to be considered?** *(yes/no)*
- 4. Detail of the ethical issue and your recommendation as to how the matter should proceed.** *(If there is a specific ethical issue that needs to be considered)*
- 5. Brief history of the matter** *(including whether the proposed relationship arises from a solicitation from (or a contact within) RVC or from an independent approach)*
- 6. Details of any non-standard or potentially onerous conditions proposed in connection with the proposed gift/relationship:**
- 7. Details of the value of the proposed activity (e.g. in terms of expected revenues/income or expenditure (as may be applicable) for the College):**
- 8. Details of the due diligence that has been carried out and the results of that due diligence:**
- 9. Status of the relationship and timescales:** *(including details of the current status of negotiations/previous contact between the College and relevant individual or organisation/when it is intended that the relationship will be entered into):*
- 10. Further comments and reference to additional documentation provided** *(include all further details that you would like to draw to the attention of the decision maker and refer to all supplementary documents included for review).*

**C. DETAILS OF FURTHER INFORMATION REQUIRED BY DECISION-MAKER** *(to be completed by the College Secretary where a matter has been referred to him/the Principal or by the Clerk of the Audit Committee following a referral to that Committee)*

**Further information required:** *(if none, please specify)*

**D. AUTHORISATION**

|  |   |  |                    |
|--|---|--|--------------------|
| Lead fundraiser for the proposed gift (if applicable): | Head of Department or Vice Principal (if applicable): | Head of External Relations (if applicable) | College Secretary: |
| .....  | .....   | .....                                      | .....              |
| Signature  | Signature   | Signature                                  | Signature          |
| .....  | .....   | .....                                      | .....              |
| Name   | Name  | Name                                       | Name               |
| .....  | .....   | .....                                      | .....              |
| Date   | Date  | Date                                       | Date               |

Head of Research Administration:

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Signature

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Name

.....

Date

## APPENDIX B

### Research Office Due Diligence Process

#### Stage 1 Relationship Review– Research Office and Finance Process

##### Introduction

The Sponsorship and Corporate Relationships policy and UKRI funding terms require that due diligence processes be documented, together with the necessary approvals, before all research proposals are accepted. Guidelines set out this process as it concerns research teams and apply to all proposals for externally funded research and research-related agreements, including consultancies to be undertaken by the College.

Department Approval requires that a Relationship Review be carried out to assess ethical issues and any reputational risk to the College, before approval is given and College Authorisation is granted. The existing escalation route for the Preferred Terms for the College in relation to contractual issues should be used for any contractual issues which may have an ethical implication.

In order to conduct a relationship review, the reputational risk to the College should be considered before all Research and Research-Related Agreements are entered into. The Organisation itself should be reviewed from an ethical perspective and should have a mission or strategy which is consistent with that of the College. Where more than one organisation is involved (e.g. collaborative partners and sub-contractors) the reputational risk of each should be considered.

##### Research Office role

The Relationship Review requires the Research Office to check for potential issues at an organisational level and to verify that ethical considerations have been carried out at the Research Project level.

The nominated Research Office team individual should check that the organisation is recorded as either *high or low risk* on the Due Diligence Master spreadsheet maintained in the New Partners and Funders Due Diligence shared folder. If the Organisation is not on the list they should contact the Chief Reviewers for their Department in order for the due diligence to be carried out – see **Table 1** and **Table 2** below. Discretion may be applied by the Chief Reviewers, as to the most appropriate checks to conduct. The Chief Reviewers will **assign a low- or high-risk decision** for the organisation.

##### Initial check

Research Office should first cross-check that there are no research activities involving **tobacco research or classified (military/security) research**. The following issues should be raised with the Chief Reviewers:

- Weapons-related research or research in the alcoholic beverages or gambling field
- potential conflicts of interest which the HoD/dept may not be aware of
- where research is being conducted outside of the EEA, North America, Australia, New Zealand and Japan, Chief Reviewer to check there are no restrictions or embargos for that country.

The nominated Research team member should confirm that the HoD confirms that there are no ethical issues as part of Department Approval.

##### Risk identified

Where a potential ethical issue is identified the nominated research team member should inform the Chief Reviewer, who should complete the Stage 1 Part 2 form including details of the organisational and/or project level issues.

The Chief Reviewer should discuss ethical issues with the HoD as soon as possible. The HoD may agree action to resolve or mitigate the issue, assuming responsibility for any incumbent risks or may elect not

to proceed. Any action or further clarification provided by the HoD must be formally recorded on the Pro-Forma by the Chief Reviewer.

- Where the HoD does not feel able to resolve the matter and wishes to proceed with the project, then the issue should be escalated by the Chief Reviewer to the Head of Research Contracts and Due Diligence, Director of Research Administration and or the relevant Vice Principal.
- Where the HoD wishes to proceed, but the Chief Reviewer still has specific concerns, the Chief Reviewer may also escalate an issue.

### **No risk identified**

Where no ethical concerns are raised (or where issues have been escalated and approval has been granted) Research Office should confirm that the ethical review has been conducted, and a record of ethics approval retained.

### **Escalation**

The form at Appendix B should be submitted to the HoD and Director of Research Administration setting out the issues. Referrals should be made as early as possible in the process. Where the Director of Research Administration and the relevant HoD cannot resolve the ethical matter [they] shall first refer to the Vice Principal Research and Innovation who would then escalate the issue to the College Council (via the College Secretary).

The College Council shall reach a decision on the ethical issue. Where consensus cannot be reached, a formal reference shall be made by the College Secretary and Registrar to the Audit Committee who will seek further advice from College employees, third parties and the College Council as required.

### **Final Record Keeping**

The following records will be kept by Research Office:

- Organisation-level review
  - Results of due diligence should be recorded using Stage 1 Organisation review form Part 1, at Appendix C, and retained in that Organisation's folder held within the Partner and Funder Information and Documents shared folder
  - Forms for organisations with **no identified ethical issues**, and deemed a **low risk** should be added to the low risk folder, using the naming convention "risk level, organisation name, date of review", e.g. LowRisk-BHF-10Dec13
  - Pro-Formas for organisations with **identified ethical issues**, and deemed a **high risk** should be added to the high risk folder, using the naming convention "risk level, organisation name, date of review", e.g. HighRisk-RioTinto-10Dec13.
  - Any organisation deemed a **high risk** should be reviewed on a case by case basis each time a new project is applied for **and** after three years if the project is still live whereas an organisation classed as **low risk** should be reviewed every three years if the project is still live or when the next new project is applied for, if they have not been reviewed within three years of the previous review.
- Research Project level review
  - Where a Worktribe record has been created Head of Department (HoD) approval is the record which confirms that the department has considered reputational risk.
  - For contractual matters outside of Worktribe, confirmation by the HoD should be formally recorded in the Partner and Funder Information and Documents folder using the Stage 2 Project review form.
  - Where an issue has been identified, but through discussion with the HoD, the HoD has resolved or mitigated any risks, this action, and the rationale for the decision should be



recorded on the Stage 2 Project review form and retained, along with any supporting email chains, and other relevant documentation.

- Stage 1 Part 2 project review Form must be held on the Partners and Funders Information and Documents shared folder under the Organisations named folder, under the naming convention “PI-organisation-date of review”, and saved under the relevant Department folder.
- Where a matter has been escalated for approval in accordance with the procedure in 4.8, a copy of the notification form (Appendix B), as well as confirmation of all approvals received under the escalation procedure should be recorded and retained. Any supporting emails, and other relevant documentation should also be retained.

**Table 1** contains the initial organisational checks to be carried out **for all new research partners** to the College.

| <b>[1] Principle</b>   | <b>[2] Due Diligence</b>  | <b>[3] Responsibility holder</b> |
|--|---|----------------------------------|
| The organisation is a new research partner at the College (unfunded activity)  | Verify the existence of the organisation. e.g. Companies House, Charity Commission, online google search, <a href="#">Dun and Bradstreet</a> (US companies)   | Research Office                  |
| The organisation (and the country in which it is based) should be checked against a list of sanctioned (or restricted) countries or organisations                    | The <a href="#">UK Government website</a> and the <a href="#">UK Trade and Industry website</a> both provide information by Country.<br>The European Commission website provides an <a href="#">overview</a> of restrictive measures imposed by the EU. The measures in place are <a href="#">listed</a> by country and would highlight regimes or groups which the College may wish to consider carefully before working with.<br>The World Bank provides a searchable <a href="#">list</a> of debarred individuals and firms they have sanctioned under the Bank's fraud and corruption policy. | Research Office                  |
| The organisation is a new research partner funding research at the College or receiving funding from UKRI grants via the College. New organisation - integrity check | A credit check should be carried out by Finance which may include the verification of: <ul style="list-style-type: none"> <li>• The identity of the organisation</li> <li>• The organisational structure and where possible directors and potential links to other companies or individuals</li> <li>• Solvency of the organisation</li> </ul>  | Finance                          |

The Research Office should carry out the following due diligence checks for all organisations **except for the organisation types listed below**, excluded on the basis that they are considered to be a low risk because they are UK government organisations and/or are subject to UK or European legislation or further regulation, or they are an established research funder/collaborator in UK Higher Education:

- *All UK Research Councils*
- *All UK Government Depts*
- *Other UK, European, and US universities*
- *All UK Hospitals and NHS Trusts*
- *The European Commission projects where RVC is not the co-ordinator.*
- *UK charities registered with the Association of Medical Research Charities (AMRC)*

## Stage 1 Due Diligence Process

### Reputational Risk

- a. Speak to other colleagues both within and outside the RVC to see what their experiences have been. This may raise red flags at an early stage or indicate that the organisation has been a good partner to work with previously.
  - b. Check the corruption index for the country the organisation is based in. This can be found at [https://www.transparency.org/news/feature/corruption\\_perceptions\\_index\\_2016](https://www.transparency.org/news/feature/corruption_perceptions_index_2016) and provides a useful indication of the level of corruption within the country concerned and therefore may increase the levels of risk regarding funding going to organisations within these countries.
3. If the above checks result in any major concerns, you may wish to consider looking for a different organisation to partner with.

An internet search for recent evidence of illegal activities or 'bad press' should be carried out, using the organisation's name and the following terms:

- Tax Evasion (Only unlawful tax evasion not corporate tax avoidance)
- Fraud
- Human Rights
- Falsification of academic research
- Bribe/bribery
- Crime
- Environmental conduct
- Health and safety

The organisation's website should be checked for the following:

- Are there any links to other companies or individuals which may affect the reputation of the College? This would include any pressure groups or political organisations or figures.

#### Internet Search Guidance:

*Carry out an online search on the organisation, both their official web site and for any news stories. This should provide an indication of the activities at the organisation and any good or bad news stories. It will also reveal details of any other projects the organisation has been involved in and therefore indicate whether they have the capacity to carry out the required research. The search could produce articles from a variety of sources, ranging from evidence of lawsuits, or criminal convictions to allegations by various pressure groups or individuals. This is a subjective process and the person compiling the information is not expected to come to a decision about whether the organisation is a 'guilty party' or not.*

*Sources such as regulatory bodies or watchdogs should be given more credibility; however, any news item may have the potential to damage a reputation.*

*In filtering out information which might be of lower risk it may be possible for the following to be ignored:*

- *Articles more than [five] years old [unless the issue is currently being raised in more recent press reports].*

*Allegations or court cases involving any wrong-doing of an individual who works for the organisation [unless there is some level of corporate responsibility for which the organisation has been brought to task].*

Where an internet search has produced a large number of potential concerns the organisation's website should be checked for the following:

- Does the organisation publish its ethical code of conduct?
- Does the organisation have a statement on encouraging diversity?
- Does the organisation report health and safety-related incidents, such as recordable injuries or fatalities?
- Does the organisation report its sustainability or environmental policy?
- Does the organisation report on its regulatory compliance?

Whilst this does not override any concerns raised through an internet search it *may* demonstrate that the organisation has a commitment to tackling such issues. Where an organisation is classed to be High Risk then a site visit should be made by an independent officer of the Research Office or their delegate.

## Stage 2 Due Diligence Process

The Chief Reviewer will liaise with the Finance Team to review the completed UKRI Due Diligence Questionnaire answers and supplied documents and policies in line with the following factors as laid out by UKRI:

### The Pillars

| <b>Governance and Control</b>  | <b>Ability to Deliver</b>  | <b>Financial Stability</b>  |
|--|--|---|
| Governance<br>Fraud, bribery, corruption, money laundering and slavery, including Safeguarding | Past Performance<br>Staff capacity and capability (number, track record) | Financial viability<br>Financial Management e.g. experience of finance team and segregation of duties |
| Internal controls  | Infrastructure and programme management for research                     | Strength of audit, internal and external  |
| Risk Management  | Monitoring and management  | Value for money   |
| Ethics   | Training   | Policies, procedures and systems – incl. IT systems   |
| Assurance Processes  | Equality and Diversity   | Separate bank account   |
| Research Governance  | Data Management  | Income from other sources – diversity of income streams   |
| Scientific Misconduct  |  | Openness and Publications transparency  |

### Steps to take

#### Step One

Once the academic/supervisor has chosen which partners/organisations they are looking to work with, you should look at carrying out more detailed checks, use the UKRI Due Diligence Questionnaire which they have provided for use to carry out due diligence when funding is going directly to an overseas organisation. The UKRI questionnaire is an evolving document, but can be used as a point of reference and you should check that you are using the latest UKRI version and related guidance.

It covers the following key areas:

1. Legal status of the organisation
2. Governance and Control
3. Ability to deliver
4. Financial stability
5. Sub-contract management

This process can take a long time to complete, but must be completed before the start date of the grant/transfer. However, research organisations may be asked to evidence due diligence as part of the awarding process, so we should be able to show what checks we have or plan to carry out on the Organisation concerned.

### **Step Two**

Once gathered, due diligence information should be saved in the Organisation's named folder in the Partner and Funder Information and Documents sub folder and reviewed by the most appropriate non-conflicted people within the College (i.e. not the PI/supervisor or other people directly involved in the project). The relationship review and grant management sections of the UKRI Questionnaire shall be reviewed and carried out by the nominated members of the Research Office and the other financial responses and policies shall be completed by Finance in line with College policies and procedures. Each section of the Research Office and Finance department will provide a ranking and a final score will be agreed by the Director of Finance or his or her nominee and Director of Research Administration which is recorded on the Due Diligence Master spreadsheet.

If any major issues are highlighted through this process, they shall be escalated to the Head of Research Contracts and Due Diligence or Vice Principal Research and Innovation. The Research Office and Finance Department shall convene a panel consisting of staff from the Research Office, finance and the grant holder to make the final decision.

### **Step Three**

Due Diligence should not stop once the award has been made. The College must follow policies and processes regarding the transfer of funds to overseas organisations, e.g. on receipt of invoice/proof of purchase/progress reports etc. They may also wish to impose further checks for high risk organisations. Once due diligence is carried out, if the Organisation continues to partner with the overseas organisation, either as part of the same project or other projects, the due diligence process should be repeated on a revolving basis e.g. every three years or if there are any issues or material changes with the overseas research organisation.

### **Step Four**

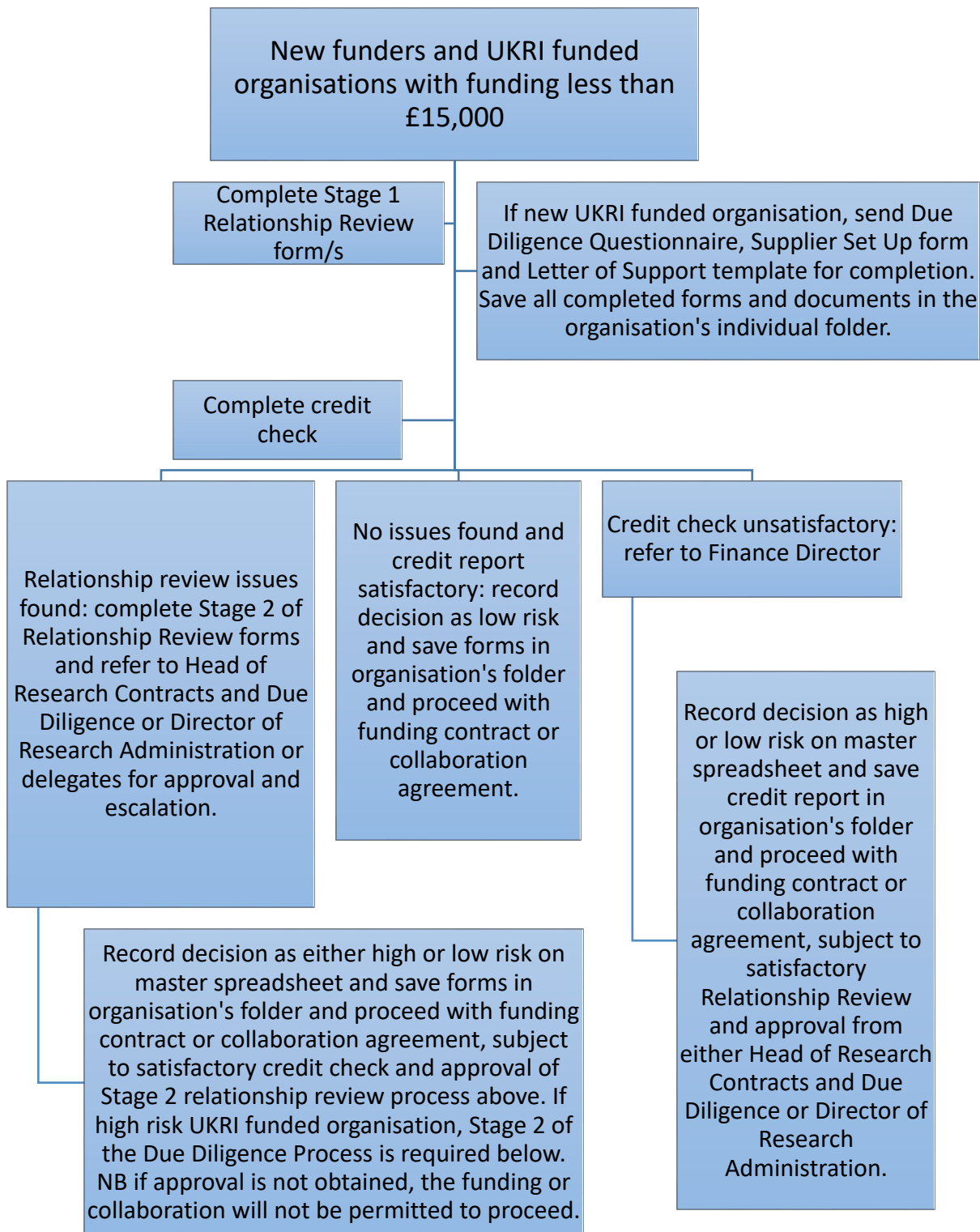
**Finance checks** – in order to provide assurance that sub-contracted funding is being used for the purposes that it was awarded and that expenditure claimed complies with grant terms and conditions, UKRI expect lead organisations to undertake checks on expenditure claimed from their sub-contractors. This should be completed in a risk-based way i.e. more checks are undertaken where the risks are higher.

### **Other sources of information**

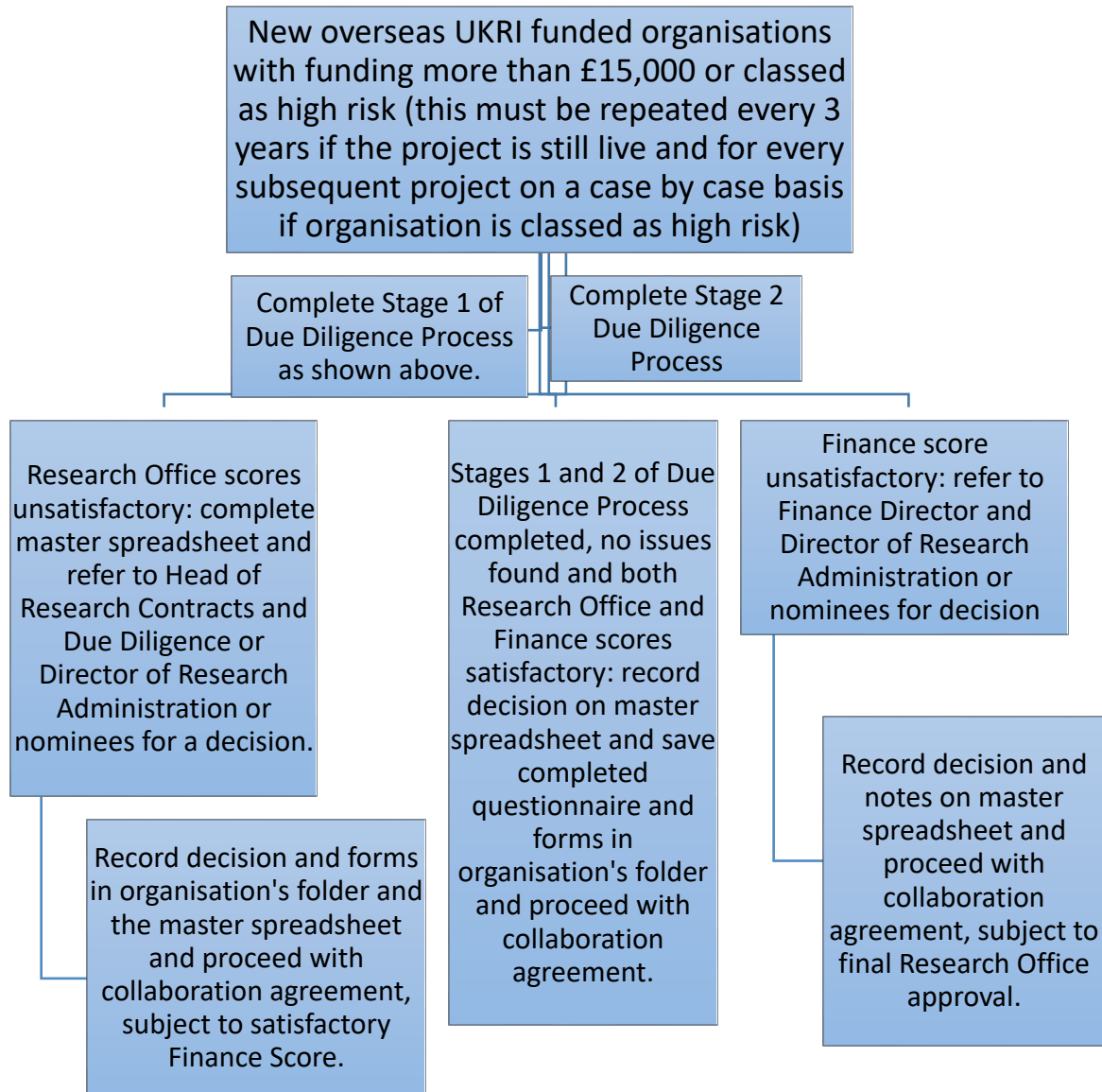
Check Dunn and Bradstreet reports to check details such as the registered address, governance etc. Nexus is also widely used across the sector to search for news items across the globe. Check the websites of other UK Research Organisations to see what other organisations are doing in the space and what guidance they are issuing to their academics etc.

**Due Diligence Research Office Process flowcharts**

**Stage 1 Due Diligence Process:**



**Stage 2 Due Diligence Process:**



**APPENDIX C**

**Relationship Review      DUE DILIGENCE STAGE 1**

**PART 1 – Organisation review**

**DETAILS OF INDIVIDUAL MAKING THE NOTIFICATION** (to be completed by the individual making the notification):

To be completed only where the organisation does not appear in the New Partners and Funders Due Diligence shared folder Mitigating factors to consider:

- Previous activity with the organisation. Has this given rise to any issues?
- Other activity in the UK university sector. Are they working with other universities?

|   |  |
|---|--|
| Organisation name (and website, address, contact details) | <b>EXAMPLE</b> University of Sometown,<br>www.sometown.ac.uk<br>Research Office, University of Sometown, Main Street, Anytown<br>AT1 1AT |
| Initial Project title (if known)                          | <b>EXAMPLE</b> Investigation of something very complicated   |
| Initial Principal investigator(s)                         | <b>EXAMPLE</b> Professor A. Cademic  |
| Name of reviewer  | <b>EXAMPLE</b> John Brown  |
| Signature and Date  | <b>EXAMPLE</b> Xxxx Yyyy 12-08-2016  |
| Background comments                                       |  |

|  |   |
|--|---|
|  | Outcome<br>Please summarise any issues and provide relevant URLs or |
| Issues identified from the Initial Organisation Check. <i>Please see Table 1</i><br>For example: <ul style="list-style-type: none"> <li>• The identity of the organisation</li> <li>• The organisational structure and where possible directors and potential links to other companies or individuals</li> <li>• Where the organisation is based/registered</li> </ul> | <b>EXAMPLE</b><br><i>No issues identified</i>                       |
| Does the organisation have a ‘poor public image’ resulting from company practices, such as poor environmental conduct, health and safety record, human rights record, which may be detrimental to the College’s reputation? Has the internet search for recent evidence of illegal activities or ‘bad press’ raised any concerns?<br><i>Please see Table 2</i>         | <b>EXAMPLE</b><br><i>No concerns identified</i>                     |
| Is the organisation linked to any politically sensitive groups or persons?   | <b>EXAMPLE</b><br><i>No</i>   |

**Evaluation – check box as appropriate**

|  |
|--|
| <input type="checkbox"/> No concerns were raised – <b>Low Risk</b>   |
| <input type="checkbox"/> Ethical concerns identified – Consider alongside the Project and complete Part 2 – <b>High Risk</b> |

## PART 2 – Project level review

**DETAILS OF INDIVIDUAL MAKING THE NOTIFICATION** (to be completed by the individual making the notification, being one of the following: HoD, Chief Reviewer):

|   |  |
|---|--|
| Organisation name (and website, address, contact details) |  |
| Project title (if known)                                  |  |
| Principal investigator(s)                                 |  |
| Name of reviewer  |  |
| Signature and Date  |  |
| Background and comments                                   |  |

### Reputational Risks?

e.g. The research activity involves a subject matter which could be seen as politically sensitive such as:

- gambling
- tobacco
- alcoholic beverages
- weapons manufacturing, security-related or biological warfare research

Have you identified any identified potential Conflicts of Interest?

Does the relationship have the potential to compromise the College’s status as an independent institution?

Where research is being conducted outside the [EEA](#), North America, Australia, New Zealand and Japan does this present any additional risks?

Does the relationship present any other concerns or issues?

### Evaluation

| Have issues been identified?  | Yes                      | No                       |
|---|--------------------------|--------------------------|
| Organisation (Due diligence form Part 1)  | <input type="checkbox"/> | <input type="checkbox"/> |
| Project (Due diligence form Part 2)   | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>If answer is yes for either the project or the organisation consultation is required</i> |                          |                          |
| Ethical concerns identified; Consult with academic department (HoD)                         |                          | <input type="checkbox"/> |
| Outcome:  |                          |                          |
| Ethical concerns cannot be resolved with department > Escalate                              |                          | <input type="checkbox"/> |
| Outcome:  |                          |                          |



**NOTIFICATION OF MATTER FOR ETHICAL CONSIDERATION TO THE DIRECTOR OF RESEARCH ADMINISTRATION AND HEAD OF RESEARCH CONTRACTS AND DUE DILIGENCE OR THE VICE PRINCIPAL RESEARCH AND INNOVATION UNDER THE RVC RELATIONSHIP REVIEW POLICY**

**DETAILS OF INDIVIDUAL MAKING THE NOTIFICATION** (to be completed by the individual making the notification, being one of the following: HoD, Research Office Administrator, Contracts Manager):

**Name:** .....

**Position:** .....

**Organisation/Party** (who issue is being raised for): .....

**DETAILS OF THE ETHICAL ISSUE** (to be completed by the individual making the notification).

**Type of relationship** (i.e. research funder, multi-party collaboration etc) [xx]

**Reason for notification** (i.e. ethical concern arising in the course of due diligence or otherwise) [xx]

**Detail of the ethical issue and your recommendation as to how the matter should proceed:** [xx]

**Brief history of the matter** (including whether the proposed relationship arises from a solicitation from (or a contact within) RVC or from an independent approach): [xx]

**Details of any non-standard or potentially onerous conditions proposed in connection with the proposed relationship:** [xx]

**Details of the due diligence that has been carried out and the results of that due diligence:** [Attach Due Diligence Proforma part 1 and 2]

**Status of the relationship and timescales:** (including details of the current status of negotiations/previous contact between the College and relevant individual or organisation/ when it is intended that the relationship will be entered into): [xx]

**Further comments and reference to additional documentation provided** (include all further details that you would like to draw to the attention of the decision maker and refer to all supplementary documents included for review) [xx].

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**DETAILS OF FURTHER INFORMATION REQUIRED BY DECISION-MAKER**

**Further information required:** (if none, please specify) [xx]

**CONFIRMATION OF DECISION AND GUIDANCE** (to be completed by the Director of Research Administration, Head of Research Contracts and Due Diligence or Vice Principal Research and Innovation)

**Do you approve the proposed relationship?** Yes/No

**Details of any conditions attached to an approval:** [xx]

- **Any further comments** [xx]

**CONFIRMATION OF DECISION AND GUIDANCE** (to be completed by the DoR / VPR)

**Do you approve the proposed relationship?** Yes/No

**Details of any conditions attached to an approval:** [xx]

**Any further comments** [xx]