

DUE DILIGENCE GUIDANCE

1. INTRODUCTION

This guidance is a set of principles to support the design of due diligence processes/activity taking place at, or on behalf of, Keele University. It is not a process to be followed to complete due diligence; it should be used to inform the creation of localised due diligence processes in areas of the University.

1.1 Purpose

- 1.1.1 Due diligence processes are associated with a range of activities across the institution. Regardless of the activity being undertaken, the process used to conduct due diligence should follow the principles outlined in this document. Standardisation of approach will provide assurance to the University that such activities will not lead to any serious and/or unmitigable action impacting students, staff and the wider organisation.
- 1.1.2 There may be a requirement from regulators, legislation or bodies such as funders to complete due diligence.
- 1.1.3 This guidance defines a set of principles on which localised due diligence procedures should be based, ensuring sufficient flexibility for those University staff responsible for carrying out due diligence, to create appropriately risk-proportionate and inclusive processes for their area.

1.2 Scope

- 1.2.1 Due diligence is a process where a, potential or current, partner is carefully and thoroughly researched.
- 1.2.2 Due diligence can identify potential risks to allow mitigations to be put in place and ensures that the institution is fully informed when deciding to enter into a partnership or certain activity.
- 1.2.3 Due diligence is not always about whether a partnership should go ahead or not, it is about understanding the potential organisational, environmental, legal, financial and regulatory impact of the activities.
- 1.2.4 Examples of some University activities where due diligence procedures are applied include, but are not limited to, the following:

- Entering into research contracts between the University, external organisations and funders;
- Establishing and entering into research-based partnerships between the University and external organisations;
- Establishing and entering into educational partnerships, student and staff mobility and short course programmes with external organisations;
- Establishing and entering into recruitment-based partnerships with external organisations;
- Entering into contractual relationships with recruitment agents;
- Establishing and entering into student and programme level work-based and placement activities with external organisations;
- Entering into commercially based, service-led contracts with external organisations, whether operating on the University campus, managing and/or offering a service, system, physical and/or digital platform to the University, its staff and students;
- Considering tenants for the Keele University Science & Innovation Park;
- Officially affiliating with an external organisation and/or business or endorsing an external organisation and/or business.

1.2.5 All staff undertaking and/or coordinating due diligence activity for the University must comply with this guidance.

2. GUIDANCE

- 2.1 The following points set principles-based expectations on due diligence activity undertaken across the University and how due diligence findings are acted upon, aligned to the University's [Risk Management Policy](#).
- 2.2 The requirement for due diligence may be dictated either by a University Directorate or team, the University's regulatory and policy framework, or via external requirements, such as research funders. Where it is determined that due diligence is required, regardless of the activity, the requirement for due diligence must be fulfilled.

Design

- 2.3 When designing activities or information required as part of due diligence, University Directorates and teams should ensure that the process is proportionate to the risks posed by the activity. It should therefore be designed and administered by University Directorates together with the team(s) who will do the work that understand and undertake a leading role in managing the activity.
- 2.4 Due diligence should be aimed at generating the knowledge required to better understand the partner or context in which an activity is being undertaken, ensuring that the University can be reasonably assured of the safety, security and risk associated with the partnership/activity. Due diligence should therefore be designed to gather pertinent information to allow University Directorates and

teams to make an informed judgement as to the safety, security and risk associated with the partnership/activity.

- 2.5 Due diligence can be informed either through desk-based research undertaken by University Directorates and teams, or by specific information requested by University Directorates and teams provided by an external organisation, either as an impartial service provider of such information, or by an organisation the University intends to work with.
- 2.6 University Directorates and teams should ensure that suitable consultation with the relevant University stakeholders is carried out as part of due diligence design to ensure accuracy in the information being requested and ultimately reviewed.
- 2.7 Designing a due diligence process must start with defining the purpose and scope of the due diligence activity.
- 2.8 Consideration must be given, when designing a due diligence process, as to who the decision makers in the process are and what escalation routes are available to reduce delays.
- 2.9 The following high-level principles must be considered when designing a due diligence procedure; not all will apply in every situation but consideration must be made:
 - Financial considerations
 - Legal considerations in particular relevant legislation
 - Governance – other university policies that may be relevant
 - Corporate information of potential/actual partner
 - Location – e.g. country or particular region within a country where the activity takes place/ where the partner is based
 - International security considerations
 - Values – EDI, sustainability, academic freedom
 - Safeguarding
 - Alignment to Keele’s strategies, missions and objectives
 - Reputation/type of partner – key personnel involved in the partnership or key relationships of partner not directly involved in activity
 - Performance of partner relevant to key activity
- 2.10 For those high-level considerations that are relevant, risk-proportionate questions should be designed to ensure that relevant information is gathered to facilitate informed decision making.

Coordination and Review

- 2.11 Due diligence should be undertaken in a secure environment, ensuring that the appropriate controls with regards to data sharing and security are in place. Where sensitive University information is being shared externally, appropriate security measures should be implemented to protect confidentiality and personal data.

- 2.12 Those within University Directorates and teams responsible for coordinating and reviewing due diligence should be appropriately experienced and, where necessary, trained, with an understanding as to the context in which the due diligence information relates, and should be in a position to accurately identify risks emerging from the due diligence. It may however be necessary for wider consultation with University stakeholders regarding due diligence information, findings and outcomes, to determine associated risk, and to consider whether reasonable risk mitigation and management can be implemented.
- 2.13 Regardless of the risk posed by the activity for which due diligence is being undertaken, the rationale for due diligence should be clearly articulated to stakeholders and those asked to carry out due diligence externally.
- 2.14 Sufficient time should be allocated to carrying out due diligence, which should also be carried out prior to the University being put at risk from the activity for which due diligence is undertaken.
- 2.15 University Directorates and teams when undertaking due diligence must ensure that the outcome of the due diligence sufficiently informs the ability to risk assess the activity being undertaken, and where necessary, implement adequate risk mitigation and management strategies, in line with the University's Risk Management Policy. Information provided through due diligence should therefore allow informed judgements to be made and should therefore be of sufficient quality and accuracy.
- 2.16 University Directorates and teams should ensure there are suitable frameworks in place for reviewing due diligence information and making informed judgements as to due diligence outcomes, as well as clear structures for escalation where major risks are determined. As such, policies, procedures and formal University Committees should be utilised to ensure appropriate oversight of activities being undertaken on behalf of the University.
- 2.17 University Directorates and teams are responsible for determining the frequency by which due diligence is reviewed, i.e. annually, or periodically, in line with the scale, complexity and risk of the activity for which due diligence was initially conducted. Where due diligence requirements are dictated by an external organisation or regulation, the responsible University Directorate and team should ensure that any due diligence review is carried out in accordance with external expectations. Also, due diligence must be reviewed in response to any incidents, such as conflicts or environmental disasters, pandemics or major changes to key activities.

3. ROLES AND RESPONSIBILITIES

- 3.1 This guidance applies to all staff coordinating, designing, or carrying out due diligence activity at Keele.
- 3.2 The Chief Operating Officer has strategic oversight of this guidance.

- 3.3 The University Executive Committee reviews and monitors the guidance as it is an institution-wide process that covers both Professional Services Directorates and Academic Faculties.
- 3.4 The Director of Research Strategy Delivery or Head of International Partnerships can answer questions on the guidance.
- 3.5 The University Executive Committee shall be responsible for monitoring compliance with this guidance.

4. RELATED POLICIES AND PROCEDURES

- 4.1 Risk Management Policy

5. REVIEW, APPROVAL & PUBLICATION

- 5.1 This guidance will be reviewed at least once every three years. The document owner is responsible for coordinating/conducting the review.
- 5.2 This guidance will be approved by the Chief Operating Officer.
- 5.3 This guidance will be hosted on Policy Zone.

6. EQUALITY ASSESSMENT

- 6.1 Equality issues have been taken into account during the development of this document and all protected characteristics have been considered as part of the Equality Analysis undertaken.'

7. DOCUMENT

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