

DUE DILIGENCE ON THIRD-PARTY SUITABILITY IN THE FACE OF A CHANGING REGULATORY LANDSCAPE

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Session Plan

Introduction and Scene Setting

Workshop Exercise

Our journey

- How the project came into being
- How the project was run
- Challenges encountered
- Lessons Learnt

Conclusion

Q&A

Setting the scene

Who we are and why we were tasked with running this project

- Chaitali Desai
- Liam McKervey

Foreshadowing of changes in the regulatory landscape

Organic process development across remits

Lack of joined up processes

Lack of clarity regarding decision makers

Why us



Legal and reputational risks speaks to our expertise



Audit funder recommendation around third-party engagement



Senior staff questions relating to real life situations



Changes to funder terms and conditions around Trusted Research



University Executive Board (UEB) endorses a project to develop a new model to assess third party suitability.

Identifying current processes



Patchwork of mechanisms that have grown organically

Research

Education

Donations

Finance

Procurement



Risks identified

Lack of communication across remits

Cumulative risk was not identified

University was unable to demonstrate compliance to funders

Inconsistent approaches with contradictory decisions being reached

A complex bureaucratic landscape emerged that was difficult to navigate

Changing regulatory landscape

National Security and Investment Act introduced

Export controls and research collaborations

Trusted Research (TR) initiative

Risks of non-compliance

- For specific legal obligations, risk of unlimited fines or prison sentences
- Loss of income due to grants being terminated
- Loss of trust amongst both government and industry partners
- Inaccurate understanding of cumulative risk
- Financial loss due to lack of future opportunity
- Loss of reputation within the sector

Case Study 1 – Commercialising Education



The University is invited to support the development of new UG programmes in Higher Education Institutions (HEIs) in the UAE



MoU signed by the VC in the UAE institution indicating intention to collaborate



Commercialising education is a rare instance that does not apply to our standard processes for assessing philanthropic donations, Education or Research Partnerships.



How would you assess non-standard partnership requests at your organisation?



What issues/risks would you consider?

Case Study 2 - Artificial Intelligence



Senior Academics in the Engineering Faculty sought clarity around whether the University should continue working with a state-sponsored Chinese technology company



Response to growing concerns reported in worldwide media around infrastructure and national security, potential reputational risk and lack of clarity arising from not having a defined position



Position taken that the University will not work with this company in areas of artificial intelligence, cryptographic authentication, facial recognition



Ongoing review and discussion as to whether these restrictions should be expanded and EC/NSIA application approach



Value of flexibility to defined positions in your organisation?

Case Study 3 – Companies with international affiliates

Multinational, well-reputed company sought to agree a framework around PhD projects in the areas of pharma, biotechnology and AI

Refusal to clarify corporate structure, identify affiliates or agree that IP/materials should be ring-fenced

Sought clarity from Government advisory body who reported MOD concerns that would lead to significant compliance work to safeguard

Conflict between eagerness to continue with “high-risk/high-reward” partnership and pressure to demonstrate security-consciousness to Government partners

How would you manage this at your organisation?

Case Study 4 - Defence companies engaging in civil and military applications



A company providing global defence solutions also has a civil arm that develops travel and traffic infrastructure systems



Student protest around working with defence companies and conflict around extending invitations to them to present at careers events and develop strategic research partnerships



Difficulties identified in securing assurance that research conducted for the civil side will not also bolster defence and military capability



How would you deal with the conflict between accepting stakeholder concerns against tangible benefits of collaboration?

Case Study 5 – Tobacco Tactics

The university is made aware an existing relationship with a third-party that has been bought out a Tobacco company.

A leading research funder notifies the university that they will not provide financial support to those supported by tobacco industry funding or to those who are, or would be, working in such proximity to others who are supported by tobacco industry funding that there is a possibility any facilities, equipment or other resources will be shared.

How would you manage any pre-existing or ongoing relationships with that third part?

How would you decide to proceed regarding future collaboration?

Running the Project

Scope

- Very broad “Partnerships in their broadest sense, regardless of partner type or activity type”
- Not to be applied retrospectively
- Value judgement were excluded from the scope

Governance

- Project Board
- A core Working Group
- Co-Project Managers
- Key stakeholders identified
- Project Sponsor

Running the project



Stakeholder interviews

42 1-1 semi-structured interviews

Questionnaire / survey circulated across academic and Professional Service (PS) colleagues

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High level outcomes

Strong advocacy for an aligned university process in assessing third party suitability

Identification of issues with the current process that should be addressed in the new aligned process

Requirements that a successful aligned process should demonstrate

Suggestions as to where and how this process should be administered

Running the project



Workshops

5 Workshops held

- 4 combined with PS and academic colleagues
- 1 Academic focused workshop

Facilitated by an external independent organisation

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High level outcomes

Diverse comments

Welcoming a university-wide approach

A clear, well-structured framework

Transparent processes (Defined decision makers)

Balancing contradictory characteristics

Key challenges identified

Process Development and Testing

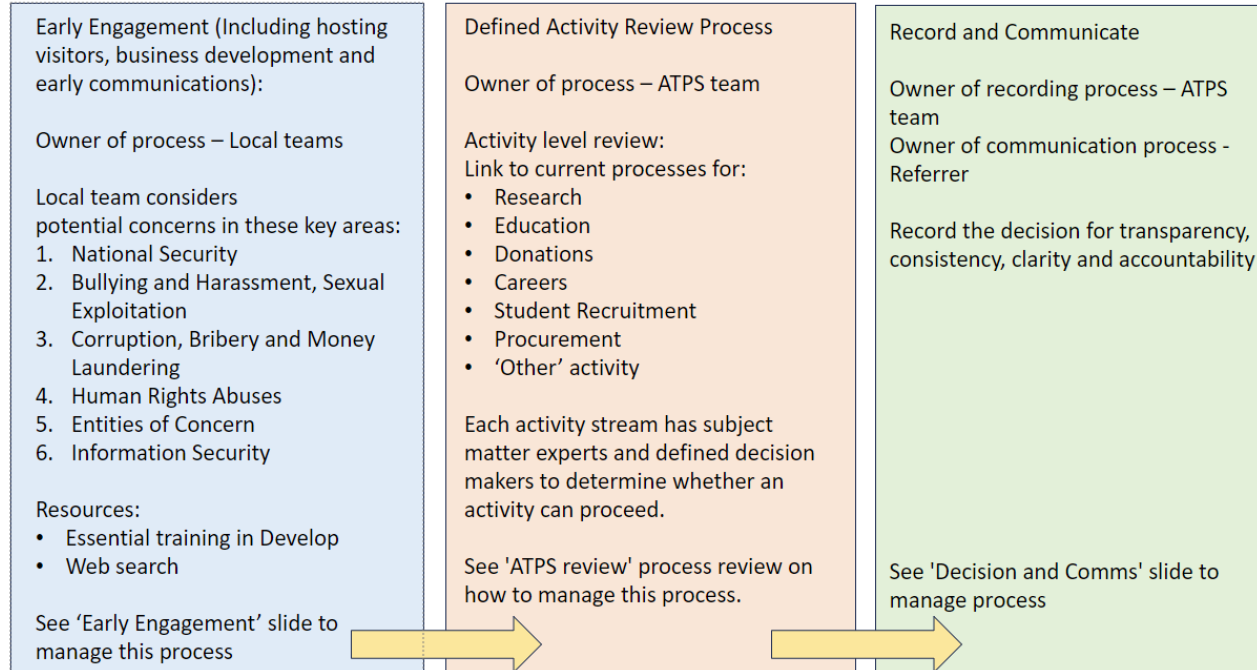
- Review of thematic analysis and reports
- Updated Working Group and Project Board to seek approval to move to the next stage
- Designing an aligned process framework began



Process Development and Testing

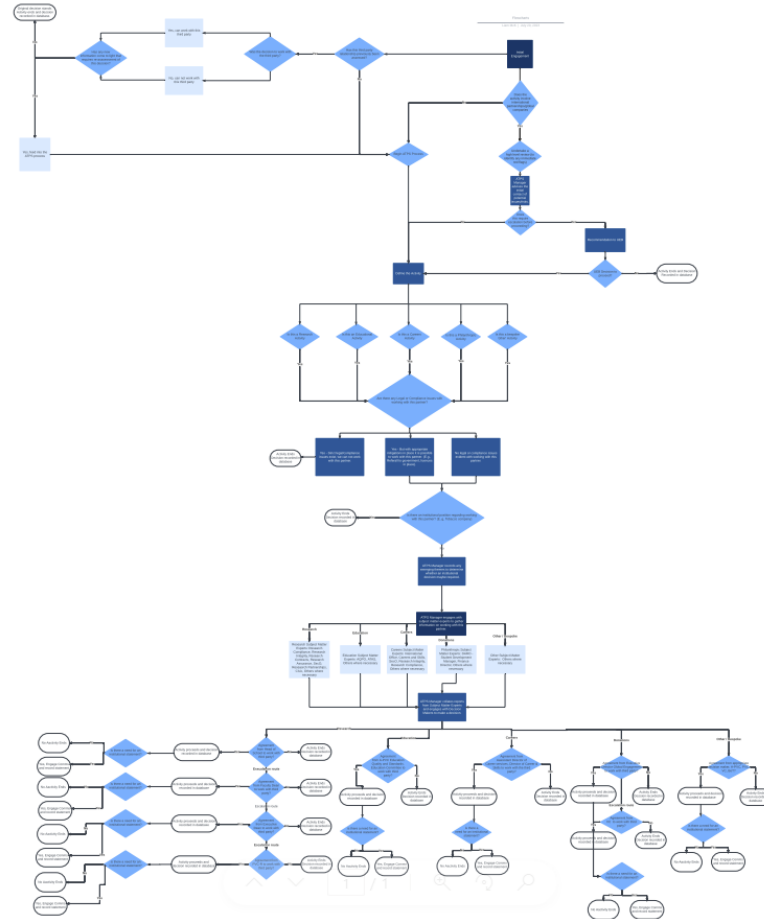
- Tiered Process
 - Simplified process for communication with senior stakeholders

CTPS Simplified Process Flow



Process Development and Testing

- Operational Step by Step Process Flow



Process Development and Testing

- Issues still to be addressed:
 - Confirmation of process ownership
 - Resourcing of a team to manage the process
 - Resourcing and creation of a database of decisions
 - Communication and new product dissemination plan

At the point of preparing this presentation, these processes are going through relevant approval stages.

Challenges and Lessons Learnt



Scope of the project

Lessons learnt

Refining the scope of the project to be more achievable with the resource at hand.

Improved message management on the scope of the project to all key stakeholders.



Resourcing

Lessons learnt

Key 'Go / No Go' decision before project agreed

Registering the project as Strategic Project



External Pressures

Lessons learnt

Ensuring that whilst co-project managers can keep stakeholders updated

Ensure senior management and the project sponsor to communicate that message across their own cohort

Challenges and Lessons Learnt



Working outside of our remit

Lessons learnt

- Building relationships with colleagues across the institution
- Respecting how their processes work and not to impose any new processes but to empower engagement



Lone working within the UK HEI sector

Lessons learnt

- Engage with colleagues across the sector for their input and best practice sharing as the project developed



Large source of data

Lessons learnt

Capacity to appropriately process and analyse the large amount of data received during the evidence gathering phase

Outcome

We have developed a Bristol focused product for UEB consideration

Maintained integrity of the project despite internal and external pressures

Primed senior management team to engage with this framework

Shared Trauma

Conclusion



Secure support at all levels



Clear plan to refer to keep you on track (PID)



Ensure appropriate resourcing



Flexibility / Adaptability



Communication (Understanding messaging needs tailoring)



Welcoming and responding to constructive criticism

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 - Rob Logan
 - Frances Frith
 - Nick Iles
 - Christine Nileswhar
 - Anna Worrall
 - Daniel Hancock
 - Kate Miller
- Workshop stakeholders:
 - All attendees
 - AnchoredIn Workshop facilitators



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THANK YOU AND QUESTIONS

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