

WEE-DiFine Due Diligence Guidelines

Introduction

This document provides prospective subgrantees with an overview of WEE-DiFine's due diligence process, including guidance to complete WEE-DiFine's due diligence questionnaire.

The Due Diligence Process

Due diligence will be carried out on the subgrantee organizations that have been approved by WEE-DiFine and its Advisory Board for funding. WEE-DiFine, hereinafter referred to as the grantor, will carry out one of two degrees of due diligence, based on its existing knowledge of the organization:

Full A full investigation into all aspects of the organization's operations.

Update For organizations where the grantor has already performed due diligence, the due diligence will focus on issues regarding the organizational plans for the new award.

The grantor's Grants Manager will lead the due diligence process. This person is independent of the Advisory Board, as the due diligence process will be an independent review.

Due Diligence Objectives

The due diligence exercise is NOT intended to duplicate the efforts of the Advisory Board. Rather it is intended to:

- Uncover additional information the grantor should be aware of;
- Identify any risks to the subgrantee and determine whether there is a plan to address these risks;
- Perform a detailed analysis of the current state of the organization – e.g., board and governance structures, strength of policies, detail of agreements, etc.

Due Diligence Conduct

The subgrantee's financial and legal personnel, or those who manage organizational compliance and financial matters, will be engaged during the due diligence process. **The subgrantee must complete the due diligence questionnaire and provide the supporting documents noted in the questionnaire within 10 business days of receipt.** The grantor will schedule a short call with each team to discuss the information included in this document and give every team the opportunity to ask questions about this process.

The subgrantee is required to answer the following questions included in the Due Diligence Questionnaire and provide supporting evidence, as explained below.

| Section A: Subgrantee Details | | |
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| Questions¹ | Refers to | Evidence |
| Do you have public liability insurance? | For any business activity, public liability insurance covers the cost of compensation for individual or group injuries, loss or damage of property, or death. ² | If yes, the subgrantee may share its insurance documents with the grantor. Optional but recommended |
| Do you have employer's liability insurance? | Employer's liability insurance covers the organization against financial loss caused by job-related injuries, illness, and/or death that are not covered by the employees' compensation package. ³ | If yes, the subgrantee may share its insurance documents with the grantor. Optional but recommended |
| Do you have professional indemnity insurance? | Professional indemnity insurance covers the organization against financial loss caused by lack of professional service, omission in performance, and negligence or breach of duty. ⁴ | If yes, the subgrantee may share its insurance documents with the grantor. Optional but recommended |
| Are you a registered organization? | | Please submit the registration certificate of your organization. Mandatory |

WEE-DiFine's due diligence questionnaire is modelled on the Institute of Development Studies' questionnaire.¹

<https://www.abi.org.uk/products-and-issues/choosing-the-right-insurance/business-insurance/liability-insurance/public-liability-insurance/>²

<https://www.investopedia.com/terms/e/employers-liability-insurance.asp#:~:text=Employers%27%20liability%20insuranc,e%20protects%20employers,not%20covered%20by%20workers%27%20compensation.&text=Employers%27%20liability%20insurance%20is%20also,of%20a%20workers%27%20compensation%20policy>³

<https://www.cgu.com.au/explore-business/understanding-liability-and-indemnity>⁴

| Section B: Governance and Control | | |
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| Questions | Refers to | Evidence |
| 1.1 Can you provide an annual tax statement for the last 3 years? | Every organization must submit its tax return/file annually. This document states the tax paid for the prior year. | The subgrantee is required to share with the grantor its annual tax statements from the last 3 years. Mandatory |
| 1.2 Are you externally audited? | An independent auditor should audit every organization at the end of each financial year. Auditors should be external to the organization. | If yes, the subgrantee is required to share the year of the last audit conducted, as well as the auditor's name. If no, please explain why the subgrantee hasn't conducted an audit. Mandatory |
| 1.3 Do you have anti-fraud, corruption, and bribery policies? | Anti-fraud policies establish clear guidelines on how an organization prevents, identifies, and fights against fraud. These policies also help to create an anti-fraud culture that helps to achieve organizational objectives. ⁵ An anti-bribery and anti-corruption policy imposes a zero-tolerance approach to bribery and corruption. This policy demonstrates the organization's commitment to act professionally, fairly, and with integrity in all its business dealings and relationships. | If yes, please provide a copy of your policies. If no, please describe the actions you take to prevent fraud, bribery, and corruption within your organization within the 'Supporting Information/ Comments' box. Mandatory |

| Questions | Refers to | Evidence |
|---|---|---|
| <p>1.4 Do the policies referenced in 1.3 cover anti-money laundering?</p> | <p>Anti-money laundering is a set of processes that intend to prevent disguising illegally obtained funds as legitimate income.⁶</p> | <p>If yes, please provide a copy of your policies.</p> <p>If no, please describe the actions you take to prevent fraud, bribery, and corruption within your organization within the 'Supporting Information/Comments' box.</p> <p>Mandatory</p> |
| <p>1.5 Have there been any incidents of fraud or corruption within your organization in the last 3 years?</p> | | <p>If yes, please provide information on these incidents along with supporting documents.</p> <p>Mandatory</p> |
| <p>1.6 Do you have a workforce whistleblowing policy?</p> | <p>This policy encourages employees to report any suspected misconduct or illegal activity within the organization's environment.</p> | <p>If yes, please provide a copy of these policies. Sometimes organizations have standard operating procedures that cover these policies. Please note in the 'Supporting Information/Comments' box.</p> <p>If no, please mention how the organization would address issues of this nature.</p> <p>Optional but recommended</p> |

| Questions | Refers to | Evidence |
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| 1.7 Do you have policies and procedures which demonstrate compliance with data protection laws, i.e., GDPR within the EU? | Data protection policies describe how organizations protect individual data and comply with data protection laws. ⁷ | <p>If yes, please provide a copy of your data protection policy/ies.</p> <p>If no, please explain how your organization complies with relevant data protection laws within the 'Supporting Information/ Comments' box.</p> <p>Mandatory</p> |
| 1.8 Do you have an organizational risk management policy that covers how risk is monitored and controlled within projects? | A risk management policy provides guidance related to managing risk, ensuring financial sustainability, and protecting the organization's staff and assets. | <p>If yes, please provide a copy of your risk management policy.</p> <p>If no, please explain how your organization manages risk within the 'Supporting Information/ Comments' box.</p> <p>Optional but recommended</p> |
| 1.9 Please outline the board and governance structure for your organization. | | <p>Include details of board membership, senior management roles and responsibilities, and meeting schedules. An organizational chart should be provided if available.</p> <p>Optional but recommended</p> |

| Questions | Refers to | Evidence |
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| Section C: Capacity and Experience | | |
| 2. Approximately how many staff do you currently employ? | | Please note the number of staff, including full-time, part-time, and short- term staff, currently working in your organization. Optional but recommended |
| 2.1 Do you have the capacity to provide adequate resources to the project should the personnel expected to work on the project no longer be able to do so? | | If yes, please mention these resources. Optional but recommended |
| 2.2 Can you provide 3 prior or current project examples that demonstrate your ability to carry out the expected project tasks? | | Please list 3 prior or current projects in the 'Supporting Information/ Comments' box including project title, duration, amount of grant, and country of study. Optional but recommended |
| Section D: Finances | | |
| 3. Can you provide audited accounts from the last 2 years? | Audited accounts refer to external auditors' reports. | If yes, please provide copies of your audited accounts from the last two years. Mandatory |
| 3.1 Do you have documented financial procedures that demonstrate financial controls in place to safeguard the use of project funds? | Financial procedure guidelines detail the way an organization keeps records for reporting purposes, imposes financial controls, and ensures that project funds are managed with due care. | If yes, please provide a copy of your documented financial procedures. Mandatory |
| 3.2 Have the proposed fees included within the project been benchmarked against industry standards? | | If yes, please provide an explanation. This inquiry applies to all proposed expenditures included in the budget. Optional but recommended |

| Questions | Refers to | Evidence |
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| Section E: Downstream Management (if the subgrantee also play a role as a grantor, they require to fill it) | | |
| 4. Do you have a contract management policy? | A contract management policy is an internal document outlining key strategies, activities, and tasks required for managing a contract, including but not limited to roles and responsibilities, timelines, performance management, and financial matters. | If yes, please provide a copy of this policy. If no, please provide information on how you would perform management of contracts in the 'Supporting Information/ Comments' box. Optional but recommended |
| 4.1 Do you maintain up-to-date records on your subcontractors, and can you provide information on them if requested? | Here subcontractors refer to subgrantees as well. | If no, please explain why you are not able to provide this information. Optional but recommended |
| 4.2 Do you perform due diligence on your subcontractors? | Here subcontractors refer to subgrantees as well. | If yes, please provide a copy of your due diligence assessment and/or policy. Optional but recommended |
| 4.3 Do you screen potential partners against any terrorist or corruption sanctions lists? | | If yes, please provide a copy of your potential partners against any terrorist or corruption sanctions lists. If no, please provide information on how terrorist or corruption practices are avoided when screening potential partners in the 'Supporting Information/ Comments' box. Optional but recommended |

| Questions | Refers to | Evidence |
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| <p>4.4 Do you have anti-fraud, bribery, and corruption policies or any similar policies? If you have answered within Section B, please leave blank.</p> | <p>Anti-fraud policies establish clear guidelines on how your organization prevents, identifies, and fights fraud. These policies also create an anti-fraud culture that helps an organization achieve its objectives.⁸</p> <p>Anti-bribery and anti-corruption policies impose a zero-tolerance approach to bribery and corruption. These policies demonstrate the organization's commitment to act professionally, fairly, and with integrity in all its business dealings and relationships.</p> | <p>If yes, please provide a copy of your policies.</p> <p>If no, please describe the actions you take to prevent fraud, bribery, and corruption within your organization within the 'Supporting Information/Comments' box.</p> <p>Mandatory</p> |
| <p>Section F: Safeguarding and Ethics</p> | | |
| <p>5. Are you a member of the UN Global Compact?</p> | | <p>Optional but recommended</p> |
| <p>5.1 Do you have any internal policies or codes of conduct that demonstrate good practice in relation to international labor and ethical employment?</p> | <p>A code of conduct defines how an individual should act within an organization on a day-to-day basis, thereby establishing core values and organizational culture.</p> | <p>If yes, please provide a copy of your internal policies which reflect best practices regarding international labor and ethical employment.</p> <p>If no, please explain what standards you have in place in order to demonstrate compliance with ethical labor and employment practices in the 'Supporting Information/Comments' box.</p> <p>Mandatory</p> |

| Questions | Refers to | Evidence |
|---|---|---|
| 5.2 Do you have an anti-discrimination policy or equivalent? | Anti-discrimination policies help foster equal employment opportunities and prevent discrimination and harassment on the basis of race, color, sex, sexual orientation, religion, age, disability, or any other characteristic protected by law. | If yes, please provide a copy of your anti-discrimination policy. Mandatory |
| 5.3 Do you have a safeguarding policy relating to work that involves children or vulnerable people? | A safeguarding policy ensures that an organization takes all reasonable steps to prevent harm, particularly sexual exploitation, abuse, and harassment, from occurring, particularly against vulnerable adults and children. This policy also outlines how to respond appropriately when harm does occur. | If yes, please provide a copy of your safeguarding policy. Mandatory |
| Section G: Security | | |
| 6.1 Do you have a duty of care and/or a travel security policy for your staff? | | If yes, please provide a copy of your duty of care and/or travel security policy. Mandatory |
| 6.2 Do you hold travel insurance policies for your staff? | | If yes, please provide a copy of your insurance policy document. Mandatory |