

DUE DILIGENCE OF PARTNERS

1 Introduction – A Policy to ensure sufficient due diligence of partners of Thrive

- 1.1 This policy is to ensure sufficient due diligence of partners to minimise financial, operational and reputational risk to Thrive, its donors and other partners. Thrive conducts due diligence on any organisation to whom it donates or may donate, or with which it conducts or may conduct joint activities.
- 1.2 Thrive uses a Due Diligence Checklist for basic or full due diligence, depending on the maturity of the (prospective) partner and the amount of Thrive funding to be handled by the (prospective) partner. The checklist elicits information which enables Thrive to write a report with sections covering 4 areas below.

2. Governance & Internal Control

Governance; Fraud, bribery, corruption, money laundering, ethics; Internal control; Risk management; Transparency

3. Ability to Deliver

Past performance; Staff and board capacity and capability; Programme management

4. Financial Stability

Viability; Financial management; Strength of audits; Value for money; Policies, procedures and systems.

5. Downstream Activity

Due diligence of governance, ability to deliver, financial stability; Delivery chain risk management; Contracts; Monitoring, management; Fraud, bribery, corruption, money laundering

6. Due Diligence Annual Checklist – copies of documents must be submitted as proof of compliance

- 6.1. Basic Due Diligence - organisations registered <1 year ago or to whom Thrive may donate <£500
 - Name, registered address, company registration number, legal status/constitution/ultimate controlling entity
 - Names of Trustees, brief biographies, number of board meetings / year
 - CV of leader (Chair/CEO/Director/volunteer, names of Senior Management Team, organogram
 - How partner measures progress against objectives; donors, cost, achievements of each project in past 2 years
 - Year-end date; legal obligations to file annual audited accounts; most recent audited accounts
 - Public availability of the above information
- 6.2. Full Due Diligence – older organisations or to whom Thrive may donate £500+
 - Memorandum and Articles of Association, Finance Manual (if available), HR Manual (if available)
 - Name of Head of Finance, relevant qualifications and biography; structure of Finance Department
 - Bank account numbers, sort codes, currencies, addresses, purposes and signatories
 - Policies: Risk Management, Child & Vulnerable Adult, Anti-Bribery, Procurement, Fund Management (restricted funds), Whistleblowing, **Conflict of Interest Register** (required by UK Anti-Bribery law)
 - Any regulatory requirement for operation, e.g. Certificate to Teach for a college
 - Insurance (e.g. property, equipment, professional, employer, life assurance)
 - List of lease & any other significant commitment agreements
 - Confirmation of compliance with any other key laws.

7. Monitoring Controls to ensure that this Policy is implemented

- 7.1. The Director of Finance reports to quarterly board meetings due diligence conducted on Thrive partners.

8. Policy review

Policy owner	Director of Finance
Reviewed annually	Board of Directors
Policy date	August 2019
Next policy review date	August 2020