1 Introduction

1.1 Definition

For the purpose of this procedure, a partnership is defined as a joint relationship, typically involving business, community or not-for-profits working with WRAP to further our charitable impact.

1.2 Scope

WRAP delivers its charitable impacts through strategic use of partners, domestically and internationally. This document covers WRAP's procedure on partner engagement to ensure compliance with charity law and to safeguard our brand and assets.

This procedure provides clarity on how WRAP should assess and manage partners in delivering its charitable objectives recognising the duty of care, as a charity, to ensure that our funds meet intended beneficiaries needs.

2. Partner risk management

When working with partner organisations WRAP must ensure that it follows the key criteria set out below:

2.1 Due diligence

Due diligence is the process for assessing the risks associated with a partner organisation, including reputation, fraud, and money-laundering. The process, as set out in Annex A of the procedure, is a fact finding task to understand how suitable and reliable a partner will be to work with in delivering agreed objectives. In general terms WRAP needs to establish if a business is legitimate and who the ultimate owners are (follow-the-money approach); specifically, due diligence will look at the company's registration documents, financial stability, compliance to legal frameworks, reputation, track record, and directors, trustees, holding companies.

Due diligence is an initial assessment of information available; it is the responsibility of WRAP's partnership lead to use the standard tools available internally to document the process but should accept that no 'one size' approach will fit every partner evaluation.

Due diligence should not be unduly costly or burdensome, but adequate enough to provide a risk-based approach to adopt in the following stages of partnership engagement. In exceptional circumstances, i.e. a partner has been recommended by another reputable partner, or a partner has good reputation, or a partner has been partnered with WRAP previously (i.e. a previous grant recipient), whether or not for the same project, and with no significant changes since last due diligence was carried out, it is the discretion of Head of Programme to use a light touch due diligence which can be found on Hub.

2.2 Partner Agreement

The partner agreement will set out the formal relationship between WRAP and its partner(s). Its form will depend on the outcome of the risk assessment following due diligence and the complexity of work required to deliver partnership outputs; a non-legal agreement, typically a Memorandum of Understanding (MoU), will be acceptable where the partner is considered reliable and delivery risk is low, whereas a more formal legal agreement or contract will be required for delivering higher risk outputs or outcomes.

The purpose of the agreement is to set out the expectations required from both parties during the partnership; templates are available from the commercial team upon request and contain the necessary details required to complete the agreement. The partnership lead at WRAP is responsible for ensuring the correct agreement is chosen and drawn up for partnership opportunity, the commercial team will support preparation of the agreement. All agreements must meet WRAP's Scheme of Delegation (SoD) for approval before being sent to partners for negotiation or acceptance.

2.3 Monitoring

Monitoring a partner's progress at determined points or intervals through the agreed outputs and milestones is fundamental to WRAP ensuring its resources are being utilised in the most efficient and effective way to deliver our charitable objectives.

The partnership lead at WRAP is required to design the monitoring programme, proportionate to the level of risk associated with a partner and their remit. A well constructed monitoring programme will ensure that WRAP effectively collaborates with partners whilst confirming they are making progress with agreed outputs. Monitoring is important because it will provide assurance that WRAP's assets are being used efficiently in pursuit of our charitable objectives, but also provide early indication of delay or error that might change the risk profile associated with delivery.

Monitoring can take different forms depending on the requirement, ranging from WRAP staff making a physical inspection, to a partner reporting their own progress; the guideline and tools can be found on Hub.

2.4. International Partner Additional Considerations

Risks associated with working alongside international partners inherently increase due to factors like location, language, different international and local laws and regulations, and different infrastructure, e.g. banking and finance. Operating overseas also introduces risks that working domestically doesn't often consider; risks like money laundering, terrorism and corruption which are common in high risk jurisdictions of the world.

Working with international partners is essential to WRAP meeting its global charitable objectives but doing so presents the business with a higher risk profile. In response WRAP has to increase the level of due diligence and project monitoring to ensure that resources are being used efficiently and effectively in delivering our charitable purpose.

In practice this means reinforcing the steps above to ensure WRAP understands the risks associated with any opportunity to partner with organisations abroad. Due diligence will include the minimum of a PESTEL analysis in addition to the standard risk register to assess the reliability, stability and suitability of a foreign partner which WRAP distributes over £50,000 in a single agreement (i.e. a new sub-grant agreement, a new service contract or a variation agreement to an existing sub-grant agreement) . Increased due diligence will allow WRAP to mitigate risks discovered and put in place adapted monitoring provisions to challenges presented.

4. Approvals

Partnership Lead, Finance manager and Commercial manager are responsible for co-approvals of due diligence check. Head of Programme is responsible for final sign off and making the collective decisions on partnerships.

If a collective decision cannot be made for a partner applicant, the due diligence shall be escalated to the relevant Director and CFO for their review and final sign off.