


**2013 Compliance and Audit Symposium**



**International Activities**  
Part 2

Presentation at the 2013 UC Compliance and Audit Symposium  
Wanda Lynn Riley & Jaime Jue  
UC Berkeley  
January 2013

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**Agenda/Learning Objectives**

- Why and how institutions are trying to expand abroad?
- What are peer institutions currently doing?
- What are international partners looking for in a match with a US university?
- What strategy and infrastructure should be in place at home to support such international initiatives?
- How can we add value?

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**International Activities – Part 2**

**Spectrum of Potential International Activities**

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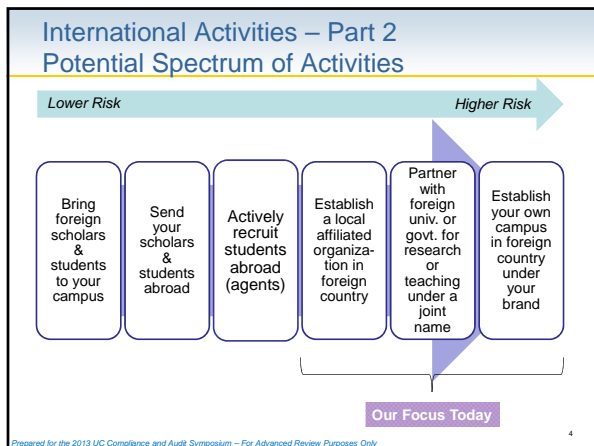
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### International Activities – Part 2

## Why are institutions expanding abroad?

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- ### International Activities – Part 2
- #### Why are Institutions Expanding Abroad?
- Greater research opportunities for faculty
  - Better experience for students studying abroad
  - Increase enrollment
  - Prestige
  - Source of revenue
  - Maintain ability to recruit top talent
  - Broader opportunities for employment after graduation
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**International Activities – Part 2**

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How are peer institutions creating international operations?

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**International Activities – Part 2**  
**What are Peer Institutions Doing? (Sample)**

Institution	Where?	What they are doing?	Local Partner?	Funding
Yale	Singapore	BA program	National University of Singapore (NUS)	Singapore Govt.
MIT	Beijing	MBA Certificate	Tsinghua University	Tsinghua (building)
MIT	Singapore	MS program	NUS and Nanyang Tech. U. (NTU)	Singapore Govt.
Michigan	Shanghai	BS, MS, Ph.D. Engineering	Shanghai Jiaotong	Shanghai Govt.
NYU	Abu Dhabi	BA program	n/a	UAE Govt.
NYU	Singapore	D-LLM program	NUS	Singapore Govt.
Georgetown	Qatar	BS, Foreign Service	n/a	Qatar Govt.
Duke	Singapore	MD, Ph.D. Medicine	National University of Singapore	Singapore Govt.
Georgia Tech	France	BS, MS, Ph.D. Programs	Lorraine Regional Council	French Govt.
Berkeley	Singapore	Research	NTU, NUS	Singapore Govt.

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**International Activities – Part 2**  
**Education Hubs**

Some countries are actively developing “hub” cities to attract foreign universities.

- Education City, Qatar
  - Virginia Commonwealth University School of the Arts
  - Weill Cornell Medical College
  - Texas A&M University
  - Carnegie Mellon University
  - Georgetown University School of Foreign Service
  - Northwestern University

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International Activities – Part 2  
Education Hubs

- Singapore
  - MIT
  - Cornell Hospitality
  - NYU Law
  - Duke Medical
  - Harvard JFK School of Government
  - Johns Hopkins
  - UNC
  - Georgia Institute of Technology
  - Yale University

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International Activities – Part 2  
Education Hubs

- Emerging Hubs
  - Iskandar, Malaysia
  - Abu Dhabi, UAE
  - Songdo, South Korea

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International Activities – Part 2

What are international partners looking for in a match with a US university?

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### International Activities – Part 2

What are international partners looking for in a match with a US university?

- Focused research
- Prestige/credibility
- Training local labor force
- Boost local economy
- Keep the invested funds in the country

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### International Activities – Part 2 Predictions from the Chronicle of Higher Education

#### 5 International Trends in 2013

- Greater push-back from home campuses
- A shift from expansion to quality
- Global competition to be education hubs
- Focus on economic development
- Increasing diversity of programs

Lane, Jason and Kevin Kinser, "Looking Ahead: 5 International Trends for 2013", Chronicle of Higher Education, January 2, 2013.

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### International Activities – Part 2

What strategy and infrastructure should be in place at home to support such international initiatives?

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**International Activities – Part 2**

- Strategic Plan
  - Where do you want to be?
  - What do you want to do there?
  - How does it link to your core mission?
  - What is your level of investment?
  - How much risk are you willing to be exposed to?
- Infrastructure
  - Legal
  - Financial
  - Compliance
  - Academic

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**International Activities – Part 2**

How can we add value?

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**International Activities – Part 2**

Assisting Management  
to Assess and Mitigate Risk

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**International Activities – Part 2**  
**Selected Management Risk Areas**

- Push-back from home campus
  - Yale University
  - New York University
- Lack of coordination of pursuits across academic and research Units
- When to use legal binding agreements (contracts) v. non-legally binding (MOUs)
- Selecting the form for the legal entity (corporation, joint venture, limited partnership, etc.)

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**International Activities – Part 2**  
**Selected Management Risk Areas**

- Obtaining business licenses
- Obtaining accreditation or license to conduct teaching, research or public service
- Due diligence on potential partners
- Obtaining systemwide or Regental approval
- Political Risks
- Corruption or Bribery
- Capital Controls / Banking restrictions
- Export/Import controls
- Local financial reporting requirements

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**International Activities – Part 2**  
**Selected Management Risk Areas**

- Understanding local laws and compliance requirements
- Right to audit the books and records of the foreign entity
- Development, ownership and use of intellectual property
- Collection and use of information subject to privacy laws
- US nationals working in a foreign country
- Hiring local employees

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**International Activities – Part 2**  
**Selected Management Risk Areas**

- Avoiding conflicts of interest
- Applicability and enforceability of UC/campus policies abroad
- Insuring against potential loss
- Contractual indemnification of or limitations on liability to third-parties
- Compliance with US and foreign tax laws
- Records retention
- Use of restricted gifts or private, state, or federal funds to support the international operation

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**International Activities – Part 2**  
**Selected Management Risk Areas**

- Leasing, purchasing, or building facilities
- Ongoing monitoring of remote operations
- Crisis management/business continuity
- Right to terminate the agreement and exit the country

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**International Activities – Part 2**  
**How can we add value?**

- Assurance Engagements
  - Audits of foreign operations/affiliates
- Consulting Engagements
  - Risk assessments
  - Due diligence on prospective partners
  - Key control review
  - Contract analysis
  - Cost-benefit analysis

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International Activities – Part 2

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Q&A

Thank You!

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International Activities – Part 2

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**Speaker Contact Information**  
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