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?
International Activities – Part 2
Potential Spectrum of Activities

<table>
<thead>
<tr>
<th>Lower Risk</th>
<th>Higher Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bring foreign scholars &amp; students to your campus</td>
<td>Establish your own campus in foreign country under your brand</td>
</tr>
<tr>
<td>Send your scholars &amp; students abroad</td>
<td>Partner with foreign univ., or govt., for research or teaching under a joint name</td>
</tr>
<tr>
<td>Actively recruit students abroad (agents)</td>
<td>Establish a local affiliated organization in foreign country</td>
</tr>
</tbody>
</table>

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
International Activities – Part 2

How are peer institutions creating international operations?

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

<table>
<thead>
<tr>
<th>Institution</th>
<th>Where?</th>
<th>What they are doing?</th>
<th>Local Partner?</th>
<th>Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yale</td>
<td>Singapore</td>
<td>BA program</td>
<td>National University of Singapore (NUS)</td>
<td>Singapore Govt.</td>
</tr>
<tr>
<td>MIT</td>
<td>Beijing</td>
<td>MBA Certificate</td>
<td>Tsinghua University, Nanyang Techn. U. (NTU)</td>
<td>Singapore Govt.</td>
</tr>
<tr>
<td>MIT</td>
<td>Singapore</td>
<td>MS program</td>
<td>NUS and Nanyang Tech. U. (NTU)</td>
<td>Singapore Govt.</td>
</tr>
<tr>
<td>Michigan</td>
<td>Shanghai</td>
<td>EE, MS, Ph.D.</td>
<td>Shanghai Jiaotong</td>
<td>Shanghai Govt.</td>
</tr>
<tr>
<td>NYU</td>
<td>Abu Dhabi</td>
<td>BA program</td>
<td>n/a</td>
<td>UAE Govt.</td>
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<tr>
<td>NYU</td>
<td>Singapore</td>
<td>LL.M program</td>
<td>NUS</td>
<td>Singapore Govt.</td>
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<tr>
<td>Georgetown</td>
<td>Qatar</td>
<td>BA, Foreign Service</td>
<td>n/a</td>
<td>Qatar Govt.</td>
</tr>
<tr>
<td>Duke</td>
<td>Singapore</td>
<td>MD, Ph.D. Medicine</td>
<td>National University of Singapore</td>
<td>Singapore Govt.</td>
</tr>
<tr>
<td>Georgia Tech</td>
<td>France</td>
<td>BS, MS, Ph.D.</td>
<td>Lorraine Regional Council</td>
<td>French Govt.</td>
</tr>
<tr>
<td>Berkeley</td>
<td>Singapore</td>
<td>Research</td>
<td>NTU, NUS</td>
<td>Singapore Govt.</td>
</tr>
</tbody>
</table>

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
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

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

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

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


International Activities – Part 2

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

How can we add value?

Assisting Management to Assess and Mitigate Risk
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.)

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

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
### 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

#### 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

#### 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
International Activities – Part 2

Q&A

Thank You!

International Activities – Part 2

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</tbody>
</table>

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