

Conflict of Interest Policy

For internal and external use

November 2014

Version 5

Quality, Standards and Research

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Conflict of Interest policy

Prepared by Head of Regulatory Policy and Monitoring. Authorised by Responsible Officer
November 2014 Version 5

The key role of Pearson Education Ltd is to secure standards for those qualifications we certificate. As part of our commitment to quality assuring standards and therefore protecting learners Pearson provides guidance and support to help centres and their learners achieve their goals. Pearson also ensures that any regulatory requirements our regulators, including SQA Accreditation¹, impose on us are met, and that we support centres to meet those requirements.

Pearson regulatory policies are integral to our approach and articulate in a consistent way how we meet our regulatory requirements. They are reviewed annually to ensure that they remain fit for purpose.

1. Introduction

As a regulated awarding organisation Pearson is required by the General Conditions of Recognition² to have in place a conflict of interest policy that enables us to identify, manage and mitigate conflict of interest (Condition A4). All relevant staff and other individuals have a responsibility to be aware of the potential for a conflict of interest.

This policy is about conflict of interest. This document replaces Conflict of interest: policy and procedures, November 2013.

2. Purpose

The purpose of this policy is to protect our integrity as a business and the integrity of our qualifications. The policy is also designed to protect our staff by providing guidance on handling possible conflicts of interest that may arise as a result of Pearson's role as an awarding organisation.

This policy:

- defines what is meant by conflict of interest
- describes the role of conflict of interest in the context of working with, or for, an awarding organisation
- sets out the responsibilities for managing conflict of interest at each level in the organisation.

3. Policy scope

This policy applies to all staff and other individuals who interact or potentially interact with the work of the awarding organisation. This includes individuals involved with any aspects of the creation, marketing, sales, distribution, marking or any other activity connected with Pearson's qualifications, tests and assessments, and supporting resources and services.

The individuals falling within the scope of this policy include directors, employees, contractors, home workers, agency workers and any associate staff, including assessment associates, verifiers/examiners and freelance staff.

4. Definition of conflict of interest

A conflict of interest is a situation in which an individual, or organisation, has competing interests or loyalties. In the case of an individual, the conflict of interest could compromise or appear to compromise their decisions if it is not properly managed.

¹ Scottish Qualifications Authority Accreditation

² Ofqual, November 2014

Conflicts of interest can arise in a variety of circumstances relating to awarding organisation activity, for example:

- where the training delivery function and the awarding function rest within one umbrella organisation
- when an individual has a position of authority in one organisation that conflicts with his or her interests in another organisation
- when an individual has interests that conflict with his or her professional position
- where someone works for or carries out work on Pearson's behalf, but may have personal interests – paid or unpaid – in another business which either uses Pearson products or services, or produces similar products
- where someone works for or carries out work on Pearson's behalf, who has friends or relatives taking Pearson assessments or examinations
- when one part of Pearson creates and follows a procedure that conflicts with Pearson's regulatory responsibilities as an awarding organisation.

5. Responsibilities

5.1 The Board

The ultimate responsibility for the Conflict of interest policy, dissemination of the policy and management of potential and actual conflicts of interest rests with the Pearson Education Ltd Board.

5.2 Senior management

Managers in each Division are responsible for communicating the Conflict of Interest Policy to all relevant individuals within their areas of responsibility annually.

5.3 Divisional/departmental responsibility of directors and their senior managers

1. All departments are required to review their procedures annually to ensure that they anticipate and manage potential or actual conflicts of interest.
2. Divisional and departmental management meetings are required to give appropriate attention to potential or actual conflicts of interest.
3. Line managers are responsible for ensuring that all new staff receives conflict of interest training.
4. Any potential or actual conflict of interest must be documented within the Division or Department. The line manager must either resolve the issue or, for issues that cannot be resolved at this level, report the issue to their Director and/or the Responsible Officer (conflictofinterest@pearson.com). All records are required to be available for audit purposes.

5.4 Individual responsibility

1. Individuals within Pearson have responsibility for ensuring that they are familiar with the Conflict of Interest Policy and any guidelines.
2. All individuals will be required annually to read and understand the Conflict of Interest Policy.
3. **The most important feature of the policy is the requirement that an individual disclose any activity that might give rise to a potential conflict of**

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interest. If there is any doubt whether or not it represents a conflict of interest report it!

4. The individual and line manager are equally responsible for ensuring that the issue is documented carefully.
5. An individual may wish to raise concerns relating to conflict of interest directly with the Responsible Officer. This may be done in confidence and they are entitled to receive a response to their concerns. **It should be noted that individuals are protected under the company's Whistle Blowing Policy** (see Useful Links).
6. Any staff member considering paid or unpaid work outside Pearson should inform their manager if they think there is any potential for a conflict of interest. If the staff member is unsure whether a conflict of interest might arise, they should discuss this with their line manager first. The line manager should contact the conflict of interest inbox if they need advice on whether a situation presents a conflict and a record should be kept of the discussion. A staff member must not take on any such activities that could be deemed to compete or conflict with Pearson's activities.
7. Prior to each examination series all staff and other individuals, non-Executive Members of the Board and Members of the Qualifications Committee must inform Pearson of any candidates being entered for its examinations and other assessments, who are family members, other relatives or friends. They are asked to declare this information (declarations@pearson.com).
8. It is an individual's responsibility to complete any required conflict of interest training.

5.5 Responsible officer's division: monitoring and escalation

1. The Responsible Officer is responsible for escalating reports of actual or potential conflicts of interest to an appropriate level within the business and, when necessary, to the Board and the regulatory authorities.
2. The Business Improvement and Regulation Department will begin an investigation of any issues identified by the Responsible Officer within 24 hours. A preliminary report will be made available to the Responsible Officer and the senior manager concerned within 5 working days

6. Advice and guidance

Any required guidance or interpretation on potential conflicts of interest should be sought from the office of the Responsible Officer (conflictofinterest@pearson.com).

7. Regulatory references

Ofqual and SQA Accreditation require all awarding organisations to establish and maintain their compliance with regulatory conditions and criteria. As part of this process, policies that relate to Pearson's status as an awarding organisation will reference the particular conditions and criteria that they address.

This policy addresses the following regulatory criteria and conditions:

Ofqual General Conditions of Recognition
Condition A4: Conflict of Interest
SQA Accreditation Regulatory Principles (2011)
Principle 3: The awarding body must ensure that they employ robust processes to protect their own business interests as well as the interests of their approved centres and learners.

8. Policy review date

November 2015

9. Useful links

Other Pearson regulatory policies

Policy for publisher attendance at Pearson qualification marketing events

Examiners as authors policy

Policy for endorsement of resources supporting Edexcel and BTEC qualifications

The policies can be accessed here:

<http://qualifications.pearson.com/en/support/support-topics/understanding-our-qualifications/policies-for-centres-learners-and-employees.html>

The JCQ Agreed Code of Practice on Awarding Body/Publisher Relationships

<http://www.jcq.org.uk/exams-office/other-documents/agreed-code-of-practice-awarding-bodypublisher-relationships>

Other related policies for Pearson staff

'Whistle Blowing' policy (Public Interest Disclosure)

Relationships at work

Pearson Fraud policy

Press contacts

The policies can be accessed here:

<https://neo.pearson.com/groups/policies-and-forms-pearson-uk>

Pearson Code of Conduct (for Pearson staff)

<https://www.pearson.com/social-impact/policies---downloads.html>

For more information on Pearson qualifications and services please visit the website:

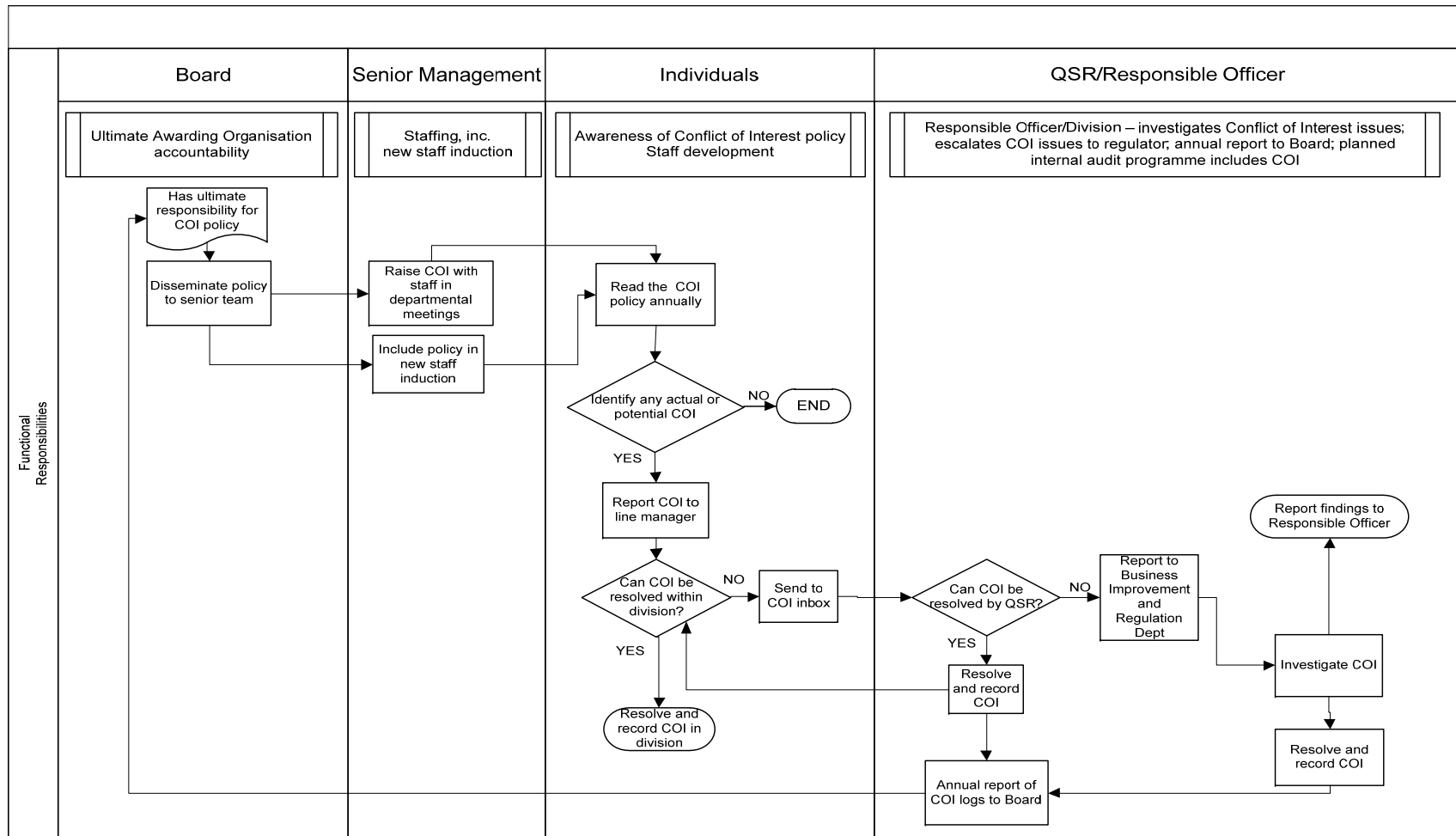
qualifications.pearson.com

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Appendix 1 Pearson Conflict of Interest – responsibilities across the business



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