



Conflicts of Interest Policy

August 2017

Version 03.3

Introduction

The document outlines both our:

- broad approach to identifying and monitoring all actual/potential conflicts of interest that may affect LanguageCert both now and in the foreseeable future; and
- the possible conflicts of interest that have been identified to date and the arrangements in place to prevent these from occurring.

From time-to-time, this policy may be provided to the regulators upon request to satisfy them of our ability to comply with their requirements in relation to conflicts of interest and to prevent such conflict becoming an 'Adverse Effect' (as defined by the regulators).

Review arrangements

We will review this document annually as part of our self-evaluation arrangements. However, a review will be commissioned earlier should an issue arise in relation to an actual or potential conflict of interest and/or in response to customer, candidate or regulatory feedback.

Throughout the year, the Board and Advisory Council will review the Conflicts of Interest log at each of their meetings to ensure that LanguageCert actively and continually reviews its approach for dealing with actual or potential conflicts of interest and that all investigations (when carried out) are being taken forward appropriately.

Definition of a conflict of interest

For the purposes of this policy, we have adopted the definition used by the regulatory authorities in relation to conflict of interests. In essence, a conflict of interest exists in relation to LanguageCert where:

- its interests in any activity undertaken by it, on its behalf, or by a member of its staff have the potential to lead it to act contrary to the correct and accurate development, delivery and award of qualifications in accordance with the requirements of the regulator's Conditions of Recognition;
- a person who is connected to the development, delivery or award of qualifications at LanguageCert has interests in any other activity which have the potential to lead that person to act contrary to the correct development, delivery or award and impact on our compliance with the requirements of the regulator's Conditions of Recognition;
- an informed and reasonable observer would conclude that either of these situations was the case.

Furthermore, as per Ofqual's "Guidance to the General Conditions of Recognition, September 2015", LanguageCert also makes the distinction between actual and potential conflicts of interest.

By "Actual Conflict of Interest", LanguageCert refers to all conflicts that relate to it, whereas by "Potential Conflict of Interest", LanguageCert refers to any scenario in which it is reasonably foreseeable that any such conflict of interest will arise in the future.

Overview

As an organisation that keeps all aspects of its business under review, individual teams are expected to identify and inform the Responsible Officer & Manager of any actual/potential conflicts of interest that could impact LanguageCert and which are not already identified. Overall, our compliance with regard to identifying and managing any conflicts of interest will be reviewed regularly by the Responsible Officer & Manager with regular, independent scrutiny carried out by the Advisory Council at their meetings as well as at Board meetings – with the Board having ultimate responsibility for the implementation of this policy and its associated controls.

The above arrangements are in line with the Institute of Directors' 'Corporate guidance and principles for unlisted companies', which states that: *"Within a company, there should be a hierarchy of accountability. Each level in the hierarchy is granted defined responsibilities and powers. However, these powers must be associated with meaningful accountability regarding performance and the exercise of powers. The accountability hierarchy begins at the bottom of the pyramid, with each superior level monitoring and supervising the level below it. Employees are accountable to managers, who themselves report to the board of directors. Finally, the board of directors is accountable to shareholders and other external stakeholders (including government agencies and regulators)."*

Conflict of interest principles

In implementing LanguageCert's approach to identifying and managing actual/potential conflicts of interest, staff are required to abide by the following principles:

- all managers and staff must buy into and commit to identifying and managing all actual/potential conflicts of interest that may affect LanguageCert and, in doing so, raise possible conflicts of interest with the Responsible Officer & Manager if in doubt.
- staff must be proactive in the identification and management of conflicts of interest that may affect our effectiveness, level of regulatory compliance and/or reputation.
- staff must be open about the nature of any potential/actual conflicts of interest and not try to hide or present them in a better light – managing conflicts of interest is about preventing issues that may impact on our operational effectiveness and/or regulatory compliance from occurring.

- staff and managers must strive to identify and deal with conflicts of interest sooner rather than later.
- our controls to managing any potential conflicts of interest must be proportionate to the risks associated with the identified conflict(s).

Dealing with conflicts of interests and/or breaches to the procedures outlined in this policy

Should the line manager and/or the Responsible Officer & Manager believe there has been a breach of this policy, or unforeseen conflicts of interest emerge an investigation will be immediately carried out along with a review of the associated procedures.

Should an internal/external party feel there has been an actual conflict of interest involving LanguageCert, then they should inform LanguageCert immediately and an investigation will be carried out. At all times, LanguageCert will ensure that personnel assigned to the investigation have the appropriate level of training and competence and have had no involvement or personal interest in the matter.

If the breach is also classified as an Adverse Effect, then the Responsible Officer & Manager will promptly inform the regulator(s) in accordance with our procedure for dealing with Adverse Effects. In doing so, the Responsible Officer & Manager will inform the regulator(s) of the reasonable steps that LanguageCert has taken or intends to take to prevent, correct or mitigate the Adverse Effect, including details of any relevant reviews.

As per the regulator's definition, an Adverse Effect is:

An act, omission, event, incident, or circumstance has an Adverse Effect if it –

(A) gives rise to prejudice against Learners / Candidates or potential Learners / Candidates,
or

(B) adversely affects –

(i) the ability of the awarding organisation to undertake the development, delivery or award of qualifications in accordance with its Conditions of Recognition,

(ii) the standards of qualifications which the awarding organisation makes available or proposes to make available, or

(iii) public confidence in qualifications.

Contact

For any queries about the contents of the policy, please contact us by using the channels described in the “Contact Us Guide”.

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