



## Conflict of Interest Policy

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Approved by	Board
Review date	September 2021
Responsible Manager	Head of Quality Improvement, Risk and Compliance
Executive Lead	Chief Financial Officer
Accessible to	Staff, External Stakeholders

### 1. Applicability of Policy

This policy applies to employees and workers in:

- Awarding
- EPA Plus
- Skills Forward
- Support Services
- Any future business units or subsidiaries
- Our stakeholders, including our customers

### 2. Scope and purpose of the Policy

This policy applies to all individuals working for or on behalf of NCFE, including all colleagues at all locations and at all levels including members of the Board, the Executive Team, external contractors, agency workers, partners, suppliers, centres, customers, any associates, any subsidiaries or their employees or any other person associated with us (collectively referred to in this document as 'individuals').

This policy extends to all of NCFE's dealings and transactions in all countries in which it or its consultants, partners, stakeholders and associates operate.

This policy covers conflicts of interest for the NCFE Group. This document supports specific Awarding and / or EPA Plus conflicts of interest procedures that relate to potential learner-centric conflicts, such as teaching and assessment delivery.

This policy sets out the responsibilities on all individuals, in line with their contract of employment (or other contractual arrangement), in supporting us to meet the requirements set out by the Charity Commission and in our regulators' Conditions of Recognition.

This policy and associated procedure supports us in ensuring that working relationships with colleagues, stakeholders, partners and customers do not conflict with our requirement to engage in business relationships in a legal, transparent, ethical and responsible manner.

NCFE recognises that conflicts of interest may arise that could lead to individuals making decisions, or appearing to make decisions, that are based on personal interest and not the interest of the

organisation or what is ethically correct. Such conflicts of interest may also constitute a form of corruption. NCFE has a policy on anti-bribery and corruption, which can be downloaded from our website [www.qualhub.co.uk](http://www.qualhub.co.uk) (or, for colleagues, via the company intranet).

### **3. Policy Statement**

For the purpose of this policy a conflict of interest is defined as a situation in which an individual, or organisation, has, or may be perceived to have –

- competing interests or loyalties which could lead to a potentially subjective, biased or corrupt decision being made by that individual or organisation.

NCFE recognise and encourage the promotion of building successful business and external relationships. In doing so, we are mindful that there may be situations when a perceived or potential conflict of interest may arise and that we have a duty to identify, manage and mitigate potential conflicts of interest. As such where a potential conflict may be identified we will follow the procedure outlined in this document.

### **4. Linked Policies**

The policy should be read in conjunction with

- NCFE's Anti-Bribery and Corruption Policy
- NCFE's Whistleblowing Policy.

### **5. Location and Access to the Policy**

The Conflict of Interest Policy is located as follows:

- Intranet: Staff
- Website: Stakeholders

### **6. Persons Responsible for the Policy**

- Board, through its committee is responsible for overseeing all risk management within NCFE, including risks of conflicts of interest.
- Chief Financial Officer.
- Business unit leadership are responsible for monitoring risks in line with the Scheme of Delegation and the NCFE Risk Management Framework.
- Internal Audit conducts an annual review of risk management.
- External audit review and report on Corporate Governance, including risk management, as part of the financial audit.

## **Conflicts of Interest Guidelines**

### **1. Risk management in relation to conflicts of interest**

Assessing the risks to NCFE arising from potential conflicts of interest is an integral part of NCFE's overall and ongoing risk management process. Identified conflicts of interest are mitigated as far as possible, and are monitored as part of overall risk management and internal control processes.

Periodic reviews of our conflicts of interest policy and procedures are undertaken as part of our governance and accountability processes. All existing and reasonably foreseeable conflicts of interest will be identified and monitored by our organisation in line with this procedure and escalated to an Executive Member/Trustee where appropriate.

Documented conflicts of interest will be monitored closely, particularly during periods of change, in order to mitigate the possible impact of any potential Adverse Effect, as specified in our regulators' Conditions of Recognition.

### **2. Prevention of conflicts of interest within the NCFE Group**

No colleague within the NCFE Group shall provide or accept preferential treatment (including discounts on services) to or from any colleague or any other part of NCFE Group, where such a transaction may adversely affect the business; learners, centres or other relevant parties. Such actions may also be construed as bribery and may be subject to criminal prosecution.

### **3. Roles and responsibilities**

To assist us in managing significant risks with regards to potential conflicts of interest, individuals must tell us about any relevant risk and/or issue in relation to a conflict of interest (or potential conflict) that has come to their attention. We appreciate that they may wish to do so in confidence and are asked to refer to our Whistleblowing policy (available on our website or on the company intranet) for more information.

Any person or body employed by, or acting on behalf of NCFE Group is personally responsible for ensuring that they adhere to the policy and procedures in this document.

#### **3.1 Our stakeholders (including centres, customers and contractors)**

In line with our contractual agreements, including our Centre Agreement, we expect our centres, customers and contractors:

- to read and abide by the contents of this policy
- to adhere to any contractual arrangement you may have with us in relation to conflicts of interest
- to have a dedicated conflicts of interest policy and procedures which can be produced on request by our colleagues, including our contractors
- to fully adhere to those policies and procedures in the identification, minimisation and mitigation of risks relating to conflicts of interest
- to declare any relevant conflicts within your centre to NCFE as per JCQ's Conflicts of Interest and Declarations 2018/19, using the declaration form found under Policies & Documents on QualHub
- to tell us when an incident of, or a significant risk incident of a conflict of interest that may adversely affect the NCFE Group has been identified.

For our customers and centres, failure to comply with this policy and/or your Centre Agreement may lead to immediate termination of contract, in line with our established contractual agreements.

### **3.2 Executive team**

The Executive team are responsible for ensuring this policy is complied with throughout and across the Group, including their personal compliance. The Executive Members are responsible for reporting any identified or potential conflicts of interest that are specific to another member of the Executive Team to the Chair of the Audit, Risk and Investment Committee.

Specifically, as an Executive member, the Chief Operating Officer (COO) is also responsible for escalating reports of actual or potential conflicts of interest to the Board, where such conflicts may be contrary to NCFE Awarding's regulatory duties and/or interests and / or could have an impact on NCFE Awarding's regulatory status and relationships.

### **3.3 Managers, including Line managers**

All managers are responsible for ensuring this document is complied with by colleagues. Line managers are also responsible for monitoring the activities and performance of those they are managing.

## **4. Conflict of Interest Procedures**

### **4.1 Board Conflicts**

In the case of a conflict of interest arising for a statutory Director or co-opted member because of a duty of loyalty owed to another organisation or person, and the conflict is not authorised by virtue of the Memorandum or the Articles, the un-conflicted Directors may authorise such a conflict of interests where the following conditions apply:

- The Charity Commission's permission is sought before a benefit for a trustee may be authorised that isn't otherwise authorised in the Memorandum of Articles or already authorised in writing from the Commission.
- The Director who has declared the conflict of interest withdraws from the part of the meeting at which there is discussion of any arrangement or transaction affecting that other organisation or person.
- The Director who has the conflict of interest does not vote on any such matter and is not to be counted when considering whether a quorum of Directors is present at the meeting.
- The Directors who have no conflict of interest in this matter consider it is in the interests of the charity to authorise the conflict of interest in the circumstances applying.
- Any such disclosure and the subsequent actions taken are noted in the minutes.

## **4.2 Stakeholder conflicts**

Stakeholders, including customers and centres, should report risks or instances of conflicts of interest as per the conditions set out in their contract and/or Terms of Agreement. Major conflicts of interest that could adversely affect the NCFE Group should also be escalated to the Head of Quality Improvement, Risk and Compliance (QIRC) or an Executive member. Contact details for the QIRC and Executive Teams are included at the end of this document.

## **4.3 NCFE colleagues**

If colleagues have a query relating to conflicts of interest which is not included in this policy, they must refer the matter to their immediate line manager in the first instance or a member of the Senior Leadership Team.

If a conflict of interest arises, or it is anticipated that one may arise, colleagues must inform their line manager or a Senior Leadership Team member in protection of the business and individuals. If there is any doubt whether or not an activity represents a conflict of interest, the matter should be raised in this way, in order that an objective assessment may be made. Concerns may be raised in confidence (subject to certain caveats, such as the requirement to disclose certain information to statutory bodies). Please see the Whistleblowing Policy for further information.

All potential conflicts of interest which relate directly to the colleague themselves, once discussed with their line manager, must be recorded by the line manager on the colleague's HR Information System record under 'Conflict of Interest'. The record must contain information on how the conflict of interest will be managed. Conflicts of Interest relating to another individual (e.g. such as conflicts reported under the Whistleblowing policy) will be recorded by the line manager/ Senior Leadership Team member, subject to confidentiality (receiving line managers should seek advice from the HRD team), particularly in relation to the confidential recording of information.

## **4.4 Management receiving a Conflict of Interest notification**

All managers/senior colleagues receiving information on actual or potential conflicts of interest will ensure that potential conflicts not causing a significant risk to the business are appropriately recorded, monitored and managed.

Conflicts, or potential conflicts, that may pose a significant risk to the business must be escalated in confidence to the Head of QIRC and an Executive Member, in order that appropriate steps may be taken to minimise any risks and where possible resolve the issue. Where conflicts relate to our staff or member(s) of the Board, advice from the HRD team must be sought at the earliest opportunity by the most senior receiving manager (usually a Senior Leadership Team /Executive member), particularly in relation to confidentially and securely recording the conflict.

The Head of QIRC will support in the evaluation of whether any identified significant risks that may result in a specified Adverse Effect (as outlined in the General Conditions of Recognition) and may require reporting to the appropriate awarding regulator(s). Potential cases which may introduce other regulatory risks (e.g. those governed by other specific legislation) will also be escalated by the most senior receiving manager to the appropriate Business Unit Director / Executive Member (e.g. Chief Finance Officer for finance regulators such as HMRC). This will allow the evaluation of whether external specialist advice is required in assessing/mitigating the risk.

Significant risks to the business posed by the matter will also require escalation via the Head of QIRC to the appropriate Business Unit/Group Risk Register.

#### **4.5 The Human Resources Department (HRD) and Human Resources Information and Systems (HRIS) Teams**

The HRD Team will ensure all Board members, Executive Team members and employees, consultants and other relevant parties receive basic training regarding conflicts of interest and how to understand and avoid them where possible. Those in potentially higher-risk positions (for example, but not restricted to Executive Members, International colleagues etc.) may receive more detailed training based on the risks they may face. This requirement will be evaluated by the HRD Team.

The Conflicts of Interest section on the HR system will be reviewed on a quarterly basis by the HRD/HRIS teams, who will work with managers and individuals to address any areas of particular concern.

#### **4.6 The QIRC Team**

The Head of QIRC can support where necessary in terms of conflicts of interest identification and assessment. NCFE's conflicts of interest programme is monitored periodically by the QIRC team in line with NCFE's risk and compliance work streams. Monitoring may typically cover:

- a review of any risk assessments undertaken in the assessment of potential conflicts of interest
- a review of training and training records
- a review of the Conflicts of Interest registered on the HR system.

### **5. Specific areas for consideration regarding potential conflicts of interest**

#### **5.1 Additional paid work**

Colleagues are expected to devote their working time to the NCFE Group as outlined in their contract of employment. Any colleague considering undertaking additional paid work (on either an employed or self-employed basis) or voluntary work outside NCFE must seek their line manager's written agreement beforehand, as stipulated in the colleague's contract of employment. Colleagues are not permitted to take on any such activities that could be deemed to compete or conflict with NCFE's activities.

All other individuals (e.g. contractors) must follow the procedures set out by the relevant department within the NCFE Group and / or contained within their contract for services.

#### **5.2 Potential for conflicts with regards to NCFE qualifications**

Colleagues engaged in a team or role which has access to qualification assessment materials, content or mark schemes may not be permitted to take an NCFE qualification due to the risk of a high conflict of interest and the potential impact on our regulatory requirements. Such colleagues must speak to their line manager prior to registering for an NCFE qualification.

Anyone who has access to confidential assessment material for a qualification is not permitted to deliver external training on that qualification. Such colleagues must consult with their line manager should they wish to attend these training events.

## **6. How to contact us**

If you have a concern or query about conflicts of interest you can contact us via phone or email.

**Quality Improvement, Risk and Compliance Team ([qirc@ncfe.org.uk](mailto:qirc@ncfe.org.uk)) or Executive Team ([ExecutiveTeam@ncfe.org.uk](mailto:ExecutiveTeam@ncfe.org.uk)) who may be contacted at:-**

**Q6 Quorum Business Park  
Benton Lane  
Newcastle upon Tyne  
NE12 8BT  
0191 239 8000\***

To report a conflict of interest please follow the procedure outlined in this document. If you have already collated evidence please also send this to us.

\*To continue to improve our levels of customer service, telephone calls may be recorded for training and quality purposes. Please see our Privacy Notice (<https://www.ncfe.org.uk/privacy-notice/>) for further information on your rights and our responsibilities under the General Data Protection Regulation.

## **Appendix A            Illustrations of potential conflicts of interest**

Conflicts of interest can arise in a variety of circumstances in relation to our business activity. These could include, but are not limited to the following illustrations:

- When an individual has a position of authority in any part of NCFE Group, which conflicts with his or her interests in another organisation.
- When an individual has a position of authority in one part of the NCFE Group, which conflicts with his or her interests in another part of the Group.
- When an individual has personal interests or relationships that conflict with his/her professional position.
- Where an individual works for or carries out work on NCFE's behalf, but who may have personal interests, paid or unpaid, in another business which either uses NCFE's products or services, or produces similar products to those of NCFE.
- Where an individual takes on additional paid work (on either an employed or self- employed basis) or voluntary work outside NCFE, which conflicts with the work of NCFE.
- Where an individual receives payment for some work they do for the charity, unless the payment complies with the relevant clauses of NCFE's Memorandum and Articles of Association (available from the Personal Assistant to the Chief Executive).

Specifically, in relation to NCFE's Awarding function, the following conflicts of interest could also arise:

- Where an individual works for or carries out work on NCFE's behalf, who has friends or relatives taking NCFE assessments and/or examinations.
- When one part of NCFE Group creates and follows a procedure that conflicts with NCFE Awarding's regulatory responsibilities as a regulated Awarding Organisation.