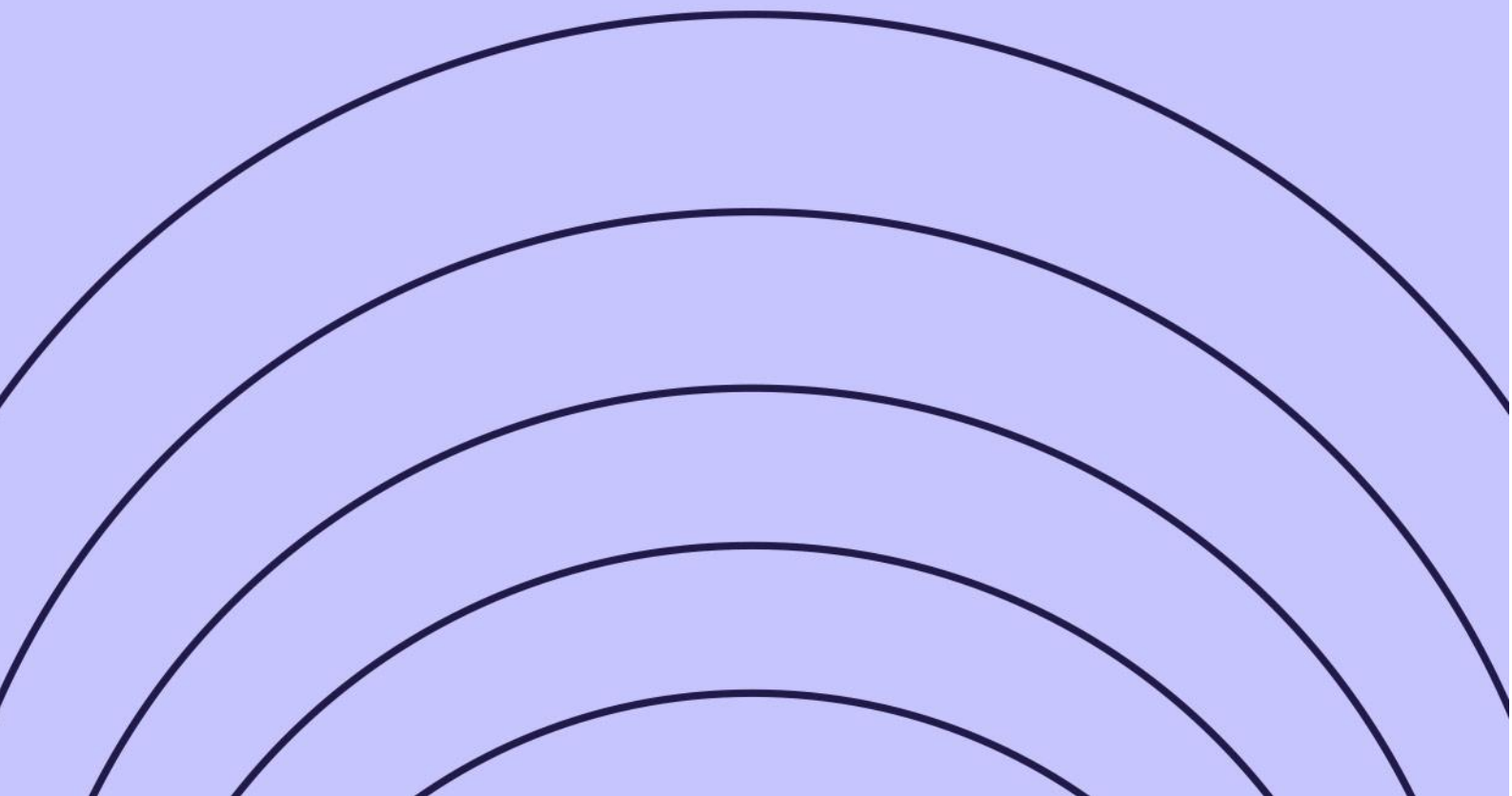




Pearson TQ Apprenticeships Counter Fraud & Error Policy/Procedures

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Introduction

This policy outlines the commitment of TQ Education & Training (Pearson TQ) to prevent, detect, and respond to fraud and error within our apprenticeship training programmes. We are dedicated to maintaining the highest standards of integrity and accountability.

Scope

This policy applies to all employees, apprentices, contractors, and stakeholders involved in our apprenticeship training programmes.

Definitions

- **Fraud:** Wrongful or criminal deception intended to result in financial or personal gain.
- **Error:** Unintentional mistakes or omissions that may result in incorrect reporting or financial loss.
- **Bribery:** Offering, giving, receiving, or soliciting something of value to influence an action.
- **Corruption:** Abuse of entrusted power for private gain¹.

Policy Statement

Pearson TQ is committed to:

- Preventing fraud and error through robust internal controls and a culture of integrity.
- Detecting fraud and error through vigilant monitoring and reporting mechanisms.
- Responding promptly and effectively to all suspected cases of fraud and error.

Prevention

- **Training and Awareness:** Regular training for staff and apprentices on fraud awareness and prevention.

¹ These definitions align with UK law, including the Fraud Act 2006 and the Bribery Act 2010

- **Internal Controls:** Implementing strong internal controls to minimise the risk of fraud and error².
- **Code of Conduct:** Adherence to a strict code of conduct that promotes ethical behaviour.
- **Whistleblowing Policy:** Provides a safe channel for reporting fraud.
- **Financial Controls:** Ensures proper management of financial transactions.
- **Counter-Fraud Policy:** Outlines the commitment to preventing fraud.

Detection

- **Monitoring:** Continuous monitoring of financial transactions and apprenticeship records.
- **Audits:** Regular internal and external audits to identify potential fraud and error.
- **Whistleblowing:** Encouraging employees and apprentices to report suspicious activities without fear of retaliation³.

Reporting Mechanisms:

- **Internal Reporting:** Employees, apprentices and employers should report suspected fraud or error to their immediate supervisor or the designated fraud officer.
- **Alternative Internal Reporting Channels:** If the employee, apprentice or employer feels uncomfortable reporting to their line manager or the Human Resources department, they can contact the Pearson Ethics by submitting a report through www.PearsonEthics.com or by emailing ethicsandcompliance@pearson.com. The www.PearsonEthics.com is operated by a third party on our behalf and incorporates strict levels of security, confidentiality, and standards.
- **External Reporting:** Suspected fraud or error must be reported to the Department for Education (DfE) through the following channel:

² Refer to Annex 1 – examples of internal controls.

³ Refer to Annex 2 – examples of compliance strategies.

- Send an email with full details of the suspected fraud, including the name of the organisation involved, to the Department for Education at allegations.mailbox@education.gov.uk.

Response and Investigation:

- **Initial Assessment:** The company nominated designated fraud officer will conduct an initial assessment of the reported incident.
- **Investigation:** If warranted, a formal investigation will be initiated, involving relevant authorities as necessary.
- **Action:** Appropriate action will be taken based on the investigation findings, which may include disciplinary measures, recovery of funds, and legal action.

Policy Review

This policy will be reviewed annually to ensure its effectiveness and compliance with current regulations.

Accessibility

This policy is made available to all staff via the internal Pearson TQ Apprenticeships SharePoint site within the policies section.

Apprentices, employers and all other external parties are able to access this policy via the Pearson TQ website at this address:

<https://www.pearson.com/uk/web/pearsontq/apprenticeships/why-work-with-us.html>

Conclusion

This policy aims to create a robust framework for preventing, detecting, and responding to fraud and error within TQ Education & Training (Pearson TQ).

Annex 1 – Examples of Internal Controls

Segregation of Duties

- **Description:** Ensure that no single individual has control over all aspects of any significant transaction. For example, the person responsible for authorising payments should not be the same person who processes them.
- **Purpose:** Reduces the risk of errors and fraudulent activities by dividing responsibilities among different employees.

Regular Reconciliation

- **Description:** Perform regular reconciliations of financial records, such as comparing bank statements with internal records.
- **Purpose:** Helps identify discrepancies early and ensures that all transactions are accurately recorded.

Access Controls

- **Description:** Implement access controls to restrict access to sensitive information and systems. Use passwords, encryption, and user permissions to limit who can view or modify data.
- **Purpose:** Protects sensitive information from unauthorised access and reduces the risk of data breaches.

Approval Processes

- **Description:** Establish clear approval processes for financial transactions, such as requiring multiple levels of approval for large expenditures.
- **Purpose:** Ensures that all transactions are reviewed and authorised by appropriate personnel, reducing the risk of unauthorised or inappropriate spending.

Regular Audits

- **Description:** Conduct regular internal and external audits to review financial records, processes, and controls.
- **Purpose:** Provides an independent assessment of the organisation's financial health and identifies areas for improvement.

Training and Awareness Programmes

- **Description:** Provide regular training for employees and apprentices on fraud prevention, detection, and reporting.
- **Purpose:** Increases awareness of fraud risks and ensures that everyone knows how to recognise and report suspicious activities.

Annex 2 – Compliance Strategies

Ensuring compliance with these internal controls is crucial for maintaining the integrity and effectiveness of Pearson TQ's fraud prevention measures. The following strategies are to be adopted to help ensure compliance:

Leadership Commitment

- **Description:** Ensure that senior management and leadership are fully committed to the internal controls and set a positive example.
- **Purpose:** Demonstrates the importance of compliance and encourages a culture of integrity throughout the organisation.

Clear Policies and Procedures

- **Description:** Develop and document clear policies and procedures for all internal controls.
- **Purpose:** Provides a reference for employees to understand their responsibilities and the correct processes to follow.

Regular Training and Education

- **Description:** Conduct regular training sessions for employees and apprentices on the importance of internal controls and how to comply with them.
- **Purpose:** Keeps everyone informed and up-to-date on best practices and any changes to policies.

Monitoring and Auditing

- **Description:** Implement ongoing monitoring and regular audits to ensure that controls are being followed.
- **Purpose:** Identifies any deviations from established procedures and allows for timely corrective actions.

Performance Reviews

- **Description:** Include compliance with internal controls as a key component of employee performance reviews.
- **Purpose:** Reinforces the importance of adherence to controls and holds employees accountable.

Whistleblower Protection

- **Description:** Ensure that there are safe and confidential channels for reporting non-compliance and protect whistleblowers from retaliation.
- **Purpose:** Encourages reporting of issues without fear, helping to identify and address problems early.

Continuous Improvement

- **Description:** Regularly review and update internal controls to address new risks and improve effectiveness.
- **Purpose:** Ensures that controls remain relevant and effective in a changing environment.

Clear Communication

- **Description:** Communicate the importance of internal controls and compliance regularly through meetings, newsletters, and other channels.
- **Purpose:** Keeps the topic top-of-mind and reinforces the organisation's commitment to compliance.

By implementing these strategies, Pearson TQ can create a robust framework that supports compliance with internal controls and helps prevent fraud and error.

Document Version History

Version No	Date Revised	Revision Description	Revised By	Approved By
1.1	29/7/2024	Policy created to reflect Apprenticeship delivery requirements	Neil Saunders	Martyn Leader
1.2	16/01/2026	Annual review – update to branding	Neil Saunders	Martyn Leader