



HM Treasury

Framework Document

X 2022

Oak National Academy

Framework Document

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Introduction and background

1. Purpose of document

1.1. This framework document (the “framework document”) has been agreed between the Department for Education (DfE) and Oak National Academy (ONA) in accordance with HM Treasury’s handbook ‘Managing Public Money’ (“MPM”) (as updated from time to time) and has been approved by HM Treasury.

1.2. The framework document sets out the broad governance framework within which ONA and the DfE operate. It sets out ONA’s core responsibilities; describes the governance and accountability framework that applies between the roles of the DfE and ONA and sets out how the day-to-day relationship works in practice, including in relation to governance and financial matters. The Framework document is intended to support and complement ONA’s Articles of Association but in the event of inconsistency, the provisions of the Articles shall prevail.

1.3. The document does not convey any legal powers or responsibilities but both parties agree to operate within its terms.

1.4. References to ONA include all its subsidiaries and joint ventures that are classified to the public sector and central government for national accounts purposes. If ONA establishes a subsidiary or joint venture, there shall be a document setting out the arrangements between it and ONA agreed with the DfE. Such subsidiaries should only be established in line with appropriate delegations.

1.5. Copies of the document and any subsequent amendments have been placed in the Libraries of both Houses of Parliament and made available to members of the public on the ONA website and on gov.uk.

1.6. This framework document should be reviewed regularly and updated at least every 3 years unless there are exceptional reasons that render this timeframe inappropriate that have been agreed with HM Treasury and the Principal Accounting Officer of the DfE. The latest date for review and updating of this document is September 2025.

2. Objectives

2.1. The DfE and ONA share the common objective of advancing education, training, learning and development of children, young people and learners (and those supporting them) for the public benefit in the UK, particularly to improve pupil outcomes and close the disadvantage gap by supporting teachers to teach,

¹https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1000670/MPM_Spring_21_with_annexes_080721.pdf

and enabling pupils to access, a high quality curriculum whilst also reducing teacher workload.

2.2. To achieve this ONA and the DfE will work together in recognition of each other's roles and areas of expertise, providing an effective environment for ONA to achieve its objectives through the promotion of partnership and trust and ensuring that ONA also supports the strategic aims and objective of the DfE and wider government as a whole.

3. Classification and ownership

3.1. ONA is expected to be classified as a central government organisation by the ONS/HM Treasury Classifications team.

3.2. It has been administratively classified by the Cabinet Office as a non-departmental public body (NDPB).

4. Purposes, powers and duties

4.1. ONA has been incorporated under the Companies Act 2006 as a company limited by guarantee. Its purposes are set out in in the Articles of the Company, and copied above under the Objectives section.

4.2. As set out in the Articles of the Company, the sole member of the company shall be the Secretary of State for Education (SoS).

4.3. As set out in the Articles of the Company, ONA exists for the benefit of the public in the UK and no individual (or person connected to them) may personally profit from the activities of the Company, which includes (but is not limited to) any asset or entity sale, other than in the limited circumstances set out in the Articles of the Company.

4.4. As set out in the Articles of the Company, ONA shall not dispose of the entirety or a substantial part of the activities, assets or undertaking of the Company, which shall include the Oak brand, platform, its website or its lessons or curriculum maps, unless it has first procured from any acquiring entity a binding commitment to operate and use such assets or undertaking for public benefit in the UK and that any private benefit is incidental only to such public benefit.

4.5.

Aims

5. Aims

- 5.1. The aims of ONA as an organisation are to:
- Aim 1 - work with schools, teachers and the wider education system to create, develop and support the use of free, optional, high quality full curriculum packages that are available to teachers and pupils through a robust, accessible digital education platform.
 - Aim 2 - continue to provide a national contingency for remote education should it be needed in the event of disruption.
 - Aim 3 - provide a package of connected stretching materials for teachers and pupils through the same digital education platform that is available across the four nations and draws on content and expertise from all areas of the UK.
 - Aim 4 - establish Oak as a high performing, well respected sector organisation that: maintains its 'by teachers for teachers' approach; contributes to the growing understanding of curriculum best practice; is strategically aligned with, but operationally independent from government; and delivers excellent value for money.
- 5.2. The DfE will annually set out the priorities for ONA in the context of the above aims through the annual Chair's letter, setting out the scope of work that the DfE requires ONA to carry out under each of these aims, and taking due regard of the latest evidence on curriculum development (for example, relevant Educational Endowment Fund (EEF) research and Ofsted subject reviews) when setting out this scope.
- 5.3. ONA will be operationally independent from the DfE. In creating curriculum packages and educational resources, ONA will ensure alignment with the National Curriculum, and have due regard to DfE's non-statutory curriculum guidance.
- 5.4. DfE shall not prescribe or approve the content of curriculum packages or educational resources. Any such resources will be created independently, shall be free to access and non-compulsory for schools in England to use, and be evidence based and in line with knowledge-rich curriculum principles.
- 5.5. In order to define quality when delivering against the above aims, the ONA will utilise a group of external subject experts.
- 5.6. ONA will work collaboratively with the wider commercial curriculum market, taking reasonable steps that are in line with its other objectives, to support its future development.

Governance and accountability

6. Governance and accountability

6.1. ONA shall operate corporate governance arrangements that, so far as practicable and in the light of the other provisions of this framework document or as otherwise may be mutually agreed, accord with good corporate governance practice and applicable regulatory requirements and expectations.

6.2. In particular (but without limitation), ONA should:

- comply with the principles and provisions of the Financial Reporting Council's UK Corporate Governance Code² ("the Code"; as amended and updated from time to time) to the extent appropriate to ONA, or specify and explain any non-compliance in its annual report and accounts
- comply with the principles and provisions of the Corporate Governance in Central Government Departments Code of Good Practice to the extent appropriate to ONA
- comply with HM Treasury's handbook Managing Public Money³ (MPM)
- in line with MPM have regard to the relevant Functional Standards⁴ as appropriate and in particular those concerning Finance, Commercial and Counter Fraud
- take into account and comply with, the code of good practice and guidance set out in Annex C of this framework document, as they apply to central government companies

6.3. In line with MPM Annex 3.1 ONA shall provide an account of corporate governance in its annual governance statement including the Board's assessment of its compliance with the Code with explanations of any material departures. To the extent that ONA does intend to materially depart from the Code, the senior sponsor should be notified in advance.

² <https://www.frc.org.uk/directors/corporate-governance-and-stewardship/uk-corporate-governance-code>

³ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1000670/MPM_Spring_21_with_annexes_080721.pdf

⁴ <https://www.gov.uk/government/collections/functional-standards>

Role of the SoS as member, and

DfE as sponsor department

7. The Responsible Minister

7.1. The Secretary of State for Education (SoS) is ultimately responsible for accounting for ONA on all matters concerning ONA in Parliament, and for all other roles of the responsible Minister as set out in this document, but may choose to delegate these roles to the Minister of State for School Standards.

8. Appointment of the Chief Executive (CE)

8.1. The SoS's approval will be required for the appointment of the CE following a recommendation by ONA's Board and on the advice of the DfE Nominations Committee. This will be regarded as a Reserved Matter (see below).

8.2. The appointment must comply with the Governance Code on Public Appointments⁵.

9. Appointments to the ONA Board

9.1. Appointments to the Board will be made in accordance with the Articles of Association, which set out that:

- the Board of Directors shall comprise at least five and not more than eleven persons;
- the SoS shall have the power to appoint up to five Directors by written notice to the Company;
- the Directors may co-opt up to four Directors, with the prior approval of the SoS;
- the Chief Executive and Chief Financial Officer shall be ex officio executive Directors;
- both the SoS and the Directors, in appointing Directors, shall have regard to the skills, experience and diversity of the Board of Directors from time to time, in light of the objects and activities of the Company, and the need to ensure an appropriate balance in making their appointments;
- the Board of Directors shall include a majority of independent non-executive Directors and the number of executive directors (including the ex officio executive Directors) shall always be in the minority.

⁵https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/578498/governance_code_on_public_appointments_16_12_2016.pdf

9.2. These appointments are not subject to the Public Appointments Order in Council, but in order to follow best practice, it is intended that these appointments will be made in accordance with the principles of the Governance Code for Public Appointments⁶

9.3. The SoS will nominate a senior employee of the DfE as an observer on the ONA's Board.

10. Other member reserved matters ("Reserved Matters")

10.1. The "Reserved Matters" set out in Annex A sets out those matters where approval of the SoS is required for the ONA (or its Directors), alongside any required clearances from HMT, prior to taking any proposed action. This includes matters regarding spending approvals, acquisitions, disposals, borrowing and joint ventures in line with delegations as set out in the delegation letter. It also includes the registration of any property interests, including real or intellectual property, as well as the payment of any fees, remuneration or other emoluments to Directors or varying any such fees, remuneration or emoluments. For the avoidance of doubt, an action will not be considered a Reserved Matter if it has already been approved by the SoS as part of the annual strategic and budgeting process.

10.2. At the reasonable request of the SoS, the Directors of ONA shall:

- meet the SoS or his representatives to discuss the affairs of ONA
- provide such information in relation to the affairs of ONA as the SoS may reasonably require for the purpose of carrying out his role as member, as defined in the Companies Act.

10.3. The SoS is committed to giving the Board the freedom to operate ONA in line with the spirit of this framework document and fulfilling their duties as directors under company law. Decisions on the general management of ONA will be taken by the Board in accordance with their statutory, regulatory, common law and fiduciary duties, but subject to the Reserved Matters.

11. The Principal Accounting Officer (PAO)

11.1. The PAO is the Permanent Secretary of the DfE.

PAO's specific accountabilities and responsibilities

11.2. The PAO of the DfE designates the Chief Executive as ONA's Accounting Officer (AO) and ensures that they are fully aware of their responsibilities. The PAO issues a letter appointing the AO, setting out their responsibilities and delegated authorities.

11.3. The respective responsibilities of the PAO and AO for ONA are set out in Chapter 3 of MPM.

11.4. The PAO is accountable to Parliament for the issue of any grant-in-aid to ONA.

⁶ <https://www.gov.uk/government/publications/governance-code-for-public-appointments>

- 11.5. The PAO is also responsible for advising the responsible Minister on:
- an appropriate framework of objectives and targets for ONA, as set out in the annual Chair's letter, in the light of the DfE's wider strategic aims and priorities
 - an appropriate budget for ONA, as set out in the financial remit letter, in the light of the DfE's overall public expenditure priorities
 - via the sponsorship team, the exercise of the Ministers' statutory responsibilities concerning ONA as outlined above

- 11.6. The PAO via the sponsorship team, as described below, is also responsible for ensuring arrangements are in place in order to:
- monitor ONA's activities and performance, and advising the responsible Minister on how well ONA is achieving its strategic objectives and whether it is delivering value for money
 - address significant problems in ONA if they arise, making such interventions as are judged necessary
 - periodically carry out an assessment of the risks both to the DfE and ONA's objectives and activities in line with the wider DfE risk assessment process
 - inform ONA of relevant government policy in a timely manner
 - bring ministerial or departmental concerns about the activities of ONA to the full ONA board if necessary, and, as appropriate to the departmental board, requiring explanations and assurances that appropriate action has been taken

12. The role of the sponsorship team

12.1. The sponsorship team is the primary contact between the SoS and ONA. They are the main source of advice to the responsible Minister and the PAO on the discharge of their responsibilities in respect of the ONA. They will carry out both the shareholder and policy sponsorship functions. Therefore, the ONA should engage with the sponsorship team as the initial point of contact between ONA and the SoS, and between ONA and the DfE.

12.2. The responsible senior civil servant ('senior sponsor') for this relationship is the Director with responsibility for curriculum policy in DfE. They also support the PAO on their responsibilities toward the ONA.

12.3. The role of the sponsorship team and senior sponsor, and their collaboration with ONA is to be set out in detail in a sponsorship ways of working document. In particular, the sponsorship team will:

- promote effective relationships between the SoS, DfE and ONA
- establish and maintain appropriate and effective corporate governance foundations for the ONA
- promote effective leadership (high quality boards and senior management) of ONA
- advise ONA of relevant policy and guidance in a timely manner, including annual policy objectives in relation to the ONA's operating plan and objectives
- advise Ministers on the ONA's progress against agreed policy objectives

- engage closely with the ONA on wider policy developments and cross-Government priorities impacting on, or affected by, the work of the ONA

12.4. The DfE and ONA will have an open and honest, trust-based partnership adhering to the principles set out in the Arm's length body sponsorship code of good practice⁷. As such, both parties will ensure they clearly understand the strategic aims and objectives of the other party. Both partners will also commit to keeping each other informed of any significant issues and concerns.

13. Resolution of disputes between ONA and DfE

13.1. Any disputes between the DfE and ONA will be resolved in as timely a manner as possible. The DfE and ONA will seek to resolve any disputes through an informal process in the first instance. If this is not possible, then a formal process, overseen by the senior sponsor, will be used to resolve the issue. Failing this, the senior sponsor will ask the relevant policy Director General to oversee the dispute. They may then choose to ask the Permanent Secretary to nominate a non-executive member of the DfE's Board to review the dispute, mediate with both sides and reach an outcome, in consultation with the SoS.

14. Freedom of Information requests

14.1. Where a request for information is received by either party under the Freedom of Information Act 2000, or the Data Protection Act 1998 or 2018, the party receiving the request will consult with the other party prior to any disclosure of information that may affect the other party's responsibilities.

15. Reporting on legal risk and litigation

15.1. ONA shall provide a quarterly update to the senior sponsor on the existence of any active litigation and any threatened or reasonably anticipated litigation. The parties acknowledge the importance of ensuring that legal risks are communicated appropriately to the senior sponsor in a timely manner.

15.2. In respect of each substantial piece of litigation involving ONA, the parties will agree a litigation protocol which will include specific provisions to ensure appropriate and timely reporting on the status of the litigation and the protection of legally privileged information transmitted to the senior sponsor to facilitate this. Until such time as a protocol is agreed, the parties will ensure that:

- material developments in the litigation are communicated to the senior sponsor in an appropriate and timely manner
- legally privileged documents and information are clearly marked as such
- individual employees handling the legally privileged documents are familiar with principles to which they must adhere to protect legal privilege
- circulation of privileged information within government occurs only as necessary

⁷ [Arm's length body sponsorship code of good practice - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

The company governance structure

16. Responsibilities of ONA's Chief Executive as accounting officer

16.1. The Chief Executive as AO is personally responsible for safeguarding the public funds for which they have charge; for ensuring propriety, regularity, value for money and feasibility in the handling of those public funds; and for the day-to-day operations and management of ONA in an executive capacity. In addition, they should ensure that ONA as a whole is run on the basis of the standards, in terms of governance, decision-making and financial management that are set out in Box 3.1 of MPM. These responsibilities include the below and those that are set in the AO appointment letter issued by the PAO of the DfE.

17. Responsibilities for accounting to parliament and the public

17.1. Responsibilities of the Chief Executive (acting on behalf of the Board) to Parliament and the public include:

- signing the annual report and accounts and ensuring that proper records are kept relating to the accounts and that the annual report and accounts are properly prepared and presented in accordance with any directions issued by the SoS
- preparing and signing a Governance Statement covering corporate governance, risk management and oversight of any local responsibilities, for inclusion in the annual report and accounts
- ensuring that effective procedures for handling complaints about ONA are established and made widely known within ONA
- acting in accordance with the terms of MPM and other instructions and guidance issued from time to time by the DfE, HM Treasury and the Cabinet Office
- ensuring that as part of the above compliance they are familiar with and act in accordance with:
 - their fiduciary duties under the Companies Act
 - any governing legislation
 - this framework document
 - any delegation letter issued to ONA as set out in section 23
 - any elements of any settlement letter issued to the DfE that is relevant to the operation of ONA
 - any separate settlement letter that is issued to ONA from the DfE
 - ensuring they have appropriate internal mechanisms for monitoring, governance and external reporting regarding non-compliance with any conditions arising from the above documents
- giving evidence, normally with the PAO, when summoned before the PAC on ONA's stewardship of public funds

18. Responsibilities to the Department for Education

18.1. Responsibilities of the Chief Executive (acting on behalf of the Board) to DfE, through the senior sponsor, include:

- establishing ONA's corporate and business plans, with the Board, in the light of the DfE's wider strategic aims and agreed priorities
- informing the DfE of progress in helping to achieve the DfE's policy objectives and in demonstrating how resources are being used to achieve those objectives
- ensuring that timely forecasts and monitoring information on performance and finance are provided to the DfE; that the DfE is notified promptly if over or under spends are likely and that corrective action is taken; and that any significant problems, whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the DfE in a timely fashion

19. Responsibilities to the Board

19.1. The Chief Executive is responsible for:

- advising the Board on the discharge of their responsibilities as set out in this document, in the founding legislation and in any other relevant instructions and guidance that may be issued from time to time
- informing the Board on the delivery of the corporate plan and business plan
- advising the Board on ONA's performance compared with its aims and objectives
- ensuring that financial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed
- advising the Board on actions carried out to ensure the financial and human resources are in place for ONA to meet its objectives
- advising the Board on actions carried out to review management performance
- advising the Board on matters that impact on the public reputation of the organisation

20. Managing conflicts

20.1. The Chief Executive should follow the advice and direction of the Board, except in very exceptional circumstances with a clear cut and transparent rationale for not doing so, and act in accordance with any delegated authorities in place.

20.2. ONA's Chief Executive must take care that their personal legal responsibilities do not conflict with their duties as a board member. In particular, the Chief Executive should vote against any proposal which appears to cause such a conflict; it is not sufficient to abstain.

20.3. The provisions of the Articles of ONA must be followed, together with any policy in force from time to time, in relation to conflicts of interest.

20.4. If the Chair or Board of ONA is minded to instruct its Chief Executive to carry out a course inconsistent with their duties as AO, then the Chief Executive should make their reservations clear, preferably in writing. If the Board is still minded to proceed, the ONA AO should then:

- ask the PAO of the DfE to consider intervening to resolve the difference of view, preferably in writing
- if the Board's decision stands, seek its written direction to carry it out, asking the DfE to inform HM Treasury
- proceed to implement without delay
- follow the routine in paragraph 3.6.6 of MPM

21. The Board

Composition of the Board

21.1. ONA will have a board in line with good standards of corporate governance and as set out in its establishing statute and in guidance as set out in Annex C. The role of the Board shall be to be ultimately responsible for the good governance and management of ONA, ensuring the delivery of the objectives, in accordance with the purposes as set out above, their statutory, regulatory, common law duties and their responsibilities under this framework document. Detailed responsibilities of the Board shall be set out in a Board terms of reference, to be agreed at the first meeting of the Board. Remuneration of the Board will be disclosed in line with the guidance in Government Financial Reporting Manual (FReM)⁸.

21.2. The Board will consist of a chairperson, together with the Chief Executive and a number of Directors that have a balance of skills and experience appropriate to directing ONA's work, for example, experience of its business, or experience of operational delivery, digital or commercial work. This will include as an executive and voting board member an appropriately qualified finance director as described in Annex 4.1 of MPM.

21.3. The Board should include a majority of independent non-executive members to ensure that executive members are supported and constructively challenged in their role. The board will mark a fresh perspective and opportunity to bring in people representative of the education sector. This includes appointing: a serving primary classroom teacher, a serving secondary classroom teacher, and a curriculum expert.

21.4. All appointments should have regard to the principle that appointments should reflect the diversity of the society in which we live, and appointments should be made taking account of the need to appoint Boards which include a balance of skills and backgrounds.

Committees of the Board

21.5. The Board may set up such committees in accordance with the Articles as necessary for it to fulfil its functions. As is detailed below at a minimum this should include an Audit and Risk Committee chaired by an independent and appropriately qualified non-executive member of the Board.

⁸ <https://www.gov.uk/government/collections/government-financial-reporting-manual-frem>

21.6. While the Board may make use of committees to assist its consideration of appointments, succession, audit, risk and remuneration, it retains legal responsibility for and endorses, final decisions in all of these areas. The Chair should ensure that sufficient time is allowed at the Board for committees to report on the nature and content of discussion, on recommendations, and on actions to be taken.

21.7. Where there is disagreement between the relevant committee and the Board, adequate time should be made available for discussion of the issue with a view to resolving the disagreement. Where any such disagreement cannot be resolved, the committee concerned should have the right to report the issue to the senior sponsor. They may also seek to ensure the disagreement or concern is reflected as part of the report on its activities in the annual report.

21.8. The Chair should ensure board committees are properly structured with appropriate terms of reference. The terms of each committee should set out its responsibilities and the authority delegated to it by the Board. The Chair should ensure that committee membership is periodically refreshed and that individual independent non-executive directors are not over-burdened when deciding the chairs and membership of committees.

Duties of the Board

21.9. The Board is specifically responsible for:

- establishing and taking forward the strategic aims and objectives of ONA consistent with its overall strategic direction and within the allocated resources and established policy objectives and aims determined by the responsible Minister
- providing effective leadership of ONA within a framework of prudent and effective controls which enables risk to be assessed and managed
- supporting the Chief Executive in ensuring the financial and human resources are in place for ONA to meet its objectives
- supporting the Chief Executive in reviewing management performance, and reviewing the management performance of the Chief Executive
- ensuring that the Board receives and reviews regular financial and management information concerning the management of ONA
- ensuring that it is kept informed of any changes which are likely to impact on the strategic direction of ONA's Board or on the attainability of its targets, and determining the steps needed to deal with such changes and where appropriate bringing such matters to the attention of the responsible Minister and PAO via the sponsorship team, or directly
- ensuring that any statutory or administrative requirements for the use of public funds are complied with; that the Board operates within the limits of its statutory authority and any delegated authority agreed with the DfE, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the Board takes into account guidance issued by the DfE
- ensuring that as part of the above compliance they are familiar with:
 - this framework document
 - any delegation letter issued to body as set out in section 23
 - any elements of any financial remit letter issued to the DfE that is relevant to the operation of ONA
 - any separate settlement letter that is issued to ONA from the DfE

- o that they have appropriate internal mechanisms for the monitoring, governance and external reporting regarding any conditions arising from the above documents and ensure that the Chief Executive and ONA as a whole act in accordance with their obligations under the above documents
- demonstrating high standards of corporate governance at all times, including by using the independent audit committee to help the Board to address key financial and other risks
- appointing with the SOS's approval a Chief Executive and for the non-executive directors, in consultation with the DfE, to set performance objectives and remuneration terms linked to these objectives for the Chief Executive which give due weight to the proper management and use and utilization of public resources
- putting in place mechanisms for independent appraisal and annual evaluation of the performance of the Chair by the independent non-executive directors, taking into account the views of relevant stakeholders. The outcome of that evaluation should be made available to the responsible Minister
- maintaining and upholding the reputation and interests of the Company and promoting public trust and confidence in its work
- ensuring and protecting the ONA's operational independence from the DfE, so that any resources are created independently, shall be free to access and non-compulsory for schools in England to use, and be evidence based and in line with knowledge-rich curriculum principles
- determining all such other things which the Board considers ancillary or conducive to the attainment or fulfilment by ONA of its objectives

21.10. The Board should ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control.

21.11. The Board should make a strategic choice about the style, shape and quality of risk management and should lead the assessment and management of opportunity and risk. The Board should ensure that effective arrangements are in place to provide assurance over the design and operation of risk management, governance and internal control in line with the Management of Risk – Principles and Concepts (The Orange Book)⁹. The Board must set up an Audit and Risk Assurance Committee chaired by an independent and appropriately qualified non-executive member to provide independent advice and ensure that the department's Audit and Risk Assurance Committee are provided with routine assurances with escalation of any significant limitations or concerns. The Board is expected to assure itself of the adequacy and effectiveness of the risk management framework and the operation of internal control.

22. The Chair's role and responsibilities

22.1. The Chair is responsible for leading the Board in the delivery of its responsibilities. Such responsibility should be exercised in the light of their duties and responsibilities as set out in their appointment letter, the priorities in the Chair's letter issued to them by the responsible Minister (usually updated annually), the statutory authority governing ONA, this document and the documents and guidance referred to within this document.

⁹ <https://www.gov.uk/government/publications/orange-book>

- 22.2. Communications between ONA's Board and the responsible Minister should normally be through the Chair.
- 22.3. The Chair is bound by the Code of Conduct for Board Members of Public Bodies¹⁰ which covers conduct in the role and includes the Nolan Principles of Public Life¹¹.
- 22.4. In addition, the Chair is responsible for:
- monitoring and engaging with appropriate governance arrangements to ensure that ONA's affairs are conducted with probity
 - ensuring that policies and actions support the responsible Minister's wider strategic policies and where appropriate, these policies and actions should be clearly communicated and disseminated throughout ONA
- 22.5. The Chair has the following leadership responsibilities:
- agreeing the corporate and business plan with the Chief Executive
 - ensuring that the Board, in reaching decisions, takes proper account of guidance provided by the responsible Minister or the DfE
 - promoting the efficient and effective use of staff and other resources
 - delivering high standards of regularity and propriety
 - representing the views of the board to the general public
- 22.6. The Chair also has an obligation to ensure that:
- the work of the Board and its members are reviewed and are working effectively including ongoing assessment of the performance of individual board members with a formal annual evaluation and more in-depth assessments of the performance of individual board members when being considered for re-appointment
 - that in conducting assessments that the view of relevant stakeholders including employees and the sponsorship team are sought and considered
 - that the Board has a balance of skills appropriate to directing ONA's business, and that all directors including the Chair and Chief Executive continually update their skills, knowledge and familiarity with ONA to fulfil their role both on the Board and committees. This will include but not be limited to skills and training in relation to financial management and reporting requirements, risk management and the requirements of board membership within the public sector
 - board members are fully briefed on terms of appointment, duties, rights and responsibilities
 - they, together with the other board members, receive appropriate training on financial management and reporting requirements and on any differences that may exist between private and public sector practice
 - the responsible Minister is advised of ONA's needs when board vacancies arise

¹⁰ <https://www.gov.uk/government/publications/code-of-conduct-for-Board-members-of-public-bodies>

¹¹ <https://www.gov.uk/government/publications/the-7-principles-of-public-life>

- there is a Board Operating Framework in place setting out the role and responsibilities of the Board consistent with the Government Code of Good Practice for Corporate Governance¹²
- there is a code of practice and code of conduct for board members in place, consistent with the Cabinet Office Code of Conduct for Board Members of Public Bodies¹³

23. Individual Board members' responsibilities

23.1. Individual Board members should:

- comply at all times with the Code of Conduct for Board Members of Public Bodies, which covers conduct in the role and includes the Nolan Principles of Public Life as well as rules relating to the use of public funds and to conflicts of interest
- demonstrate adherence to the 12 Principles of Governance for all Public Body Non-Executive Directors¹⁴ as appropriate and not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations
- comply with the Board's rules on the acceptance of gifts and hospitality, and of business appointments
- act in good faith and in the best interests of ONA
- ensure they are familiar with any applicable guidance on the role of public sector non-executive directors and Boards that may be issued from time to time by the Cabinet Office, HM Treasury or wider government
- attend and be fully prepared for, and play an active role in Board meetings
- fulfil their legal duties and responsibilities as company directors

¹²

<https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments-2017>

¹³ <https://www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies>

¹⁴

<https://www.gov.uk/government/publications/public-bodies-non-executive-director-principles/12-principles-of-governance-for-all-public-body-needs>

Management and financial responsibilities and controls

24. Delegated authorities

24.1. ONA's delegated authorities are set out in the delegation letter. This delegation letter may be updated and superseded by later versions which may be issued by the DfE in agreement with HM Treasury.

24.2. In line with MPM Annex 2.2 these delegations will be reviewed on an annual basis.

24.3. ONA shall obtain the DfE's and where appropriate HM Treasury's prior written approval before:

- entering into any undertaking to incur any expenditure that falls outside the delegations or which is not provided for in ONA's annual budget as approved by the DfE
- incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications
- making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the DfE
- making any change of policy or practice which has wider financial implications that might prove repercussive or which might significantly affect the future level of resources required
- carrying out policies that go against the principles, rules, guidance and advice in MPM

25. Spending authority

25.1. Once the budget has been approved by the DfE, the ONA shall have authority to incur expenditure approved in the budget without further reference to the DfE, on the following conditions:

- ONA shall comply with the delegations set out in the delegation letter. These delegations shall not be altered without the prior agreement of the DfE and as agreed by HM Treasury and Cabinet Office as appropriate
- ONA shall comply with MPM regarding novel, contentious or repercussive proposals
- inclusion of any planned and approved expenditure in the budget shall not remove the need to seek formal DfE approval where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed

- ONA shall provide the DfE with such information about its operations, performance, individual projects or other expenditure as the DfE may reasonably require

26. Banking and managing cash

26.1. ONA must maximise the use of publicly procured banking services (accounts with central government commercial banks managed centrally by Government Banking). All funds should be accounted for separately and ONA funds should be identifiable at all times.

26.2. ONA should only hold money outside Government Banking Service accounts where a good business case can be made for doing so and HM Treasury consent is required for each account to be established. Only commercial banks which are members of relevant UK clearing bodies may be considered for this purpose.

26.3. Commercial Accounts where approved should be operated in line with the principles as set out in MPM.

26.4. The AO is responsible for ensuring ONA has a banking policy as set out in MPM and ensuring that policy is complied with.

27. Procurement

27.1. ONA shall ensure that its procurement policies are aligned with and comply with any relevant UK or other international procurement rules and in particular the Public Contracts Regulations 2015.

27.2. ONA shall establish its procurement policies and document these in a Procurement Policy and Procedures Manual.

27.3. In procurement cases where ONA is likely to exceed its delegated authority limit, procurement strategy approval for the specific planned purchase must be sought from the DfE.

27.4. Goods, services, and works should be acquired by competition. Proposals to let single-tender or restricted contracts shall be limited and exceptional, and a quarterly report explaining those exceptions should be sent to the DfE. All single tender or direct award contracts between £2000 and £10,000 in value, including contract extensions, are subject to approval by ONA's executive team. Those above £10,000 require Board approval.

27.5. Procurement by ONA of works, equipment, goods, and services shall be based on a full option appraisal and value for money (VfM), i.e. the optimum combination and whole life costs and quality (fitness for purpose).

27.6. ONA shall:

- engage fully with DfE and government wide procurement initiatives that seek to achieve VfM from collaborative projects
- comply with all relevant Procurement Policy Notes issued by Cabinet Office

- co-operate fully with initiatives to improve the availability of procurement data to facilitate the achievement of VfM

27.7. ONA shall comply with the Commercial¹⁵ and Grants Standards¹⁶. These standards apply to the planning, delivery, and management of government commercial activity, including management of grants in all departments and ALBs, regardless of commercial approach used and form part of a suite of functional standards that set expectations for management within government.

27.8. ONA shall comply with the Cabinet Office's Spending Controls.

28. Risk management

28.1. ONA shall ensure that the risks that it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, and develop a risk management strategy, in accordance with the HM Treasury guidance Management of Risk: Principles and Concepts.

29. Counter fraud and theft

29.1. ONA should adopt and implement policies and practices to safeguard itself against fraud and theft.

29.2. ONA should act in line with guidance as issued by the Counter Fraud Function and in compliance with the procedures and considerations as set in in MPM Annex 4.9 and the Counter Fraud Functional Standard¹⁷. It should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter a contract or to provide grant or grant-in-aid.

29.3. ONA should keep records of and prepare and forward to the DfE an annual report on fraud and theft suffered by ONA and notify the DfE of any unusual or major incidents as soon as possible. ONA should also report detected loss from fraud, bribery, corruption and error, alongside associated recoveries and prevented losses, to the counter fraud centre of expertise in line with the agreed government definitions as set out in Counter Fraud Functional Standard.

30. Staff

Broad responsibilities for staff

30.1. Within the arrangements approved by the responsible Minister and HM Treasury, ONA will have responsibility for the recruitment, retention and motivation of its staff. The broad responsibilities toward its staff are to ensure that:

- the rules for recruitment and management of staff create an inclusive culture in which diversity is fully valued; appointment and advancement is based on merit; there is no discrimination against employees with protected characteristics under the Equality Act 2010
- the level and structure of its staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness

¹⁵ <https://www.gov.uk/government/publications/commercial-operating-standards-for-government>

¹⁶ <https://www.gov.uk/government/publications/grants-standards>

¹⁷ <https://www.gov.uk/government/publications/government-functional-standard-govs-013-counter-fraud>

- the performance of its staff at all levels is satisfactorily appraised and ONA's performance measurement systems are reviewed from time to time
- its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve ONA's objectives
- proper consultation with staff takes place on key issues affecting them
- adequate grievance and disciplinary procedures are in place
- whistle-blowing procedures consistent with the Public Interest Disclosure Act are in place
- a code of conduct for staff is in place based on the Cabinet Office's Model Code for Staff of Executive Non-departmental Public Bodies¹⁸.

Staff costs

30.2. Subject to its delegated authorities, ONA shall ensure that the creation of any additional posts does not incur forward commitments that will exceed its ability to pay for them.

Pay and conditions of service

30.3. ONA's staff are subject to levels of remuneration and terms and conditions of service (including pensions) within a staffing and pay framework approved by the DfE and agreed with Cabinet Office and HM Treasury. ONA has no delegated power to amend these terms and conditions other than through the approved routes within the Civil Service pay guidance. The operation of the agreed staffing and pay framework in place at the time will be the responsibility of the Board's remuneration committee. This committee will include the chair and one non-executive director.

30.4. Staff terms and conditions should be set out in an Employee Handbook, which should be provided to the DfE together with subsequent amendments.

30.5. ONA shall abide by public sector pay controls, including the relevant approvals process dependent on the organisations classification as detailed in the Senior Pay Guidance¹⁹ and the Civil Service Pay Guidance and Public Sector Pay and Terms note²⁰.

30.6. Where ONA operates a performance-related pay scheme, this shall form part of the annual aggregate pay budget approved by the DfE, and as outlined in the staffing and pay framework as mentioned in para 29.3 above, where relevant with due regard to the Civil Service Pay Guidance and Senior Pay Guidance.

30.7. ONA staff must comply with ONA's travel and expenses policy. This policy must be consistent with the DfE's travel and expenses policy with any variation agreed with the DfE in advance. The travel expenses of board members shall be tied to the rates allowed to ONA staff.

¹⁸ [Microsoft Word - 5_public_body_staffv2.doc \(publishing.service.gov.uk\)](#)

¹⁹ <https://www.gov.uk/government/publications/senior-civil-service-pay-and-reward>

²⁰ <https://www.gov.uk/government/publications/public-sector-pay-and-terms-guidance-note>

31. Pensions, redundancy and compensation

31.1. Compensation scheme rules and pension scheme rules should reflect legislative and HM Treasury guidance requirements regarding exit payments.

31.2. ONA's staff shall normally be eligible for a pension provided by its own scheme, through a third-party provider. Staff may opt out of the pension scheme provided by ONA, but that employers' contribution to any personal pension arrangement, including any stakeholder pension shall normally be limited to the national insurance rebate level.

31.3. Any proposal by ONA to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of the DfE. Proposals on severance must comply with the rules in chapter 4 of MPM.

Business plans, financial reporting and management information

32. Corporate and business plans

32.1. By end of February, ONA shall submit annually to the DfE a draft of the corporate plan covering three years ahead, that has been approved by the Board. ONA shall agree with the DfE the issues to be addressed in the plan and the timetable for its preparation. The plan shall reflect ONA's statutory and/or other duties, and, within those duties, the priorities set from time to time by the responsible Minister (including decisions taken on policy and resources in the light of wider public expenditure decisions). The plan shall demonstrate how ONA contributes to the achievement of the DfE's medium-term plan and priorities and aligned performance metrics and milestones.

32.2. The first year of the corporate plan, amplified as necessary, shall form the business plan. The business plan shall be updated to include key targets and milestones for the year immediately ahead and shall be linked to budgeting information so that resources allocated to achieve specific objectives can readily be identified by the DfE. Subject to any commercial considerations, a digest of the corporate and business plans should be published by ONA on its website and separately be made available to staff.

32.3. The following key matters should be included in the plans:

- key objectives and associated key performance targets for the forward years, and the strategy for achieving those objectives
- key non-financial performance targets
- a review of performance in the preceding financial year, together with comparable outturns for the previous 2-5 years, and an estimate of performance in the current year
- alternative scenarios and an assessment of the risk factors that may significantly affect the execution of the plan but that cannot be accurately forecast
- other matters as agreed between DfE and ONA

33. Budgeting procedures

33.1. Each year, in the light of decisions by the DfE on the updated draft corporate plan, the DfE will send to the ONA:

- a formal statement of the annual budgetary provision through the financial remit letter allocated by the DfE in the light of competing priorities across the DfE and of any forecast income approved by the DfE
- a statement of any planned change in policies affecting ONA.

33.2. The approved annual business plan will take account both of approved funding provision and any forecast receipts. It will include a budget of estimated payments and receipts together with a profile of expected expenditure and of draw-down of any DfE funding. These elements form part of the approved business plan for the year in question.

34. Grant-in-aid and any ring-fenced grants

34.1. Any grant-in-aid provided by the DfE for the year in question will be voted in the DfE's Supply Estimate and be subject to Parliamentary control.

34.2. The grant-in-aid will normally be paid in monthly instalments on the basis of written applications showing evidence of need. ONA will comply with the general principle, that there is no payment to suppliers in advance of need. Cash balances accumulated during the course of the year from grant-in-aid or other Exchequer funds shall be kept to a minimum level consistent with the efficient operation of ONA. Grant-in-aid not drawn down by the end of the financial year shall lapse. Subject to approval by parliament of the relevant Estimates provision, where grant-in-aid is delayed, to avoid excess cash balances at the year-end, the DfE will make available in the next financial year any such grant-in-aid that is required to meet any liabilities at the year end, such as creditors.

34.3. In the event that the DfE provides the ONA separate grants for specific (ring-fenced) purposes, it would issue the grant as and when the ONA needed it on the basis of a written request. ONA would provide evidence that the grant was used for the purposes authorised by the DfE. ONA shall not have uncommitted grant funds in hand, nor carry grant funds over to another financial year.

35. Annual report and accounts

35.1. ONA must publish an audited annual report and accounts describing its activities after the end of each financial year. A draft of the annual report and accounts should be submitted to the DfE a month before the proposed

publication date for a final check. In addition, ONA are required to comply with group reporting requirements set out by DfE for both month end returns and year end returns for consolidation purposes. The annual report and accounts should be prepared in accordance with the relevant statutes, in particular the Companies Act 2006 and specific accounts direction issued by the DfE as well as HM Treasury's Financial Reporting Manual (FReM).

35.2. The annual report must:

- cover any corporate, subsidiary or joint ventures under its control
- comply with the FReM and in particular have regard to the illustrative statements for an NDPB²¹
- outline main activities and performance during the previous financial year and set out in summary form forward plans

35.3. Information on performance against key financial targets is included within the annual report and subject to the auditor's consistency opinion. The annual report and accounts shall be laid in parliament and made available on ONA's website, in accordance with the guidance in the FReM and also submitted to Companies House by the statutory deadline.

35.4. If ONA wishes to publish a document additional to its annual report and accounts that contains supplementary material including summary financial statements it should comply with the requirements of sections 426 and 426A of the Companies Act 2006. The summary data must not be published in advance of the full annual report and accounts being laid before Parliament as to do so would be a breach of parliamentary privilege.

35.5. If, due to exceptional circumstances, there is a conflict between the requirements of the Companies Act and the FReM, the Companies Act takes precedence. Companies should discuss the situation in the first instance with DfE and HM Treasury.

36. Reporting performance to the DfE

36.1. ONA shall operate management, information and accounting systems that enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and targets set out in the corporate and business plans.

36.2. ONA shall inform the DfE of any changes that make achievement of objectives more or less difficult. It shall report financial and non-financial performance, including performance in helping to deliver ministers' policies, and the achievement of key objectives regularly.

36.3. ONA's performance shall be formally reviewed by the DfE twice a year.

36.4. The responsible Minister will meet the Chair and Chief Executive at least once a year.

36.5. The PAO will meet the Chief Executive at least once a year.

²¹ <https://www.gov.uk/government/publications/government-financial-reporting-manual-2020-21>.

37. Information Sharing

37.1. The DfE has the right of access, via the senior sponsor, to all ONA records and personnel for any purpose including, for example, audits and operational investigations. DfE will not have access to individual user or school level usage data of ONA's products.

37.2. ONA shall provide the DfE with such information about its operations, performance, individual projects or other expenditure as the DfE may reasonably require.

37.3. The DfE and HM Treasury may request the sharing of data held by ONA in such a manner as set out in central guidance except insofar as it is prohibited by law. This may include requiring the appointment of a senior official to be responsible for the data sharing relationship.

37.4. As a minimum, ONA shall provide the DfE with information monthly that will enable the DfE satisfactorily to monitor:

- ONA's cash management
- its draw-down of grant-in-aid
- forecast outturn by resource headings
- other data required for the Online System for Central Accounting and Reporting (OSCAR)
- data as required in respect of its compliance with any Cabinet Office Controls pipelines or required in order to meet any condition as set out in the financial remit letter.

Audit

38. Internal audit

38.1. ONA shall:

- establish and maintain arrangements for internal audit. It is currently assumed that this role will be carried out by the Government Internal Audit Agency (GIAA).
- ensure that any arrangements for internal audit are in accordance with the Public Sector Internal Audit Standards (PSIAS)²² as adopted by HM Treasury
- set up an audit committee of its board in accordance with the Code of Good Practice for Corporate Governance and the Audit and Risk Assurance Committee Handbook²³.
- forward the audit strategy, periodic audit plans and annual audit report, including the person responsible for ONA's internal audit's opinion on

²² <https://www.gov.uk/government/publications/public-sector-internal-audit-standards>

²³ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/512760/PU1934_Audit_committee_handbook.pdf

risk management, control and governance as soon as possible to the DfE

- keep records of and prepare and forward to the DfE an annual report on fraud and theft suffered by ONA and notify the DfE of any unusual or major incidents as soon as possible
- will share with the DfE information identified during the audit process and the audit report (together with any other outputs) at the end of the audit, in particular on issues impacting on the DfE's responsibilities in relation to financial systems within ONA.

39. External audit

39.1. If required, the C&AG passes the audited annual report and accounts to the SoS who will lay the annual report and accounts which contains the C&AG's report before parliament.

39.2. In the event that ONA has set up and controls subsidiary companies, ONA will in the light of the provisions in the Companies Act 2006 ensure that the C&AG has the option to be appointed auditor of those ONA subsidiaries that it controls and/or whose annual report and accounts are consolidated within its own annual report and accounts. ONA shall discuss with the DfE the procedures for appointing the C&AG as auditor of the companies.

39.3. The C&AG:

- will consult the DfE and ONA on whom – the NAO or a commercial auditor – shall undertake the audit(s) on their behalf, though the final decision rests with the C&AG
- has a statutory right of access to relevant documents, including by virtue of section 25(8) of the Government Resources and Accounts Act 2000, held by another party in receipt of payments or grants from ONA
- will share with the DfE information identified during the audit process and the audit report (together with any other outputs) at the end of the audit, in particular on issues impacting on the DfE's responsibilities in relation to financial systems within ONA
- will consider requests from DfE and other relevant bodies to provide regulatory compliance reports and other similar reports at the commencement of the audit. Consistent with the C&AG's independent status, the provision of such reports is entirely at the C&AG's discretion

39.4. The C&AG may carry out examinations into the economy, efficiency and effectiveness with which ONA has used its resources in discharging its functions. For the purpose of these examinations the C&AG has statutory access to documents as provided for under section 8 of the National Audit Act 1983. In addition, ONA shall provide, in conditions to grants and contracts, for the C&AG to exercise such access to documents held by grant recipients and contractors and sub-contractors as may be required for these examinations; and shall use its best endeavours to secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.

Reviews and winding up

arrangements

40. Review of ONA's status

40.1. ONA will be reviewed as part of the wider Public Bodies Reviews programme, at a time determined by the DfE's ministers and their PAO. The date of the next review will be in 2024.

41. Arrangements in the event that ONA is wound up

41.1. The DfE shall put in place arrangements to ensure the orderly winding up of ONA in the event of the same occurring. In particular, it should ensure that the assets and liabilities of the ONA are dealt with in accordance with the paragraphs of Article 13 of the Articles of Association, and as copied below:

41.2. If, on winding up or dissolution of the Company and after the satisfaction of all debts and liabilities there remains any property or assets whatsoever, these shall be given or transferred to some other charitable or not for profit institution or institutions which shall prohibit the distribution of its or their income and property to an extent at least as great as is imposed on the Company under these Articles (including Articles 6 and 7), such institution or institutions to be determined by the Member at or before the time of dissolution.

41.3. Without prejudice to Article 13.1, no distribution of surplus property or assets pursuant to this Article shall take place within 24 months of the Company's acquisition of assets from the Reach Foundation (acting on its own behalf or as agent) without the consent of the Reach Foundation which may direct that such property or assets are directed to itself or to another charity with similar objects to those of the Company.

41.4. The Directors and Members shall not resolve to wind up or dissolve the Company, where the purpose of such winding up or dissolution is to avoid the provisions of the Articles and specifically those Articles referred to in Article 31.1.

41.5. The department shall:

- have regard to Cabinet Office guidance on winding up of ALBs²⁴
- ensure that procedures are in place in ONA to gain independent assurance on key transactions, financial commitments, cash flows and other information needed to handle the wind-up effectively and to maintain the momentum of work inherited by any residuary body;

²⁴https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/690952/Public_Bodies_-_a_guide_for_departments_-_chapter_10.pdf

specify the basis for the valuation and accounting treatment of ONA's assets and liabilities

- ensure that arrangements are in place to prepare closing annual report and accounts (if required) and pass to the C&AG for external audit, and that, for non-Crown bodies, funds are in place to pay for such audits.
- arrange for the most appropriate person to sign the closing annual report and accounts. In the event that another entity takes on the role, responsibilities, assets and liabilities, the succeeding entity AO should sign the closing annual report and accounts.

41.6. The ONA shall provide the DfE with full details of all agreements where ONA or its successors have a right to share in the financial gains of developers. It should also pass to the DfE details of any other forms of claw-back due to ONA.

Other Matters

42. Machinery of Government

42.1. If a Machinery of Government change results in ONA being sponsored by a new department before the framework document is due for review, the DfE will notify the ONA of the relevant relationship changes. The provisions of the framework document will continue to have effect until the framework document is replaced, unless otherwise stated by the new sponsor department.

43. Procedure for public complaints

43.1. ONA will establish, and publish on its website, a procedure to investigate and deal with complains from providers and members of the public, including students, about ONA's actions. This shall be in accordance with Parliamentary and Health Service Ombudsman's Principles of Good Complaint Handling.

44. Subsidiary Companies

44.1. The ONA does not have delegated authority to establish any subsidiary companies without prior written agreement from DfE.

44.2. In the event that the ONA has set up and controls subsidiary companies, the ONA will ensure the following:

- The Cabinet Office should be informed so it can be assured as to whether a subsidiary constitutes a new non-departmental public body.
- If the subsidiary is a new public body, then HM Treasury will always consider this to be novel and will require HM Treasury's prior approval. Cabinet Office controls relating to the establishment of new public bodies will also apply.
- The ONA shall discuss with the DfE the procedures for appointing the C&AG as auditor of the subsidiary companies and in line with the Companies Act 2006 the C&AG is appointed auditor of those company subsidiaries that it controls and/or whose activities are consolidated into its own annual report and accounts.

45. Severance Payments

45.1. Any proposal by the ONA to make a severance payment must comply with the rules in Chapter 4 of HMT MPM and Cabinet Office guidance on severance payments. Any proposal for special severance payment (i.e. non-contractual) must be referred to the DfE first, and from there to HMT for written approval, before making payment.

46. Better Regulation, Consultation, and Impact Assessments

46.1. ONA shall follow the Government's commitment to efficient and effective regulation. Where possible and certainly whenever necessary the ONA shall follow the Consultation Principles and comply with the Government's Better Regulation framework²⁵ and the Regulator's Code²⁶. Where necessary the ONA shall produce Impact Assessments on any proposal that imposes or reduces costs on businesses, community, and voluntary bodies. Impact Assessments and any related material should be produced in accordance with statutory guidance produced by the Better Regulation Executive.

²⁵ [Better regulation framework - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

²⁶ [Regulators' Code - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

Annex A: Reserved Matters

Description

Financial and Business Plan

1. Creation of any security interest over any part of the Company's assets, property or undertaking, or proposing to do the same.
2. Borrowing by the Company of any amount in excess of the figure set out in the relevant business plan which has been approved by the Member of the Company, other than the provision of overdraft facilities in the normal course of business
3. The Company making any loan, advance or credit to third parties (other than normal trade credit to suppliers).
4. The Company giving any indemnity or guarantee except in the ordinary course of its business.
5. Disposal by the Company of a material part of the undertaking, property and/or assets of the Company or contracting so to do.
6. Expenditure by the Company on capital account of over the amount stated in business plan approved by the Member in one transaction or in aggregate over any two transactions in any one year.
7. The Company taking or agreeing to take any freehold or leasehold interest or licence over land other than short term licenses taken in the normal course of business.
8. The Company entering into any contract or transaction except in the ordinary course of its business and on arm's length terms, or a contract or transaction with a connected person
9. Acquisition or subscription for shares, debentures or securities in any person by the Company.
10. Registration of any property interests, including real or intellectual property
11. Change in accounting or taxation policies of the Company.
12. Commencement or settlement of legal or arbitration proceedings involving the Company and a claim (including costs) in excess of £20,000.

13. The Company making any agreement with any revenue authorities, or making any claim, disclaimer, election or consent of a material nature for tax purposes in relation to the Company, its business, assets or undertaking.
14. Sub-letting or disposal of any of the Company's property, including intellectual property.
15. The approval of any proposed Company amendments to the Company's intellectual property.

Management, Directors, Employees and Partners

1. Appointment or removal of Directors not otherwise provided for in the Articles.
2. Appointment of any committee members who are not Directors.
3. Devolution or transfer of management control of the Company to persons outside the agreed Directors or committee members.
4. Engagement by the Company of (and terms of engagement of) any person as a consultant whose annual remuneration exceeds any level authorised by the business plan and already approved by the Member.
5. Payment of any fees, remuneration or other emoluments to Directors or varying any such fees, remuneration or emoluments.
6. Entering into a partnership or joint venture with any other person, other than short term arrangements in the ordinary course of business.

Other Matters

1. Any media or publicity statement on behalf of the Company referencing the SoS or DfE.
 2. Purporting to vary the rights of the Member or admit new members.
 3. Appointment or variation of the Company's bankers.
 4. Alteration of the Company's registered office.
 5. Creation, acquisition or disposal of any subsidiary (or shares in a subsidiary) of the Company.
 6. Appointment of an administrator of the Company, entry into a scheme of arrangement or (unless required to do so by law) the winding up of the Company.
 7. Repurchase or cancellation by the Company of any contractual arrangements prior to the end of their term.
 8. Proposed change of name of the Company.
 9. Proposed change in the status of the Company.
- i. Entry into any corporate reconstruction, consolidation or amalgamation with any company, association, partnership or legal entity or the acquisition of any business

or undertaking of any other person e.g. proposing to merge with another company or proposing to acquire the assets of another company.

Annex B: Glossary of Terms

Term	Explanation
Accounting Officer (AO)	As defined by Managing Public Money, they are a person appointed by the Treasury or designated by a department to be accountable for the operations of an organisation and the preparation of its accounts. In the case of Oak National Academy, the appointee will be the Chief Executive of Oak National Academy.
Annual Report & Accounts	The strategic report, directors report, and other statements published alongside the annual statement of accounts required to be audited by the National Audit Office (see Companies Act and section 5.1 of FReM for full guidance).
Articles of Association, or Articles of the Company	Written rules about running the company agreed by the members, directors and the company secretary.
Audit & Risk Committee	Reports to the Oak National Academy Board, chaired by an independent and appropriately qualified non-executive member of the Board.
Better Regulation Executive	The Better Regulation Executive (BRE) leads the regulatory reform agenda across government.
Board	The Oak National Academy Board of Directors
Business Plan	One year plan derived from the three-year Corporate Plan, including key objectives and associated key performance targets for the upcoming year
Cabinet Office Controls	The Cabinet Office spend controls help organisations to reduce unnecessary spend and encourage cross-government collaboration.
Central government organisation	ONS technical classification based on classification of economic units in the UK. This is how ONA will be judged to be public sector controlled by the Department.
Chair	The director appointed by the Secretary of State to serve as chair of the Oak National Academy Board
Comptroller & Auditor General	The government official responsible for supervising the quality of public accounting and financial reporting. Head of the National Audit Office
Corporate Plan	Three-year strategy written by Oak National Academy executive team and agreed by the Board and DfE
Delegation Letter	Within which Oak National Academy's delegated authorities are set out
Department	The Department for Education
Director	A statutory director of Oak National Academy
Executive Director	A member of the Board who is also an employee of ONA with a senior role
Financial Remit Letter	A formal statement of the annual budgetary provision provided to Oak National Academy by the DfE
Framework Document	Sets out the broad governance framework within which Oak National Academy and the DfE intend to operate
Machinery of Government change	A transfer of functions between ministers, either: between ministers in charge of departments or other Cabinet Ministers; or between a minister and a non-departmental public body (NDPB)

Member	The company's owner whose name has been entered on the register of members, as set out in the Companies Act 2006. Members delegate certain powers to the company's directors to run the company on their behalf. The Secretary of State is the sole Member, as set out in the Articles of Association.
National Audit Office (NAO)	Independent Parliamentary body responsible for auditing central government departments, government agencies and non-departmental public bodies. Headed up by the Comptroller & Auditor General
Non-Departmental Public Body (NDPB)	A body which has a role in the processes of national government, but is not a government department or part of one, and which accordingly operates to a greater or lesser extent at arm's length from ministers
Non-Executive Director	A director who is not a full or part-time employee or holder of an executive office of Oak National Academy
Oak National Academy (ONA)	Oak National Academy Ltd (companies House no XXXXX), a Non-Departmental Public Body (NDPB)
Online System for Central Accounting and Reporting (OSCAR)	Government reporting system into which DfE provides financial information
Permanent Secretary	The most senior civil servant in the Department for Education. Supports the Secretary of State and ministers at the head of the department, and is the Principal Accounting Officer for their department, accountable to Parliament for the department's actions and performance. They are responsible for the day-to-day running of the department, including the budget.
Principal Accounting Officer (PAO)	The department's Permanent Secretary
Responsible Minister	Minister of State for School Standards – accounts for Oak National Academy in Parliament
Reserved Matters Schedule	Those matters where approval of the SoS is required for the ONA (or its Directors) prior to taking any proposed action
Secretary of State (SoS)	The Secretary of State for Education
Secretary of State's Observer	The Secretary of State will nominate an observer (a senior employee of the DfE) to act as their representative. The observer will have the right to attend all board meetings (including board committees). However, the observer will not be a director of Oak National Academy, or member of the Board, and, for the avoidance of doubt, will have no voting rights nor count towards the quorum for any such meetings.
Senior Sponsor	The responsible senior civil servant, who supports the PAO and responsible Minister on their responsibilities toward Oak National Academy
Sponsorship Team	Primary contact between the SoS and responsible Minister and Oak National Academy. They are the main source of advice to the responsible Minister and the PAO on the discharge of their responsibilities in respect of Oak National Academy. Oak National Academy engage with the sponsorship team as the initial point of contact between Oak and the Secretary of State, and between Oak and the DfE.
Supply Estimate (DfE)	Main supply estimates are presented to the House of Commons to seek parliamentary authority for central government departmental expenditure.

Annex C: Guidance

ONA shall comply with the following guidance, documents and instructions:

Corporate governance

- This framework document
- Corporate Governance Code for Central Government Departments (relevant to Arm's Length Bodies) and supporting guidance:
<https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments-2017>
- Code of conduct for Board members of Public Bodies:
<https://www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies>
- Code of practice for partnerships between Departments and Arm's Length Bodies:
<https://www.gov.uk/government/publications/partnerships-with-arms-length-bodies-code-of-good-practice#:~:text=This%20code%20of%20good%20practice,partnership%20approach%20to%20shaping%20relationships.>

Financial management and reporting

- Managing Public Money (MPM):
<https://www.gov.uk/government/publications/managing-public-money>
- Government Financial Reporting Manual (FReM):
www.gov.uk/government/collections/government-financial-reporting-manual-fr-em
- Relevant Dear Accounting Officer (DAO) letters:
www.gov.uk/government/collections/dao-letters
- Relevant guidance and instructions issued by the Treasury in respect of Whole of Government Accounts:
<https://www.gov.uk/government/collections/whole-of-government-accounts>
- The most recent letter setting out the delegated authorities, issued by DfE.

Management of risk

- Management of Risk: www.gov.uk/government/publications/orange-book and <https://www.gov.uk/government/publications/management-of-risk-in-government-framework>

- Public Sector Internal Audit Standards:
www.gov.uk/government/publications/public-sector-internal-audit-standards
- HM Treasury approval processes for Major Projects above delegated limits:
<https://www.gov.uk/government/publications/treasury-approvals-process-for-programmes-and-projects>
- The Government cyber-security strategy and cyber security guidance:
<https://www.gov.uk/government/publications/national-cyber-strategy-2022/national-cyber-security-strategy-2022> and
<https://www.gov.uk/government/collections/cyber-security-guidance-for-business>

Commercial management

- Procurement Policy Notes:
<https://www.gov.uk/government/collections/procurement-policy-notes>
- Cabinet Office spending controls:
<https://www.gov.uk/government/collections/cabinet-office-controls>
- Transparency in supply chains - a practical guide:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1040283/Transparency_in_Supply_Chains_A_Practical_Guide_2017_final.pdf

Public appointments

The following are relevant where public bodies participate in public appointments processes.

- Guidance from the Commissioner for Public Appointments:
<https://publicappointmentscommissioner.independent.gov.uk/>
- Governance Code on Public Appointments:
www.gov.uk/government/publications/governance-code-for-public-appointments
- Procurement Policy Note 08/15 – Tax Arrangements of Public Appointees:
<https://www.gov.uk/government/publications/procurement-policy-note-0815-tax-arrangements-of-appointees>

Staff and remuneration

- HM Treasury guidance on senior pay and reward:
www.gov.uk/government/publications/senior-civil-service-pay-and-reward
- Civil Service pay guidance (updated annually):
www.gov.uk/government/collections/civil-service-pay-guidance
- Public sector pay and terms:
<https://www.gov.uk/government/publications/public-sector-pay-and-terms-guidance-note>

- Whistleblowing Guidance and Code of Practice:
<https://www.gov.uk/government/publications/whistleblowing-guidance-and-code-of-practice-for-employers>
- The Equalities Act 2010: www.gov.uk/guidance/equality-act-2010-guidance

General

- Freedom of Information Act guidance and instructions:
www.legislation.gov.uk/ukpga/2000/36/contents and
<https://ico.org.uk/for-organisations/guide-to-freedom-of-information/>
- The Parliamentary and Health Service Ombudsman's Principles of Good Administration: <https://www.ombudsman.org.uk/about-us/our-principles>
- Other relevant instructions and guidance issued by the central Departments (Cabinet Office and HM Treasury)
- Recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and are relevant to [the ALB].
- Guidance from the Public Bodies team in Cabinet Office:
www.gov.uk/government/publications/public-bodies-information-and-guidance
- The Civil Service diversity and inclusion strategy (outlines the ambition, to which Arm's Length Bodies can contribute):
<https://www.gov.uk/government/publications/civil-service-diversity-and-inclusion-strategy-2022-to-2025>
- Guidance produced by the Infrastructure and Projects Authority (IPA) on management of major projects:
www.gov.uk/government/organisations/infrastructure-and-projects-authority
- The Government Digital Service:
www.gov.uk/government/organisations/government-digital-service
- The Government Fraud, Error, Debt and Grant Efficiency function;
www.gov.uk/government/collections/fraud-error-debt-and-grants-function and
www.gov.uk/government/publications/grants-standards
- Code of Practice for Official Statistics:
<https://code.statisticsauthority.gov.uk/#:~:text=The%20Code%20of%20Practice%20for%20Statistics%20sets%20the,produced%20by%20people%20and%20organisations%20that%20are%20trustworthy.>
- Accounting Officer System Statements (AOSS are produced by departments with input from ALBs):
www.gov.uk/government/publications/accounting-officer-system-statements

