



Performance audit report

Ministry of Education: Monitoring and supporting school boards of trustees





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This is the report of a performance
audit we carried out under section
16 of the Public Audit Act 2001.

June 2008

ISBN 978-0-478-32611-6

Foreword

My staff carried out a performance audit to examine the effectiveness of the Ministry of Education's monitoring of, and support for, school boards of trustees in their governance role.

Boards are an important part of New Zealand's education system. The elected trustees are mainly volunteers from the community, who commit a substantial amount of time and effort to the role. A high number of new trustees are elected every three years (for example, 44% of trustees were new to the role after the 2007 elections). Given the range of responsibilities trustees have and the diversity of issues facing them, I consider that providing boards with adequate training and support is important for getting the best out of the education system.

Overall, the Ministry provides some useful training and general support for all boards. It also has good systems for supporting boards that are clearly at risk of poor performance.

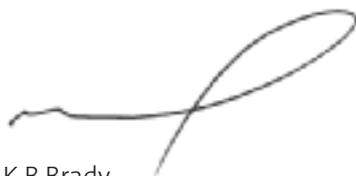
However, the Ministry needs to more actively monitor the whole school portfolio so that it identifies boards that would benefit from support earlier, and provides that support promptly. The Ministry also needs to ensure that it supports boards consistently throughout the country.

It is difficult to say whether the training and support provided is making a difference to governance of schools. The Ministry needs to focus more on monitoring and evaluating the outcomes of its training and support in terms of governance of schools.

I encourage the Ministry to tap into the wealth of information and knowledge it already has about schools, and use this to improve the effectiveness of its training and supporting school boards.

The Ministry has responded positively to the matters raised during the audit and is committed to implementing the recommendations.

I thank the staff of the Ministry for their co-operation during the audit. I also thank other people from the education sector who contributed to our audit through interviews and by providing information.



K B Brady
Controller and Auditor-General

23 June 2008

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Summary

The Ministry of Education (the Ministry) is responsible for leading the public education sector to ensure that the education system works for all. Within the sector, each state and state-integrated school is governed by a board of trustees (board). There are about 2469 boards and about 18,500 trustees.

We examined the effectiveness of the Ministry's monitoring of, and support for, boards in their governance role. This included reviewing the Ministry's systems for monitoring boards and identifying boards that may be at risk of poor performance, its systems for providing support, the types of support available, and its systems for providing general training for all trustees.

Our findings

Overall, the Ministry provides a useful level of training and general support for all boards. It also has good systems for supporting boards that are clearly at risk of poor performance. However, we know little about whether the training and support provided is contributing to improved governance of schools. This is an area the Ministry needs to improve.

The Ministry also needs to more actively monitor the whole school portfolio so that it identifies schools that would benefit from support earlier, and provides that support promptly and consistently throughout the country. It already has a wealth of information about schools that it could use to effectively target its training and support resources for boards.

General training and support for all school boards

The Ministry has made some training and support available to all boards. This is generally well received by trustees. However, we are not confident that the training and support provided meets the needs of trustees, because the Ministry has not systematically analysed the training and support provided or identified the main training and support needs of boards.

In our view, the Ministry needs to strengthen its monitoring of training contracts to ensure that significant issues and trends are reported systematically. It also needs to focus on identifying and evaluating the outcomes achieved – for example, how the training and support contributes to improving governance. We consider that there is scope to significantly improve the outcome monitoring and evaluation of the services delivered to ensure that they meet the needs of trustees, can be used to make appropriate amendments to training programmes, and contribute to improved governance of schools.

Monitoring board performance and identifying school boards at risk of poor performance

The Ministry does not have policies and procedures for monitoring the performance of boards. As a result, although it is identifying some boards at risk of poor performance in terms of the welfare or educational performance of their students or school operations (boards at risk), we cannot be confident that it is consistently identifying all boards at risk and that it is offering timely support to those boards. The support offered to boards with similar issues may be different depending on where they are located. This is because practices for monitoring boards vary between the Ministry's offices.

The Ministry has a range of information available on board performance that it could use better to identify boards at risk. However, as monitoring is not clearly defined, we cannot be sure that the Ministry is using the most appropriate sources of information.

The Ministry is not systematically reviewing school charters and Analysis of Variance reports to establish whether boards adequately understand and demonstrate compliance with the National Education Guidelines. It could better use this information to identify risks to board performance and the support needed to improve it.

Providing support for school boards identified as being at risk of poor performance

The Ministry has some useful systems for supporting boards at risk. However, we were not able to establish that the Ministry decided to offer support, either informal support or statutory intervention, consistently and in a timely way for all regions and boards. This is because the systems and practices vary between Ministry offices. There is no overall guidance available to help Ministry staff to decide when and what support they should give to boards.

The Ministry has effective policies and procedures for managing statutory interventions once it intervenes. These are usually followed. However, the Ministry needs to improve how it monitors statutory interventions and assesses the effectiveness of statutory interventions. There is not enough information on the effectiveness of statutory interventions in improving board governance in the long term.

It is unclear whether the limited number of people in the group available for implementing statutory interventions is a disincentive for the Ministry to intervene or affects the length of time it takes to intervene. However, putting in place a more transparent and open process for appointing people to the group would remove ambiguity and could help to increase the number of people available.

Our recommendations

Training and support for school boards

We recommend that the Ministry of Education:

- 1 systematically analyse available information about what training and support school boards need so it can identify and prioritise the main needs and match services to those needs;
- 2 strengthen the monitoring and evaluation of the contracts for school board training and support to include a focus on how the support provided by those contracts contributes to improved governance of schools; and
- 3 evaluate methods of providing school board training to identify best practice that it can use more widely.

Monitoring the performance of school boards

We recommend that the Ministry of Education:

- 4 clarify the criteria or triggers for identifying school boards at risk of poor performance, and prepare policies and procedures for monitoring boards to identify as early as possible boards that may be at risk;
- 5 identify the information it needs to consistently identify school boards at risk and use it in a timely way; and
- 6 review school charters and Analysis of Variance reports to assess the extent to which school boards are meeting the National Education Guidelines, and use this information to identify areas where boards may need further support.

School boards at risk

We recommend that the Ministry of Education:

- 7 improve guidance for its staff on how to support school boards at risk of poor performance, and encourage consistent systems and best practice to provide boards at risk with timely support that is effective in resolving the issues and contributing to improved governance of schools;
- 8 document and make transparent the process for appointing people to the group available to carry out statutory interventions; and
- 9 put in place a more systematic monitoring and evaluation framework for statutory interventions so it can assess the effectiveness of statutory interventions in improving a school board's capacity to govern.

Response from the Ministry of Education

The Ministry has advised us that it will be taking action to address our recommendations.

Part 1

Introduction

- 1.1 The Ministry of Education (the Ministry) is responsible for leading the education sector to ensure that the education system works for all. Within the education system, each state and state-integrated school is governed by a board of trustees (board). There are about 18,500 trustees, of whom 44% were new to the role after the 2007 board elections. The Ministry is responsible for providing support to boards to enable them to govern effectively.
- 1.2 The Education Act 1989 (the Act) requires each board to govern its school. Unless contrary to law, a board has “complete discretion to control the management of the school as it thinks fit” (section 75 of the Act). The Act also provides for a policy and regulatory framework that boards must operate in when exercising this discretion. The framework is designed to promote effective governance and focus the board (and in turn the principal and staff) on how it can improve student achievement and best use its resources for this purpose.

Audit purpose and scope

- 1.3 Our performance audit assessed the effectiveness of the Ministry in supporting and monitoring boards to enable them to govern effectively.
- 1.4 To do this, we examined the extent to which the Ministry:
- promotes good governance by ensuring that boards are aware of the requirements of the National Education Guidelines (consisting of the National Administration Guidelines, national education goals, and the curriculum statements);
 - monitors the extent to which boards align their planning and reporting with the National Education Guidelines;
 - provides effective resources, training, and support to boards; and
 - effectively monitors, identifies, and supports boards at risk,¹ including through statutory interventions.²
- 1.5 Our audit did not examine:
- how well boards govern their schools;
 - the quality of any specific training courses for boards;
 - board elections;
 - the role, functions, or effectiveness of the Education Review Office (ERO);
 - the functions or effectiveness of the New Zealand School Trustees Association (NZSTA) as an industry advocacy organisation; and

1 In this report, we use the term “boards at risk” when referring to boards at risk of poor performance in terms of the welfare or educational performance of their students or school operations.

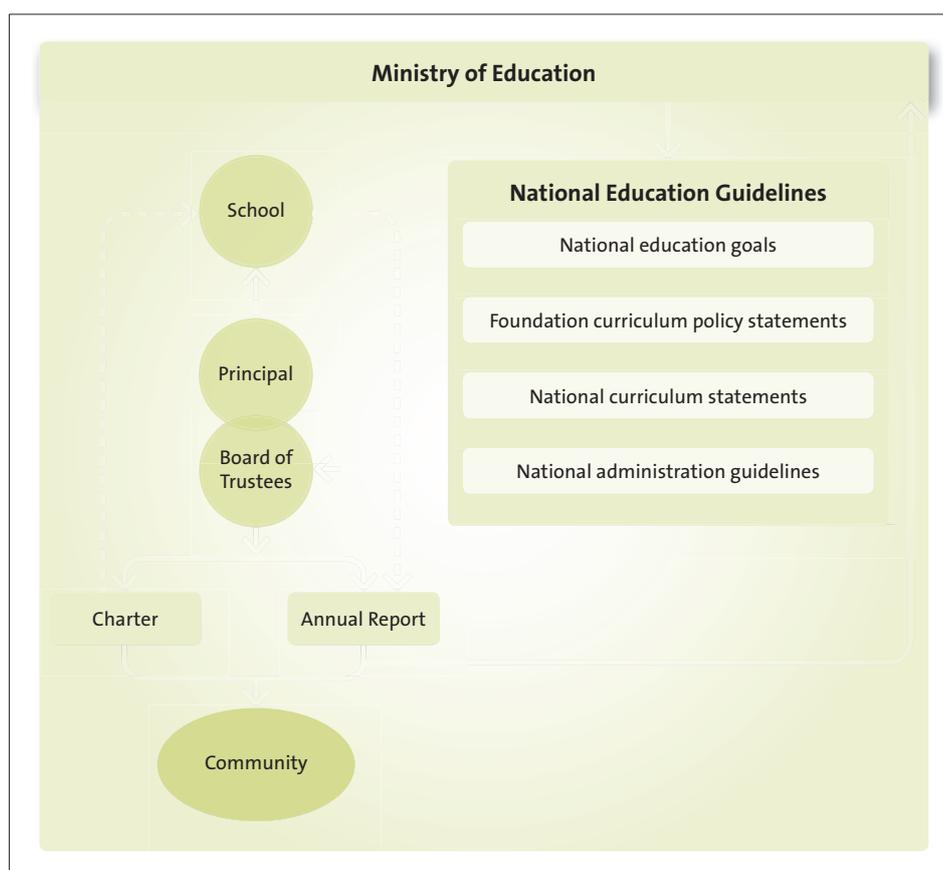
2 See paragraphs 4.15-4.16.

- the school support services (such as professional development, which boards are responsible for) provided by the Ministry's Schooling Improvement Team, or its contracted providers around the country.

The statutory and policy framework for schools

- 1.6 The Ministry is responsible for providing advice to the Minister of Education (the Minister) on the service delivery capability and financial viability of education sector Crown entities, including state and state-integrated schools.
- 1.7 Each state and state-integrated school is governed by a board, and each board is a Crown entity. The Ministry reported in its publication *Working in Partnership: Information for New School Trustees 2007-2010* that:
- The term "governance" is not defined legislatively and there can be some disagreement about what the expression means and implies.*
- 1.8 In general terms, a board is responsible for the governance of a school. A school principal is the board's chief executive (section 76 of the Act) and is responsible for the day-to-day management of a school. A principal must comply with a board's general policy directions and has complete discretion to manage the school's day-to-day administration.
- 1.9 The National Education Guidelines set out the Government's education goals, policy objectives, and priorities for the school sector and thus provide the framework that schools operate in. Figure 1 shows the accountability relationships between the Ministry, boards, and the community.

Figure 1
The accountability framework for schools



The National Education Guidelines

- 1.10 The Act enables the Minister to publish National Education Guidelines. The guidelines are the main way for the Government to communicate its national education goals, policy objectives, and priorities to the school sector. This includes advising boards on the Government's expectations for student achievement and providing guidance on school administration, including a framework for the board's use of human, financial, and property resources to implement school programmes.
- 1.11 The components of the National Education Guidelines are:
- the national education goals, which are statements of government policy objectives and desirable achievement aimed at the school system or an element of the school system;

- foundation curriculum policy statements, which are statements of policy about the teaching, learning, and assessment that underpin and give direction to national curriculum statements and locally developed curriculum, and the way schools are to manage their curriculum and assessment responsibilities;
- national curriculum statements, which define the areas of knowledge and understanding to be covered by students, the skills to be gained by students, and desirable levels of knowledge, understanding, and skill to be achieved by students during the years of schooling; and
- National Administration Guidelines, which set out the broad requirements about teaching and assessment, staffing, health and safety, and financial affairs that a board must observe in governing the school.

1.12 The National Administration Guidelines (NAGs) focus on student achievement. NAG 1 requires schools to develop teaching and learning programmes in line with the New Zealand curriculum. NAG 2 requires boards to do strategic planning, measure their achievement against the plan, and report on this and student achievement to the students, their parents, and the local community to establish that their school is complying with the National Education Guidelines. NAGs 3 to 6 are aimed at ensuring that schools use their available resources to support student achievement. They include personnel and industrial policies, financial and property matters, health and safety, and compliance with general legislation on attendance, the length of the school day, and the length of the school year.

Responsibilities of school boards

- 1.13 As at March 2007, there were 2469 state and state-integrated schools. These schools spent an estimated \$4.5 billion for the calendar year ended 31 December 2006. Generally speaking, boards are made up of elected parent representatives, staff, principal, and student representatives, and they can appoint and/or co-opt members.
- 1.14 Boards are subject to a number of legal, financial, and ethical obligations. The Act specifies some accountabilities that provide the Government with assurance that the school offers high quality learning programmes and that it uses resources (staff, finance, and property) effectively and efficiently.³
- 1.15 The Act requires boards to prepare and maintain a school charter (section 61) that sets out accountabilities to the Government and to the local community. The charter has a long-term strategic section that sets the board's overall goals for the next three to five years and an annually updated section that sets out the board's targets each year. Charters have to cover student achievement, general

³ Other relevant legislation includes the State Sector Act 1988, the Crown Entities Act 2004, the Official Information Act 1982, the Privacy Act 1993, the Health and Safety in Employment Act 1992, the Human Rights Act 1993, and the New Zealand Bill of Rights Act 1990.

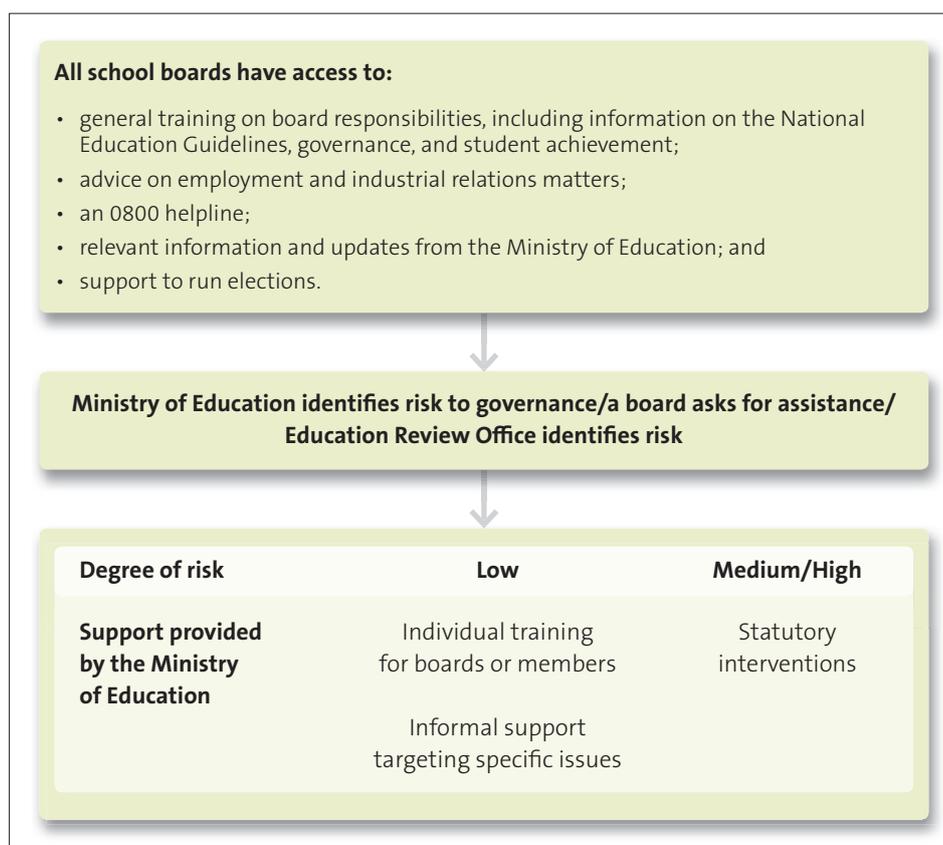
government policy objectives, and the management of the school's and board's capability, resources, and assets and liabilities. The charter must contain all the board's annual and long-term plans, or at least a summary of each plan or reference to it. It must be updated each year.

- 1.16 Section 63 of the Act states that the charter is an undertaking by the board to the Minister to take all reasonable steps to ensure that the school is managed in keeping with the charter, and that the school, its students, and the community achieve the aims and objectives set out in the school charter. Section 61 of the Act states that the purpose of the charter is to set the mission, aims, objectives, and directions of the board that will give effect to the Government's National Education Guidelines and the board's priorities. It also provides a base to assess the board's actual performance against. Furthermore, the board must prepare and update the school charter in keeping with the NAGs.
- 1.17 The Act also requires boards to publish an annual report, which must include an annual financial statement and an analysis of any variance between the school's performance and the targets set out in the annual section of the school charter.
- 1.18 Boards must make copies of school charters and annual reports available to the local community and the Ministry.

The Ministry of Education's role to support school boards

- 1.19 The role of the Ministry's School Performance Team includes ensuring that boards are provided with enough support to enable them to govern effectively. The support includes:
- access to appropriate information and training to enable boards to understand their roles and responsibilities;
 - access to specialist advisers for support and advice where the skills required are over and above that normally expected of a board member – for example, training in strategic planning and providing industrial relations advice; and
 - taking follow-up action with boards and management to address any material problems. The Act provides for a range of statutory interventions that the Ministry may use to address risks to the operation of individual schools or to the welfare or educational performance of their students.
- 1.20 Figure 2 shows the Ministry's support framework. All boards have access to a range of training and support services if they wish to access them. However, if a board is identified as being at risk, further support is available. This includes training and support specific to the issues causing concern and/or statutory interventions under the Act.

Figure 2
The support framework for school boards



How we conducted our audit

- 1.21 We interviewed staff from the Ministry's national office and reviewed relevant reports and documents.
- 1.22 We also visited three of the Ministry's four regional offices and two of the Ministry's seven local offices. During these visits, we interviewed staff, reviewed relevant documents, and reviewed a sample of the Ministry's files on schools. We selected the sample of files to provide examples of boards that:
- had a statutory intervention in place at the time of our audit;
 - had not had a statutory intervention since 2001, but had had Ministry support; and
 - had not had any statutory interventions or attracted Ministry concern.
- 1.23 Figure 3 lists the Ministry offices we visited and the number of the Ministry's files on schools we reviewed, ordered by the type of support provided by the Ministry.

We consider that the number of files reviewed was sufficient to give us adequate coverage of the range of Ministry activities.

Figure 3

Types of support for school boards noted in our sample of Ministry of Education files

Ministry of Education office location	No additional support	Informal support	Statutory intervention	Total number of files reviewed
Whangarei	5	5	3	13
Auckland	15	20	12	47
Lower Hutt	7	6	8	21
Christchurch	10	3	10	23
Dunedin	7	2	2	11
Total number of files	44	36	35	115

- 1.24 We also interviewed staff from the three training providers that the Ministry contracts with to provide training to boards. We reviewed copies of board training materials, a sample of evaluations from course attendees, and accountability reports from the three training providers to the Ministry.
- 1.25 At the time of our audit, the Ministry was analysing their information about boards (the Ministry calls it a stocktake) and surveying boards to establish their satisfaction with the training provided. We maintained contact with Ministry staff to monitor the findings. We reflect the relevant findings of that survey and the stocktake in this report.
- 1.26 We also interviewed staff from other organisations to seek their views on the Ministry's performance in supporting boards to govern effectively.

Part 2

General training and support for all school boards

2.1 In this Part, we discuss the framework of general training and support available to all boards.

Our expectations

2.2 We expected the Ministry to have:

- identified board training and support needs;
- provided training and support to meet identified needs and to which trustees had reasonable access;
- transparent and effective policies and processes for managing contracts to provide training and support for boards; and
- established the effectiveness of training and support in contributing to improved governance of schools.

Identifying needs for training and support

2.3 The Ministry gathered some information from boards about their needs for training and support before awarding the 2005-08 training and support contracts. The information included a 2003 survey evaluating the training and support services previously provided to boards. However, it is not clear how the survey results led to the 2005-08 contracts and the Ministry was not able to provide us with that information.

2.4 Other information on board training and support needs is available from a variety of sources, including trainers, the professional knowledge of Ministry staff, surveys of trustees, ERO reports, and research by the New Zealand Council for Educational Research (NZCER).

2.5 Two Ministry initiatives happening at the time of our audit were aimed at gaining a better understanding of board needs for training and support. One initiative was a survey of board chairpersons to assess the quality and effectiveness of the Ministry's training contracts. The results of the survey indicated that the situations or issues where boards want training are when:

- more than half of the board are first-time trustees;
- a board decides it needs to improve its understanding of governance and management concepts;
- there is a high degree of conflict within the board;
- a board appoints a new principal;
- a board deals with performance management of staff;

- a board is subject to a supplementary ERO review;¹ and
- a board is emerging from a statutory intervention.

2.6 The other initiative was the Ministry's stocktake of boards that was aimed at understanding "how school boards can be better supported to focus on directing and supporting student engagement, achievement and retention in their school". This work indicated opportunities for strengthening support for boards, including:

- providing access to expert advisers/field officers;
- making training compulsory;
- providing pre-election training for potential trustees;
- improving training; and
- providing more mentoring for boards.

2.7 The stocktake identified that training could be improved by:

- setting standards and minimum requirements;
- targeting and tailoring training to individual boards;
- providing training to analyse student achievement data;
- providing training for principals in communications skills and relationship management; and
- providing training that leads to accreditation as a trustee.

Availability of training and support

2.8 We expected the Ministry to have provided training and support to meet the needs of boards and trustees, and to have ensured that trustees have reasonable access to training and support.

2.9 The Ministry has made some training and support available to boards. In 2007/08, the Ministry was forecast to spend nearly \$4.3 million on training and support for boards.²

General support

2.10 The Ministry delivers general support for boards through a "core" contract, which provides a range of free industrial and advisory services. These services include advising, representing, and advocating for boards on employment-related matters; providing an industrial relations/human resources service for boards; and an 0800 helpline to assist boards to fulfil their responsibilities.

1 See paragraph 3.49. An ERO review is an external evaluation of the education provided for school students in all state schools, including integrated schools and kura kaupapa Māori.

2 The Ministry divides its school board training budget into two pools. See paragraphs 2.12 and 2.19. The amount shown excludes GST and includes: the core contract, the contracts for Pool 1 board training and support, and the budget for Pool 2 board training and support, but not the contract to support board elections.

- 2.11 The core contract is held by the NZSTA, which has 11 personnel/industrial relations advisers located throughout New Zealand. These advisers supported 2101 boards (85% of all boards) during 2007. The highest proportion of time was spent on issues related to disciplinary matters (14%), competency (9%), and complaints (9%) about school employees.

Training

- 2.12 The Ministry contracts three organisations to provide free training to all board trustees and school principals. The three contracts were worth \$1.9 million³ in 2007/08.
- 2.13 The purpose of this training is to assist boards to build the knowledge and skills to enable them to perform their governance role more effectively in keeping with the National Education Guidelines, and to support improved learning outcomes in their schools.
- 2.14 These contracts require the providers to complete an agreed number of hours for each type of training (or output). Figure 4 lists the type of training and hours purchased against each output for the past three years in all regions. The contracts require regular milestone reports on hours delivered, activities, and achievements. Each region has one main contractor, who delivers the training for the whole region.

Figure 4

Total hours and types of training purchased under the school board training contracts in 2005/06, 2006/07, and 2007/08

Outputs	Type of training	2005/06 hours	2006/07 hours	2007/08 hours	Total hours	%
1	Training and support for individual whole boards	1743	2371	1813	5927	49.5
2	Mentoring individual board members	785	1050	1425	3260	27.2
3	Clustered training for groups of trustees with similar issues	283	362	466	1111	9.3
4a	Support to run elections*	193	105	162	460	3.8
4b	Basic (new) trustee training	0	311	913	1224	10.2
	Total training hours contacted	3004	4199	4779	11,982	100

* Board elections were outside the scope of our audit, but we include the data here in the general context of showing how training hours are used.

3 This amount excludes GST and is referred to as Pool 1 for school board training and support contracts.

- 2.15 The training for whole boards and individual trustees (Outputs 1 and 2) is delivered on request within the funded hours available. These hours are used to provide training to deal with extra, immediate issues that boards decide they need help with and which are not met through the other types of training provided. For example, the hours could be used for principal appraisals, disciplinary processes, budgeting, or preparing a school charter.
- 2.16 At the time of our audit, training contracts were focused on providing training for new trustees after the 2007 elections (Output 4b). This training is important because of the high number of new trustees after each election (44% of trustees were new to the role after the 2007 elections).
- 2.17 Training for new trustees involves providing courses to introduce trustees to their roles and responsibilities. These courses may address specific matters that trustees require help with. Some variation between the three contractors was evident. For example, each contractor has different training materials.
- 2.18 Training content offered to new trustees by each contractor covers:
- plans and policies, student achievement, student engagement, learning programmes, employment, school climate and environment, asset management, and community consultation (contractor 1);
 - introduction to trusteeship, student achievement, effective board process, board planning and review, understanding policies, finances, property, personnel, and the role of the chairperson (contractor 2); and
 - effective trusteeship, effective key relationships and purposeful meetings, and effective measurement of performance (contractor 3).
- 2.19 The Ministry has a further \$400,000 budgeted in 2007/08⁴ to provide training for boards as issues arise. This funding is managed by the Ministry's regional offices. The Ministry allocates the work based on the contractor's knowledge, experience, and suitability in addressing the board issues identified at that time.

Access to training and support

- 2.20 In general, trustees have reasonable access to the training and support provided by the Ministry contracts.
- 2.21 The training courses are free and are held in a variety of locations in all regions. Boards and trustees are aware of who provides training in their area. The survey referred to in paragraph 2.5 indicated a high degree (94%) of awareness among boards of who the contracted training providers are.
- 2.22 Participation in the training courses is voluntary. It would be useful for the Ministry to have consistent regional information about how many boards and

4 Pool 2 of the Ministry's school board training and support budget.

trustees have participated in the training courses. Only one training provider tells the Ministry how many schools are represented at training courses, rather than just how many participants attended. The provider advised that, by July 2007, between 40% and 48% of boards in its region had participated in its training.

- 2.23 General support services are available in all regions through the 11 personnel/ industrial relations advisers (see paragraphs 2.10-2.11) and the 0800 helpline (see paragraph 2.10).

Contract management for providing training and support

- 2.24 We expected the Ministry to have transparent and effective policies and processes for managing contracts to provide training and support for boards.
- 2.25 The Ministry manages the provision of training and support to boards through standard contracts.
- 2.26 Overall, the Ministry focuses its monitoring of training and support contracts on outputs, particularly contract hours delivered. The reporting requirements in these contracts include monthly reports on contract hours spent and more detailed half-yearly reports. The half-yearly reports are required to include information on significant issues, newly identified risks and trends, and contract hours used.
- 2.27 Each of the three contractors takes a slightly different approach to reporting to the Ministry on the contract. They all report on hours of training delivered, numbers of trustees attending, and satisfaction with the training as indicated by participant feedback. However, they all take a different approach to identifying significant issues and trends. For example, one contractor includes material identifying boards at risk and the main areas (understanding governance roles and responsibilities, and principal appraisal) where training is needed. Another reports on the boards it has worked with and the outcomes achieved. The other contractor takes a more anecdotal approach.

Effectiveness of training and support

- 2.28 We expected the Ministry to have established the effectiveness of training and support in contributing to improved governance of schools.

General support

- 2.29 Satisfaction levels with the services provided by the core contract appear to be high. NZSTA reported that, during 2007, it had contact with 85% of all schools. Most of the contacts were with principals (36%) or board chairpersons (25%). In 2006, NZSTA reported that satisfaction with timeliness and the helpfulness and accuracy of advice from the 0800 helpline was better than 98%.

- 2.30 At the time of our audit, the Ministry was reviewing these core contract services before the contract comes up for renewal in June 2008. The Ministry received only 470 valid responses to an email survey of 2437 schools. Overall satisfaction with the quality⁵ of the industrial and advisory services provided by NZSTA was 82% (47% of respondents were satisfied and 35% were very satisfied). Dissatisfaction levels were at 5%, and 13% of respondents were neutral.
- 2.31 Reports on monitoring of the core contract focus on outputs – for example, the number of calls to the 0800 helpline and the number of schools assisted. They also provide some information on the types of issues that have given rise to the contact. For example, more contacts arose from issues about role and responsibilities, suspensions and expulsions, and board operations than other issues.
- 2.32 The only information available on how effective the support was in resolving the issues or effecting change in the schools is self-reported in the satisfaction surveys noted in paragraphs 2.29 and 2.30. There is no in-depth analysis of the issues raised in contacts with the 0800 helpline or the personnel/industrial advisers to see whether they indicate the need for more or different support services for trustees, or whether the contact resolved the issues and resulted in better governance of schools.

Training

- 2.33 There is some information available that indicates trustees are satisfied with the training and support provided. Course participants are routinely asked to evaluate the courses they have attended. This information is then reported to the Ministry and shows good levels of satisfaction. Some evaluation of individual board and individual trustee training is also carried out by asking participants to fill out feedback forms. Again, this shows good levels of satisfaction.
- 2.34 The Ministry survey of board chairpersons to assess the quality and the effectiveness of the training contracts showed that 89% of respondents found the training and support useful.
- 2.35 The 2007 NZCER national primary school survey included questions about trustee training.⁶ Seventy-two percent of trustees thought the training met their needs, 6% thought it did not, and 5% were not sure (the remaining 17% did not answer the question). The respondents to this survey also indicated that 62% of trustees

⁵ Quality was defined as availability, responsiveness, staff knowledge, level of professionalism, reliability, and customer service.

⁶ This included training provided under the board training and support contract, and training from other sources such as the ERO or conferences.

would like more training and development, 19% would not, and 13% were unsure (6% did not answer this question).

- 2.36 The training contracts provide for independent evaluation of the services, but this has not happened. There has been no overall independent evaluation of the different approaches used by the three contractors to help establish best practice. Similarly, there seems to be no overall information available on whether the training results in more effectively governed schools.

Our conclusions

- 2.37 The Ministry has made some training and support available to all boards. However, we are not confident that the training and support provided meets trustee needs, because the Ministry has not systematically analysed and identified the main training and support needs of boards.
- 2.38 The contract management of the training and support contracts was satisfactory, except for a weak focus on outcomes and evaluating services. In our view, these areas should be strengthened to ensure that the training and support provided meets board needs and contributes to improved governance of schools. The Ministry is also missing opportunities to gather information from the core contract about the issues confronting boards, which it could use to identify training and support needs.
- 2.39 While the information available indicates high levels of satisfaction with the training provided, the Ministry needs to strengthen its monitoring of these contracts to include a systematic reporting of significant issues and trends. It also needs to strengthen its evaluation to measure effectiveness against defined objectives that help it assess whether the training is contributing to improved governance of schools. There is little information available at present that explicitly links to what is being done to outcomes – that is, how training is contributing to improving governance in schools.
- 2.40 There appears to be no overall independent evaluation of the different approaches used by the three contractors to provide training. An evaluation would establish whether board needs for training and support are being met, identify lessons learned, and help to define best practice.
- 2.41 We consider that there is scope to significantly improve the outcome monitoring and evaluation of the services delivered to ensure that they meet the needs of trustees and contribute to improved governance of schools.

Recommendation 1

We recommend that the Ministry of Education systematically analyse available information about what training and support school boards need so it can identify and prioritise the main needs and match services to those needs.

Recommendation 2

We recommend that the Ministry of Education strengthen the monitoring and evaluation of the contracts for school board training and support to include a focus on how the support provided by those contracts contributes to improved governance of schools.

Recommendation 3

We recommend that the Ministry of Education evaluate methods of providing school board training to identify best practice that it can use more widely.

Part 3

Monitoring performance and identifying school boards at risk

- 3.1 In this Part, we assess the effectiveness of the Ministry's monitoring of board performance. We also assess the effectiveness of the Ministry's systems for identifying boards at risk of poor performance in terms of the operation of the school or to the welfare or educational performance of their students (boards at risk).

Our expectations

- 3.2 We expected the Ministry to have:
- clearly defined policies and procedures for monitoring board performance, including criteria for gauging board performance and identifying boards at risk;
 - identified the information that it requires to monitor board performance and ensured that all staff use this information in a consistent way; and
 - ensured that it identifies boards at risk early.

Policies and procedures for monitoring school board performance

- 3.3 The Act provides the Minister and the Secretary for Education (the Secretary) with a range of formal statutory intervention powers to address risks to the operation of individual schools, or to the welfare or educational performance of their students. The Act does not specifically confer on the Ministry a role in monitoring board performance. However, to give effect to its statutory intervention role, the Ministry must monitor board performance to identify situations of risk.
- 3.4 The Ministry receives ongoing management information from schools that could be used to identify declining board performance that might need more in-depth investigation – for example, financial deficits, poor student achievement, increasing staff turnover, and increasing numbers of student suspensions and exclusions.
- 3.5 There are no established rules to measure board performance and establish levels of risk. Professional judgement is required to assess the need for more in-depth investigation and to decide when and what action is needed as a result of the investigation. Therefore we expected that the Ministry would have written policies and procedures to guide staff when they are exercising professional judgement and to encourage consistency in making decisions about required action.
- 3.6 Ministry staff advised us that they were monitoring the performance of boards. However, they were unable to provide us with written policies and procedures that defined this monitoring role. There is no guidance on what criteria or triggers should be used to identify boards at risk.

- 3.7 In the Ministry offices that we visited, Ministry staff:
- relied on internal and external networks to identify emerging risks;
 - relied heavily on the ERO to identify problems with curriculum delivery and board governance; and
 - monitored the financial performance of boards.
- 3.8 However, as there is no guidance, these practices differ between the offices that we visited. For example, there were differences in the extent of the internal and external networks, the frequency of the meetings, and the action taken as a result of these meetings. Also, some offices have a much closer relationship with the training and support providers that enable these providers to actively offer timely support to boards. One office has a strategy of matching schools with other organisations in the sector, with the Ministry liaising between the two.
- 3.9 The relationship between the offices and the ERO also differs. Some offices meet with the ERO regularly to discuss boards that have potential problems with their performance, while others wait until ERO reports identify a problem.
- 3.10 We discuss the differences in the financial monitoring of boards in paragraphs 3.24-3.27 and differences in monitoring analysis in paragraphs 3.28 to 3.31.

Information for monitoring school board performance

- 3.11 The Ministry's School Performance Team has a range of information available on board performance that it can use to assess whether boards are at risk. However, the team has not assessed the available information to establish the most appropriate sources of information for monitoring board performance.

Sources of information currently used

- 3.12 Networks within the Ministry and with external stakeholders are the main sources of information for identifying boards with governance problems.
- 3.13 All the offices that we visited use regular team meetings to share information about board performance.
- 3.14 Most offices actively build relationships with other stakeholders and encourage communication on risk issues. This includes running "schools support informal networks". These networks are made up of representatives of organisations in the wider school sector – for example, principals associations, the New Zealand Teachers Council, the New Zealand Educational Institute, and the Post Primary Teachers Association. Most of the networks meet regularly and provide a source of information about schools that are potentially at risk, and advice on options for providing support for those schools.¹

¹ We consider that a school at risk is the same as a board at risk, and the other way around.

- 3.15 Other external sources of information include complaints from parents and concerns raised by principals and teaching staff.
- 3.16 Ministry staff receive and review the draft and final versions of the reports prepared by the ERO. ERO reports contain an evaluation of the school's specific priorities, the Government's priorities, and whether the school has taken all reasonable steps to meet legal requirements.
- 3.17 Ministry financial advisers monitor the boards' annual financial statements to identify:
- continuing deficits and negative working capital situations²; and
 - diminishing equity.
- 3.18 The Ministry employs monitoring analysts based in regional offices. At the time of our audit, the role of the analysts was being redefined. We reviewed a sample of the analysis done by the monitoring analysts. This included analyses of:
- National Certificate of Educational Achievement (NCEA) results for individual secondary schools;
 - Ministry data on individual secondary schools;
 - Ministry data on composite and small secondary schools in the Otago and Southland regions; and
 - reading recovery data collected in 2006 compared to data collected in 2007.

Consistent use of information from those sources

- 3.19 There is no consistently used method of collecting and analysing the information from the internal and external networks. The Ministry has several databases and systems, but its use of them varies.
- 3.20 Ministry staff record contacts that staff have with schools in a Regional Contacts Register. Use of the register was recorded in some instances on the Ministry's files of schools that we reviewed. However, we cannot be sure that the register is being used to record all contacts. Therefore, we were not able to ascertain that the information collected is being completely recorded and accessed by relevant staff members.
- 3.21 The Ministry has a database, the Education Review Office Management Information System (ERMIS), for recording data extracted from ERO reports. One of the main reasons that the Ministry set up this database was to allow it to better support boards where it had identified a need, or to follow up on ERO recommendations or actions.
- 3.22 The use of the ERMIS database differs between the offices that we visited. In most

² A negative working capital situation means current liabilities exceed current assets, which can lead to a board being unable to pay its bills

cases, the data is entered but not used to analyse trends. Ministry staff use the full ERO report rather than the ERMIS summary. There is little attempt to analyse emerging issues and trends in these reports that might indicate an increase in risk at a school.

- 3.23 The Ministry evaluated ERMIS in June 2004 to check how accurately and consistently Ministry staff used ERMIS as a tool to analyse ERO reports. The evaluation found that the purposes that ERMIS was originally intended for (that is, consistent analysis and providing appropriate support to schools where needs were identified) had been limited by significant shifts in the ERO's philosophy, focus, and reporting style. This meant that the categories in ERMIS no longer aligned with the data in ERO reports. This had also resulted in variable interpretation of the information entered into ERMIS.

Financial monitoring

- 3.24 Ministry financial advisers review the annual financial statements of school boards. We were told, and saw evidence, that the financial advisers contact school principals or board chairpersons to discuss poor financial performance.
- 3.25 However, there were variances in practice between the three regions we visited. Each financial adviser had created their own spreadsheet to record information about, and action taken with, the boards they were concerned about. Two financial advisers had been using their spreadsheets for some time, but the third was only just setting up a spreadsheet.
- 3.26 In one region, the adviser automatically visits schools with a negative working capital situation and continues to monitor them quarterly. Where schools have increasing operating deficits and decreasing working capital, the adviser requests and reviews budgets to try to establish the causes of the problems.
- 3.27 This process differs in the other two regions. In one region, the adviser contacts schools if the analysis of the annual financial statements shows operating and working capital deficits. These schools are monitored quarterly. Other schools requiring assistance are identified through requests for additional funding. In the other region, the adviser focuses on building relationships with schools and their financial service providers. The financial adviser has ranked the boards according to risk and works with the schools in the high- and medium-risk categories and monitors those in the low-risk group. The adviser visits schools to discuss issues and to ensure that the schools have a plan in place to deal with those issues.

Monitoring analysis

- 3.28 As noted in paragraph 3.18, the role of the monitoring analyst was being redefined at the time of our audit. The monitoring analysis was being carried out

on an “as required” basis. There was no overall plan to ensure systematic coverage of schools or risk factors. It was also difficult to establish how the analysis contributed to the monitoring process and assisted Ministry staff to identify boards at risk.

- 3.29 We were told that the reports were generally used as the first stage of analysis to identify potential problems. If necessary, more detailed analysis was carried out to establish the nature of the issues. We noted two instances where this was done.
- 3.30 In one region, after further analysis of the available data, what was thought to be a district-wide problem was isolated to a particular school within the district. Ministry staff were then able to liaise with that particular school about the issue.
- 3.31 In another region, the monitoring analyst had identified secondary and composite schools at potential risk of poor performance. The analysis was based on school performance against six key indicators. The report noted that the identified schools were not necessarily at risk but were most likely to be, and that further information and analysis would be needed to identify and prioritise which of the schools needed help. We would expect Ministry staff to actively use the available information in this way as a matter of course.

Available information not used for monitoring

- 3.32 We noted potentially important sources of information that Ministry staff were not using systematically to monitor board performance, including:
- the School Support Factor;
 - school charters; and
 - Analysis of Variance reports.

The School Support Factor

- 3.33 The School Support Factor (SSF) is a risk rating derived from a set of factors that research has shown relate to how well a school is performing (for example, information from ERO reports, teacher data, and financial data). The SSF is designed to give an early indication of risk to student achievement and indicate other possible areas of underperformance, such as financial management and governance. However, as the SSF is an indicator of risk, more in-depth analysis is needed to determine whether the issues are significant enough for some form of statutory intervention to take place.
- 3.34 The SSF was designed so the Ministry’s Schooling Improvement Team could identify schools where students are not achieving and set up appropriate statutory interventions to improve student achievement. In a recent policy paper, the Ministry noted there was general agreement that the SSF is a very good

measure of a school's performance, but there was substantial doubt that it is a good indicator of poor student achievement.

- 3.35 The Ministry's Demographic and Statistical Analysis Group is improving analysis and use of data to help identify schools potentially at risk. A "flashpoint" project is addressing the timeliness of analysis of new data,³ and the content of a new data set. The data will be drawn from the current SSF factors and additional data, for example, school leaver qualifications, NCEA results, school roll data, and teacher information. The project will also identify what criteria or triggers are the most appropriate to identify schools potentially at risk.

School charters and Analysis of Variance reports

- 3.36 Boards demonstrate understanding of, and compliance with, the National Education Guidelines in two main ways – through the school charter and the Analysis of Variance report in a board's annual report. The Analysis of Variance report is a statement in which schools provide an analysis of any variance between the school's performance and the relevant aims, objectives, directions, priorities, or targets set out in the school charter.
- 3.37 Therefore we expected that Ministry staff would review the quality of these documents – in particular, the performance targets, the measures used, and the achievement of the targets reported in them. However, the charters and the Analysis of Variance reports are not being systematically reviewed to establish whether boards adequately understand and demonstrate their compliance with the National Education Guidelines.
- 3.38 The current Ministry policy is to restrict the review of charters to ensuring that the contents comply with the Act. The review does not look at the quality of the information provided in the charter. Ministry staff will only comment on quality if the board or school management indicate that they would like feedback. The Ministry estimates that about 125 schools asked for feedback in 2007.
- 3.39 The Ministry offices that we visited had implemented this policy in different ways. While some restricted the review to establishing whether charters complied with the Act, others went a step further and suggested improvements to the quality of the charters.
- 3.40 In the offices that gave qualitative feedback, it was generally given verbally to the school principal and concentrated on improving annual target setting and measurement of student achievement against the targets. The Ministry's letter of acknowledgement referred to verbal discussions. We were told by staff doing the reviews that most school principals welcomed this feedback, and that only a small number declined the opportunity to receive feedback.

3 Previously, the SSF was produced several months after particular sets of data were available.

- 3.41 There is no requirement or policy for Ministry staff to assess the quality of the annual targets and the achievement of these targets. Ministry staff receive this information in the Analysis of Variance report in the board's annual report, but it is not analysed to assess the board's performance in delivering the curriculum.
- 3.42 Ministry staff in one office told us that they assess the quality of the targets and refer back to the Analysis of Variance report to assess what was achieved last year. However, this analysis does not feed into an overall assessment of board performance. There was no formal system to incorporate the analysis into the monitoring function and overall assessment of the performance of the school.
- 3.43 An NZCER report noted that there was interest among secondary school trustees in talking with their local Ministry office about assessment data and school targets. It seems that there is an opportunity for the Ministry to provide boards with feedback.

Timely identification of school boards at risk

How the Ministry identifies school boards at risk

- 3.44 Ministry staff are identifying some boards at risk and offering them support. However, we are not confident that it identifies all boards at risk consistently and that it provides timely support. This is because there is no guidance on what indicates a board is at risk and when the Ministry needs to intervene and offer support. Ministry staff rely solely on professional judgement when making these decisions.
- 3.45 During our interviews, staff members were able to tell us of boards they considered to be at risk or likely to become at risk. Some offices maintain "watch lists" of boards they consider to be at risk. One office had attempted to rank the schools according to their assessed risk.
- 3.46 There is little external verifiable data on the number of boards at risk. While ERO research has identified that about 7% of the schools in analysed ERO reports have aspects of governance that needed significant improvement, only 3.7% of all schools have a current statutory intervention.

Timeliness of identifying school boards at risk

- 3.47 Two of the processes the Ministry uses to monitor board performance are not timely because they rely on information that is either historical (the financial information) or is only available every three to four years (the regular ERO report cycle).

- 3.48 The Ministry's financial advisers' risk analysis focuses on reviewing the annual financial statements. These cover the previous 12 months and might not be received and reviewed by the financial advisers until five months after the calendar year to which they relate. In our view, to identify early the boards that may be in financial difficulties, Ministry staff should supplement the review of the annual financial statements with reviews of other financial reports – for example, the banking staffing reports that are available.
- 3.49 Ministry staff do not become actively involved in addressing curriculum issues until the ERO recommends a statutory intervention or the board approaches the Ministry seeking assistance. ERO reports are usually done every three or four years. If the report describes problems with school performance, a supplementary review will usually occur 12 months later to establish whether the problems noted in the report have been addressed. This means that it could be up to five years before the Ministry recognises curriculum risks.
- 3.50 For example, it took three and a half years from when problems were first recognised by the ERO at one school for support to be provided by the Ministry. In this instance, the November 2006 ERO report said “the board and staff have made limited progress in addressing the recommendations of the 2003 ERO report. Improving student achievement, the quality of teaching and self review remain priorities for the school.” The report said the ERO intended to do a supplementary review in 12 months. The Ministry did not fund an adviser to assist the board until May 2007.
- 3.51 During our file reviews, we identified several instances where we consider it took too long to put a statutory intervention in place to assist boards who were experiencing financial difficulties.
- 3.52 In one instance, a school had been experiencing significant working capital deficits since at least 31 December 2002. The Ministry's financial adviser met with the board chairperson and the school's management about the school's financial performance during 2004 and 2005. However, the extent of the problem was not properly investigated until mid-2006, when the school's auditor alerted the Ministry that the school was not able to meet the payroll costs. A business adviser was then contracted to investigate and report on the financial management and position of the school. The Ministry noted:
- The board's systems for managing the school's finances were found to be seriously inadequate. The financial position had deteriorated largely because of weakness at management level, inadequate monitoring and reporting, combined with the board lacking financial acumen.*

- 3.53 After discussions with the Ministry, the board requested the appointment of a limited statutory manager to help with the financial management of the school. A limited statutory manager was appointed in July 2007.
- 3.54 In another instance, a school had experienced continuing operating and working capital deficits from December 2001. There was a note on the Ministry's file of the school that "the Board is managing the school's financial position closely and an improved operating result is expected for the 2006 year". However, the result for the 2006 year was a further deterioration of both the operating deficit and the working capital deficit. The Ministry's financial adviser had noted on their spreadsheet in 2006 the continuing working capital deficit, roll decline, the auditor's view that the school was in serious financial difficulty, and that the local Ministry office was working with the school. In our view, this situation warranted putting in place informal support or a statutory intervention.
- 3.55 In a third instance, a school had been experiencing operating deficits and working capital deficits since at least 2002. The Ministry's financial adviser assessed the school as being at high risk. A supplementary review by the ERO near the end of 2006 identified a number of risks to the school's financial management, specifically that:
- the school had persistent deficits for a number of years and needed to restore its financial viability; and
 - financial deficits had led to a number of course changes and staffing cuts that the ERO considered had adversely affected staff morale and the structure of the junior school.
- 3.56 A limited statutory manager was appointed in June 2007 to resolve complaints about, and employment issues surrounding, the principal and staff, and to rebuild staff morale and community confidence in the operation of the school. In our view, regaining financial sustainability should also have been included in the limited statutory manager's terms of reference.

Our conclusions

- 3.57 The Ministry identifies some boards at risk. However, the lack of policies, procedures, and guidance available for Ministry staff to gauge the risk to board performance means that we cannot be confident that the Ministry identifies all boards at risk and that it provides timely support to these boards. This is because practices for monitoring boards vary between offices.

- 3.58 The Ministry has a range of information available on board performance that it could use more effectively and efficiently to identify boards at risk. Staff are not using current information systems consistently. Defining the Ministry's monitoring role will assist with this.
- 3.59 The Ministry is not systematically reviewing charters and the Analysis of Variance reports to establish whether boards adequately understand and demonstrate compliance with the National Education Guidelines. The Ministry could use this information to identify risks to board performance and the support needed to improve it.

Recommendation 4

We recommend that the Ministry of Education clarify the criteria or triggers for identifying school boards at risk of poor performance, and prepare policies and procedures for monitoring boards to identify as early as possible boards that may be at risk.

Recommendation 5

We recommend that the Ministry of Education identify the information it needs to consistently identify boards at risk and use it in a timely way.

Recommendation 6

We recommend that the Ministry of Education review school charters and Analysis of Variance reports to assess the extent to which school boards are meeting the National Education Guidelines, and use this information to identify areas where boards may need further support.

Part 4

Support for school boards at risk of poor performance

- 4.1 In this Part, we discuss the support provided to boards that have been identified as being at risk of poor performance – in terms of the welfare or educational performance of their students, or school operations.

Our expectations

- 4.2 We expected the Ministry to:
- have effective systems for supporting boards at risk;
 - intervene in a timely and controlled way with boards deemed to be at medium or high risk;
 - monitor whether statutory interventions have lifted the performance of boards at risk and take alternative action if results are not satisfactory; and
 - incorporate in policies and procedures the lessons learned from past statutory interventions.

Support for school boards at risk where a statutory intervention is not considered necessary

- 4.3 We expected the Ministry to have effective systems for supporting boards at risk, and we expected the systems to include:
- a range of types of support;
 - processes for identifying the type of support required;
 - processes for delivering the appropriate support in a timely and consistent way; and
 - processes for assessing the effectiveness of the support provided.

Types of support

- 4.4 The Ministry has a number of options for providing a board with support. These range from training and informal support to various types of statutory interventions (see Figure 2). Overall, the Ministry budgeted \$1.46 million for informal support¹ and statutory interventions² for boards in 2007/08.

Identifying the type of support required

- 4.5 There is no overall guidance available for Ministry staff to help them to decide when and what support they should give to boards at risk. Regional offices assess the support required on a case-by-case basis. Assessment generally includes a team discussion and analysis of information on the school. Ministry staff use professional judgement to identify the degree of risk and determine what type

1 The Ministry defines this as “costing less than \$5000 per contract at any one school”.

2 These are defined in section 78I of the Act.

of support they should provide. One office has invested in a case management approach and intervention logic tools,³ which are used to decide what support to provide and when.

- 4.6 We were not able to ascertain from our review of the Ministry's files on schools when support (other than statutory intervention) was offered to boards and what "trigger" prompted the offer of support. There was usually little material on the Ministry's files on schools recording the justification for the type of support provided or evaluating the outcomes of the support (unless a statutory intervention was later used at a school).
- 4.7 The files had more information on the logic for using statutory interventions than for using informal support. Reports on each statutory intervention covered issues causing concern, the justification for statutory intervention, and what type of intervention was appropriate. The main triggers for statutory intervention were usually financial issues, poor ERO reports, and personnel management problems. Other evidence of risk included inadequate planning and policies, poor community relationships, and a failure to comply with legislation.

Providing boards with informal support

- 4.8 In 2007/08, each regional office received departmental funding of \$50,000 (including GST) and Crown funding of \$67,000 (including GST) for informal support.
- 4.9 The regional offices use the departmental funding to support individual schools and regional projects. For example, in the southern region \$25,000 was put aside for funding individual schools and \$25,000 to fund other projects (such as strengthening kura and Pasifika networks, and identifying and training support specialists for informal and formal support). In 2006, most of the money planned for other activities was spent on providing informal support to schools and very little was spent on other projects.
- 4.10 The regional offices use the Crown funding solely to support schools. Spending this money is at the discretion of the regions. It can be used for a wide range of activities – for example, independent investigation of issues causing concern in a school, a mentor to support a principal, accounting services and financial reviews, independent principal appraisals, and a curriculum review.
- 4.11 The Ministry also has the capacity to approve support costing more than \$5,000. This is sometimes called "formal support". The national office manages the funds for this. During our audit, we found only one instance when this type of support was given to a board.

3 These are methods or techniques for analysing information and making decisions.

Timeliness and effectiveness of support

- 4.12 We were unable to assess the timeliness or effectiveness of the informal support provided. As noted in paragraph 4.6, there was little information on the Ministry's files on schools recording the justification for the type of support provided or evaluating the outcomes of the support (unless a statutory intervention was later used in a school).
- 4.13 There was little written evidence that the Ministry encourages consistency between offices or sharing of good practice. Quarterly meetings are held for the staff involved, but notes of the meetings were not kept until February 2008.

Intervening where school boards are at medium or high risk

- 4.14 We expected the Ministry to intervene in a timely and controlled way with boards deemed to be at medium or high risk.
- 4.15 The system for statutory interventions is set out in Part 7A of the Act. The purpose of statutory interventions is to "address risks to the operation of individual schools or to the welfare or educational performance of their students" (section 78H). Options include:
- the Secretary requiring information (section 78J);
 - the Secretary requiring a board to engage specialist help (section 78K);
 - a requirement by the Secretary for a board to prepare and carry out an action plan (section 78L);
 - the Secretary appointing, at the direction of the Minister, a limited statutory manager (section 78M);
 - the Minister dissolving a board and directing the Secretary to appoint a commissioner (section 78N(1)); and
 - the Secretary dissolving a board and appointing a commissioner (section 78N(3)).
- 4.16 The Minister or Secretary can apply any of these statutory interventions provided there are reasonable grounds to believe that there is a risk to the operation of the school or to the welfare or educational performance of its students. The Minister or Secretary is required to apply whichever statutory intervention they consider reasonable to deal with the risk without intervening more than necessary in the affairs of the school (section 78I).

4.17 Figure 5 shows statutory interventions in place as at 30 September 2007.

Figure 5
Statutory interventions in place at 30 September 2007

Type of statutory intervention	Northern	Central North	Central South	Southern	Total
Requirement to provide information	0	0	0	0	0
Specialist help	5	8	7	2	22
Action plan	1	0	1	0	2
Limited statutory manager	11	17	6	10	44
Commissioner appointed by the Minister	5	6	1	2	14
Commissioner appointed by the Secretary	4	5	3	1	13
Total	26	36	18	15	95
Estimated percentage of schools in that region	3.7	5.6	3.3	2.2	3.7

- 4.18 Some of the statutory intervention options, such as the requirement to provide information and prepare an action plan, are infrequently used. However, Ministry staff advise that they can usually obtain information easily from schools without the need for a statutory intervention. Also, the ERO often uses an action plan approach when it first identifies issues with a school. This can be used instead of the action plan required as a statutory intervention under section 78L.
- 4.19 The Ministry has set up policies and systematic procedures for deciding on and proceeding with a statutory intervention. This includes identifying the issues causing concern, identifying the type of intervention required, setting goals for the statutory intervention, and ensuring that legislative requirements are complied with. Staff at the national office carry out peer reviews and process the necessary approvals for all statutory interventions. Our sample of files from the regional and local Ministry offices we visited confirmed that these policies and procedures are usually followed in a systematic way. Figure 6 sets out a typical example of how statutory interventions work.

Figure 6
Case study of a typical statutory intervention

The issues causing concern were that:

- the roll had declined to where the viability of the school was under threat;
- the board was inexperienced;
- there were recurring personnel issues, including some poor appointments and complaints about serious staff misconduct; and
- high cash reserves were not designated for a particular purpose.

An ERO report in December 2002 recommended statutory intervention to provide the board with support to improve its performance in personnel management and student safety.

Informal support had previously been provided. A school adviser was employed to assist the school management and the board, and training had been provided for the board. However, the board and school did not act on the advice.

In December 2002, the Minister appointed a limited statutory manager under section 78M of the Act. The limited statutory manager was responsible for:

- resolving the personnel issues;
- ensuring that the board developed effective policies and procedures for managing complaints and personnel; and
- improving the board's capacity to deal with personnel issues and manage complaints.

The statutory intervention was reviewed after the first year and continued, because not all outcomes had been achieved.

Another ERO report 17 months after the earlier one noted that the board and the limited statutory manager had made good progress on these issues but that more needed to be done to ensure that the progress was sustainable.

The statutory intervention was revoked in December 2005 because the outcomes sought through the intervention had been achieved:

- the board had received training in personnel management;
- policies for managing complaints and personnel procedures were in place; and
- the board was refocused on improved outcomes for students.

A 2006 ERO report concluded that the board was governing the school satisfactorily.

Appointing people to carry out statutory interventions

- 4.20 An important aspect of implementing statutory interventions is appointing people to carry out the intervention. The capacity of the statutory appointee to work with the board and school management is a vital component of making the statutory intervention successful. Each regional or district office has a group of people it can call on. In some areas, Ministry staff indicated that it was hard to get enough people.
- 4.21 The Ministry did not provide evidence of a transparent procedure for how people who are available to do statutory intervention work are included in the group. Some concerns were raised in interviews about there being little transparency

about how people are appointed to the group and the limited number of people available. It is unclear whether this acts as a disincentive for the Ministry to intervene or affects the length of time it takes to intervene.

- 4.22 However, the process for appointing a person to carry out a particular statutory intervention was more transparent. Ministry reports on the statutory intervention usually identify the skills required and who might be suitable for the job.

Timeliness of statutory interventions

- 4.23 As discussed in paragraphs 3.44-3.46, we found no guidance on how quickly a statutory intervention should be used once risks are identified. Our file reviews indicated that it can be three or more years between a school being identified as potentially at risk and a statutory intervention being used to resolve the problems. Practice varied from one statutory intervention to another. In our interviews, some people thought that the Ministry intervenes too quickly, while others thought that it leaves it too late.
- 4.24 In a few cases, statutory interventions seemed to continue even though little progress had been made towards achieving the objectives of the intervention, possibly because it was difficult to plan a way to end the intervention, or because the intervention was not effective. In these situations, the Ministry needs to carefully consider whether the statutory intervention will succeed and, if not, decide on an alternative course of action.

Monitoring progress of statutory interventions

- 4.25 We expected the Ministry to monitor whether statutory interventions have lifted the performance of boards at risk, and we expected the Ministry to take alternative action if results were not satisfactory.
- 4.26 Statutory appointees are required to produce monthly reports for the boards and the Ministry. However, our file reviews show that this did not always happen. Some reports were not on file, though Ministry staff advised that they often kept in touch verbally with statutory appointees.
- 4.27 The content of monitoring reports from statutory appointees varied. There was more focus on the activities completed rather than progress made or outcomes achieved.
- 4.28 The use of alternative actions during statutory interventions varied. Interviews with Ministry staff established that decisions are influenced by the particular situation at each school. There is evidence that statutory interventions are escalated, for example, from a specialist adviser to a limited statutory manager,

if required. Some statutory interventions are also reduced as goals are achieved. Our audit confirmed that, in most cases, informal forms of support had been used before the statutory intervention.

- 4.29 Ministry procedures require a review of a statutory intervention at one-year intervals. This includes assessing progress towards the goals of the intervention and whether the board's performance is being lifted. In addition, the Ministry assesses progress towards the goals of the statutory intervention when it considers revoking an intervention. Our audit confirmed that this was done consistently.
- 4.30 Ministry procedures require ongoing monitoring of schools after a statutory intervention is completed. However, there was little evidence of this on the Ministry's files on schools. We are therefore unable to conclude that this was being done.
- 4.31 The Ministry has little information on how successful statutory interventions are in the long term. Since 2001, three schools (out of 227 completed statutory interventions) have had a repeat intervention after the previous one was completed. However, there is no information on whether this was the result of the effectiveness of previous statutory interventions or other factors altogether, such as the appointment of a new principal or board. In one instance, the Ministry had arranged for the ERO to assess the effectiveness of the statutory intervention.

Using lessons learned from statutory interventions

- 4.32 We expected the Ministry to incorporate lessons from past statutory interventions into policies and procedures.
- 4.33 There was little material documenting lessons learned from past statutory interventions. However, Ministry staff advised us that the main lessons they had learned were:
- multi-level statutory interventions are more successful;
 - working with boards makes for more successful outcomes (as opposed to imposing support or a statutory intervention); and
 - getting the statutory appointee with the appropriate skills, knowledge, and personality to fit the particular situation is critical to a statutory intervention's success.

Our conclusions

- 4.34 The Ministry has some useful systems for supporting boards identified as at risk in terms of the welfare or educational performance of their students or school operations.
- 4.35 However, we were not able to establish that decisions to offer support, either informal support or statutory intervention, were made consistently and in a timely way for all boards. This is because systems and practices vary between Ministry offices. There is no overall guidance available for Ministry staff to assist them in deciding when and what support they should give to boards.
- 4.36 We are unable to provide assurance on the effectiveness of the informal support provided. This is because of the lack of material on the Ministry's files on schools recording the justification for the type of support provided or evaluating the outcomes of the support (unless a statutory intervention was later used in a school).
- 4.37 The Ministry has effective policies and procedures for managing statutory interventions once it intervenes. These are usually followed in a systematic way. However, we consider that the Ministry needs to improve its monitoring of statutory interventions and assessment of the effectiveness of statutory interventions. Monitoring procedures are not followed consistently, and there is a weak focus on outcomes. There is not enough information on the effectiveness of statutory interventions in the long term.
- 4.38 It is unclear whether the limited number of people available for implementing statutory interventions acts as a disincentive for the Ministry to intervene or affects the length of time it takes to intervene. However, a more transparent and open process for appointing people to the group would remove ambiguity around it and may result in the availability of more people for this work.
- 4.39 The Ministry needs to better document lessons from past statutory interventions to inform future practice.

Recommendation 7

We recommend that the Ministry of Education improve guidance for its staff on how to support school boards at risk of poor performance, and encourage consistent systems and best practice to provide boards at risk with timely support that is effective in resolving the issues and contributing to improved governance of schools.

Recommendation 8

We recommend that the Ministry of Education document and make transparent the process for appointing people to the group available to carry out statutory interventions.

Recommendation 9

We recommend that the Ministry of Education put in place a more systematic monitoring and evaluation framework for statutory interventions so it can assess the effectiveness of statutory interventions in improving a school board's capacity to govern.

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