



MINISTRY OF EDUCATION

Te Tāhuhu o te Mātauranga

12 March 2015

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The Education Review Office
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Dear Iona

SPECIALIST AUDIT AT TE PUMANAWA O TE WAIRUA

s 9(2)(a) OIA

The Ministry of Education (Ministry) wrote to [REDACTED] the Review Services Manager for the Education Review Office (ERO), who has managed the school readiness reviews for the Partnership Schools, to enquire whether ERO would support Deloitte to conduct a specialist audit (audit) at Te Pumanawa o te Wairua.

This letter sets out the Specialist Audit and the role the Ministry has proposed, that the ERO consider to take within that audit. We seek your acceptance to this proposal.

Background

The Ngā Parirau Mātauranga Charitable Trust (Sponsor) and the Minister of Education (Minister), together the parties entered into an Agreement to operate a Partnership School | Kura Hourua on 16 September 2013.

Clause 20.2 of the Partnership Schools | Kura Hourua Agreement (Agreement) requires that the Minister assess the performance of the school against the objectives and performance standards set out in the Agreement, and assign one of the following categories of performance:

- a) exceeds the Objectives/Performance Standard
- b) meets the Objective/Performance Standard
- c) almost meets the Objective/Performance Standard
- d) does not meet the Objective/Performance Standard but is capable of remedy; or
- e) does not meet the Objective/Performance Standard and is incapable of remedy.

Based on available data the school has failed to meet two of the 2014 Performance Standards:

- 1. Unjustified Absence – Performance Standard = 2.8%, Achievement = 11-17%
- 2. Enrolment Variance – Performance Standard = 71, Achievement = 46

Whilst the performance has been assessed against the standards and concluded that the above two standards have not been met, the Minister has not yet determined if these failings are capable or incapable of remedy.

There is also concern that based on the provisional data on student achievement the school will not meet the achievement performance standard.

The Minister has informed the school that she will exercise her right under the Agreement to conduct a Specialist Audit (audit) at the school. The Minister intends to use the findings of the audit to assist her overall judgement as to whether the failings are capable or incapable of being remedied.

Objectives and Scope

The objectives and scope of the audit include to:

- Assess whether the following are capable or incapable of being remedied
 - the two performance standards that the school has failed to meet in 2014,
 - the achievement performance standard that we consider may not have been met.
- Identify if there are any areas of the Agreement and the Education Act 1989 (Act) that the Sponsor may have breached, specifically whether the school has and/or continues to:
 - be capable of providing a safe physical and emotional environment [clause 7.5]
 - have an appropriate person responsible for the teaching and learning across the school [clause 12.2]
 - have appropriately qualified teaching staff to deliver the curriculum [clause 13.1]
 - ensure that all staff employed have been Police vetted [clause 13.5]
 - comply with all the Minimum Requirements [clause 16.1]
 - represents and warrants to the Minister that it has the power to execute, deliver and perform its obligations under the Agreement [clause 30].
 - section 158G of the Act covering the Sponsor's duties
 - section 158H of the Act that sets out the Sponsor's obligation to manage a Partnership School.
- Undertake a financial audit of the establishment payment paid in 2013 [Schedule 7, clause 1.3] and the quarterly operational payments made to date.

Out of Scope

The following is deemed out of scope for this audit:

- Any activity related to the Partnership Schools appointment process up to the execution of the Agreement.

- Communication by the auditor to the Sponsor regarding the audit findings.

Approach

The Ministry has approached Deloitte to lead the audit, and through discussion we have determined that it would be preferable for the audit to be supported by the ERO, at Te Pumanawa o te Wairua.

Therefore, we propose that Deloitte will lead and determine the specific approach it will use to complete the audit.

Role of the Education Review Office

The ERO would support Deloitte with the audit focussing specifically on the education aspects of the audit. Its findings will be incorporated into the final report to be submitted by Deloitte.

Specifically we would like the ERO to focus on:

- To determine whether the school has begun to address the issues ERO identified within the Readiness Review, and if those issues are capable of being remedied.
- Supporting Deloitte to identify and assess the areas noted in the objectives and scope section above.

We understand that scheduled accountability review of the school which provide public assurance to whether the school has effective processes and planning to provide quality education for its community has been put on hold until the audit is complete.

Deliverables and Reporting

Deloitte would be accountable for delivering the final report.

The Minister intends to use the findings of the audit to assist her overall judgement as to whether the failings noted in the Performance Notice are capable or incapable of being remedied and whether there are any other parts of the agreement that have been breached.

Assuming the parties agree, the Ministry is likely to publicly confirm that Deloitte and the ERO will undertake the audit, and that it is likely that the audit report itself will also be released in time.

Timing

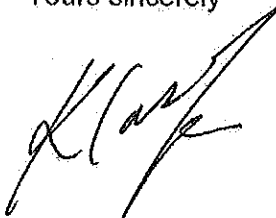
The Minister has communicated to the school that the audit will commence one calendar month from the date of the issuance of the Performance Notice. The Minister issued the school with a Performance Notice on 20 February 2015.

We require the audit to commence on or as close to the 20 March 2015, and to be fully completed within 2-3 weeks.

Acceptance

It is appreciated if you would please confirm your acceptance to participate in the audit in the capacity described above. Following this we would look to forward a terms of reference and arrange a meeting between Deloitte, the ERO and the Ministry, at the earliest opportunity.

Yours sincerely

A handwritten signature in black ink, appearing to read 'K Casey', with a long, sweeping horizontal stroke extending to the right.

Katrina Casey
Deputy Secretary
Sector Enablement and Support