

Education Report: Outlining annual performance management reporting and low-level interventions for charter schools

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| To: | Hon David Seymour, Associate Minister of Education | | |
| Cc: | Hon Erica Stanford, Minister of Education | | |
| Date: | 12 July 2024 | Priority: | Medium |
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| Seen by the Communications Team: | No | Round Robin: | No |

Purpose of Report

This report seeks your decisions regarding the reporting requirements for charter schools as part of the Performance Management Framework, as well as your agreement to the other non-legislated interventions which will be included in charter school contracts.

Alignment with Government priorities

The Coalition Agreement between the National party and the ACT party committed to reintroducing partnership schools and introducing a policy to allow state schools to become partnership schools. The charter schools Performance Management Framework is a key component of the charter school model.

Summary

1. The Performance Management Framework (the Framework) is intended to enable intervention when charter schools are not performing well, while also supporting high-performing charter schools to grow and share good practice.
2. The Framework covers three key performance management areas: student outcomes (including attendance and achievement), financial performance and standard minimum compliance. To manage the performance of charter schools across these three key areas, the Framework includes outlining:
 - a. performance measures and the tools used to track these,
 - b. performance targets for charter schools to achieve against these measures,
 - c. reporting requirements, and
 - d. interventions that may be applied if a school does not meet performance targets or its minimum standard compliance measures.

3. We have already provided you with detailed advice on recommended measures and reporting requirements for financial performance management [METIS 1330264 refers]. This report provides you with a summary of the performance measures you have agreed and how these will be reported on and monitored each year.
4. These decisions will inform the development of the Framework and template contracts to be provided as part of the sponsor application process.

Recommended Actions

The Ministry of Education recommends you:

Charter school reporting schedule and requirements

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| a. | note that we have applied the following principles in developing the detailed reporting schedule and requirements for charter schools: <ol style="list-style-type: none"> i. We have sought to simplify the charter school reporting schedule, while still requiring accurate and reliable information that supports performance management. ii. Where possible, the Charter Schools Agency should generate reporting data for charter schools on student outcomes measures with support from other agencies, including the Ministry. iii. We have also sought to minimise duplication of effort. | Noted |
| b. | agree that charter schools report to the Charter Schools Agency twice a year, once as part of the legislated self-audit in June, and again for end-of-year reporting in December. | Agree / Disagree |
| c. | agree that as part of the annual self-audit in June, schools must provide: <ol style="list-style-type: none"> i. Standard reporting against student achievement and attendance measures. ii. Externally audited financial accounts and information on financial performance measures for the prior school year covering from January to December. iii. Updated information on financial performance measures as at June of the current year to be certified by the Sponsor (not required to be externally audited) covering from January to June. iv. Detailed forecasts/budgets for the next 18 months. v. Attestation and disclosures for financial probity requirements. vi. Sponsor Assurance Statement and self-audit checks. | Agree / Disagree |

- d. **agree** that as part of end-of-year reporting in December, schools must provide:
- i. Standard reporting against student achievement and attendance measures. **Agree / Disagree**
 - ii. Updated information on financial performance measures as at December of the current year to be certified by the Sponsor (not required to be externally audited) covering from June to December. **Agree / Disagree**
 - iii. Re-attestation and disclosures for financial probity requirements. **Agree / Disagree**
 - iv. Disclosure of any significant changes in the forecasts/budgets that were presented as part of the annual self-audit. **Agree / Disagree**

Financial reporting

- e. **agree** that as a default setting, charter schools will be assumed to have a financial reporting year from January 1 to December 31, which aligns financial reporting with other charter schools reporting on student achievement and attendance measures in June and December as per recommendations b, c, and d above. **Agree / Disagree**
- f. **agree** that when a charter school chooses to apply a different financial reporting year than that outlined in recommendation e above, the Charter Schools Agency will work with the Sponsor to determine how financial reporting might be best structured to support this. **Agree / Disagree**
- g. **note** that template contracts for charter schools will also include a provision reserving the right for the Authorisation Board to change or amend reporting requirements as is appropriate and reasonable. **Noted**

Attendance reporting

- h. **note** that charter schools will be required through contracts to report daily attendance in line with the updated attendance regulations for State schools [METIS 1329826 refers] and these along with the associated reporting rules are expected to be finalised in October to take effect from Term 1, 2025. **Noted**
- i. **agree** that, where a charter school chooses to apply different operating day, hour, and term settings, the Charter Schools Agency will work with the Sponsor to determine how attendance should be best reported and monitored and inform the Ministry and Authorisation Board. **Agree / Disagree**

Reporting for achievement measures in Years 3 to 10

- j. **agree** that reporting for assessments in years 3 to 10 occur twice a year in line with the proposed reporting milestones in June and December. **Agree / Disagree**

- k. **agree** that a clause be included in contracts to allow access to school-level data for e-asTTle and Te Waharoa Ararau in years 3 to 10 to enable more streamlined data reporting using these tools for both reporting milestones in the year.

Agree / Disagree

- l. **note** that where schools use New Zealand Council for Educational Research's (NZCER) Progressive Achievement Tests, we recommend that schools provide this data to the Charter School Agency in some other appropriate form which should be agreed in contracts.

Noted

Reporting for achievement measures in Year 11 to 13

- m. **note** that reporting on NCEA twice-yearly is not recommended, as mid-year reporting on NCEA would not accurately reflect schools' attainment because students attain their credits at different rates throughout the year.

Noted

- n. **agree** that school-level data for NCEA will be reported by the Charter Schools Agency as part of the self-audit in June to support streamlined data reporting.

Agree / Disagree

- o. **note** that where schools use non-NCEA assessments (like International Baccalaureate or Cambridge), this would require charter schools to provide data through the International Assessments Collection processes to the Charter School Agency for performance management purposes.

Noted

Reporting on compliance measures

- p. **agree** that we will work with the Education Review Office to develop a fit-for-purpose Sponsor Assurance Statement and self-audit check as a mechanism for monitoring schools' standard minimum compliance.

Agree / Disagree

- q. **note** we will provide you and the Minister of Education, Hon Erica Stanford, further advice on compliance management relating to school property.

Noted

Low-level interventions

- r. **note** that you indicated previously that lower-level interventions aimed at improving performance, such as those used for State schools, could be included in contracts [METIS 1319872 refers].

Noted

- s. **note** that interventions for charter schools' performance management are set out in legislation and therefore does not need to be included in contracts, this provides broad flexibility for the Authorisation Board to employ necessary interventions as required.

Noted

Proactive Release

- t. **agree** that the Ministry of Education release this paper **in full** once it has been considered by you as part of the subject-specific release on charter schools.

Agree / Disagree



Andrea Schöllmann
Acting General Manager, Schools Policy
Te Pou Kaupapahere | Policy

12/07/2024

Hon David Seymour
Associate Minister of Education

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Proactively Released

Background

1. The Performance Management Framework (the Framework) is intended to enable intervention when charter schools are not performing well, while also supporting high-performing charter schools to grow and share good practice.
2. The Framework includes establishment of performance measures and the tools used to track these, setting targets for charter schools to achieve against these measures, and interventions that may be applied if a school does not meet performance targets, including contract termination should a sponsor breach their obligations.
3. We have recently provided you with detailed advice on setting performance measures, targets and high-level reporting requirements for charter schools [METIS 1330264 and 1329826 refers]. Following on from this suite of decisions, this paper:
 - a. provides a summary of the performance measures you have agreed and seeks your agreement on how these will be reported on and monitored each year, and
 - b. provides information on how other non-legislated interventions which will be included in charter school contracts.
4. Decisions on these areas will support development of template contracts to be provided as part of the sponsor application process. This will provide potential sponsors with sufficient knowledge and assurance to engage in these processes and subsequently present robust proposals to the Authorisation Board.
5. We will provide you, the Minister of Education, and the Establishment Board with further advice on compliance management relating to school property. These issues are complex and require specific consideration for the requirements and interventions that are most appropriate for when charter schools provide their own property, or when they are using Crown property under a lease agreement with the Ministry.
6. In addition to this, we will also provide you with detailed advice on setting performance targets based on the direction you provided previously [METIS 1329826 refers].

Overview of proposed approach for reporting and high-level principles

7. You have indicated your preferred measures, tools, and high-level reporting requirements for charter schools to be included in the Framework. You also indicated a preference for charter schools' reporting requirements and mechanisms to minimise the level of unnecessary reporting burden on sponsors.
8. With this in mind, we have designed the reporting mechanisms for charter schools based on the following key principles. These are based on key findings from close-out reports on the previous Partnership Schools model relating to reporting and monitoring.

We have sought to simplify the charter school reporting schedule, while still requiring accurate and reliable information that supports performance management

9. Under the previous Partnership Schools model, schools were required to report quarterly on all aspects of the performance management system including student achievement, engagement, priority learners, financial performance, and confirmation of compliance with specific elements of the contracts.

10. We have summarised in Annex 1 the various components of the Framework that have been agreed, along with the proposed reporting required of charter schools throughout the year. Annex 1 is intended to provide you with the proposed structure for how annual reporting could work in practice for charter schools. The proposed reporting schedule is made up of two key reporting milestones throughout the year.
11. The first milestone would be the schools' annual self-audit as outlined in legislation [METIS 1319872 refers]. We recommend that this be set in contracts to occur in June each year, with schools being required to provide the self-audit within three months of this set date. June provides a midpoint of the year which allows for summary information for the previous year to be provided (e.g., annual financial reports, NCEA data), while also allowing for information to be provided on the first half of the current school year as this aligns broadly with the end of Term 2 (e.g., sponsor certified updates on financial measures, attendance, and achievement measures in primary).
12. We recommend the second reporting milestone for charter schools occurs at the end of the school year in December. This would be a 'lighter-touch' milestone but allows for follow-up testing for primary assessments and aromatawai, allowing for progress reporting over the year. It would also provide another data point for follow-up monitoring of schools' financial measures and financial probity requirements.

Table 1: Overview of proposed reporting milestones and required information

| | Reporting requirements |
|--|---|
| <p>Proposed reporting milestone 1 - June</p> <p>Charter school annual self-audit</p> | <ul style="list-style-type: none"> • Standard reporting against student outcomes measures. <ul style="list-style-type: none"> ○ Attendance ○ Primary assessments in Years 3-10 (e-asTTle, Progressive Achievement Tests, Te Waharoa Ararau) ○ Secondary assessments in Years 11-13 (NCEA, IB, Cambridge) • Sponsor Assurance Statement and self-audit checks. • Provision of financial reporting, including: <ul style="list-style-type: none"> ○ Externally audited financial accounts provided in line with Generally Accepted Accounting Practices and reporting against the key performance measures covering January to December for the year prior. ○ Updated Sponsor certified information on financial measures as at June of the current year. This would indicate any change in these financial metrics from January to June of the current year. ○ Detailed forecast/budget for the next 18 months of operation. This should include detailed assumptions on expected use of funds, as well as any expected income, debt or liabilities that will arise. ○ Lastly, we would require attestation and disclosure regarding the financial probity requirements. |
| <p>Proposed reporting milestone 2 - December</p> <p>End of year reporting</p> | <ul style="list-style-type: none"> • Follow-up reporting against student achievement and attendance measures. <ul style="list-style-type: none"> ○ Attendance ○ Primary assessments in Years 3-10 (e-asTTle, Progressive Achievement Tests, Te Waharoa Ararau) ○ Secondary assessments in Years 11-13 (NCEA, IB, Cambridge) • Follow-up on financial reporting, including: <ul style="list-style-type: none"> ○ Updated Sponsor certified information on financial measures as at December of the current year. This would indicate any change in financial metrics from June to December. ○ Alongside this follow-up report, we would also seek re-attestation to the additional financial requirements. ○ Detailed forecast/budget for the next 18 months of operation. This should include any significant changes in the forecasts/budgets that were presented as part of the annual self-audit. |

13. Please note, the timing of financial reporting provided in Table 1 only applies if a school has a December 31 balance date. When schools apply a different financial reporting year, we propose that the Charter Schools Agency work with Sponsors to determine how financial reporting might be best structured to support this.
14. While Table 1 outlines the proposed default reporting settings and requirements for charter schools, the template contract will also include a provision which will reserve the right for the Authorisation Board to change and amend reporting requirements as appropriate and reasonable within individual contracts to respond to bespoke situations.
15. You have also agreed to include a one-year on-ramping period for newly established charter schools to reach performance targets before the Framework is applied. Where possible, all reporting outlined in Table 1 above, as well as any Sponsor certified financial reporting (based on your preferred approach) should be provided in the first year of operation.
16. Some measures may not be available until the next year, for example, complete annual audited accounts and NCEA achievement would likely not be available until June the following year. Any bespoke changes to reporting settings for newly established charter schools for the first year of operation should be established and agreed to as part of contracts.

Where possible, the Charter Schools Agency should generate reporting data for charter schools on student outcomes measures with support from other agencies, including the Ministry

17. One of the key limitations from the previous Partnership Schools model regarding student achievement measures was the reliance on self-reported data. This self-reported data carried increased risks of schools potentially providing inaccurate or misrepresented data. Previous close-out reports found that some self-reported information from Sponsors, while questioned by the Ministry, was difficult to reconcile to other formal datasets.
18. To address some of these limitations from the previous Partnership Schools model, we recommend utilising centrally collected data, where possible, to track schools' performance against key measures in the Framework. This would provide more reliable, consistent, and accurate data for tracking charter schools performance. Additionally, monitoring using centrally collected data, would also reduce the level of administrative burden for charter schools. This will likely require working together with other agencies, including the Ministry.
19. Where the Charter School Agency cannot directly obtain data for specific school measures from the Ministry, we recommend that school(s) provide this data to the Charter School Agency and/or Ministry in some other form which should be agreed in contracts. This will likely be the case in certain circumstances, particularly when schools use assessment tools that are not owned by the Ministry (e.g., New Zealand Council for Educational Research's Progressive Achievement Tests, International Baccalaureate, Cambridge).

We have also sought to minimise duplication of effort

20. Close out reports from the previous Partnership Schools model also highlighted issues around duplication of effort and tasks, particularly between the Education Review Office (ERO) and the Ministry at the time.

21. Under the proposed charter school model, the Authorisation Board will hold responsibility for key decisions relating to the initial establishment of the charter school model and ongoing functions and management of the model. With this in mind, we also expect that many of the day-to-day operational functions for monitoring charter schools will be delegated to the Charter School Agency to undertake.
22. Where possible, we recommend that the Charter School Agency take primary responsibility for day-to-day charter schools monitoring and report as required to the Authorisation Board.
23. The Charter Schools Agency will work together with other agencies, including the Ministry, for support regarding data collection, management and reporting, where appropriate. This relationship is intended to be reciprocal, with the Ministry providing support to the Charter Schools Agency, and with the Agency sharing data and insights with the Ministry in support of its role as the steward of the broader education system.
24. ERO will also continue their role in reviewing and reporting on the education and care of learners in schools, as well as initiating pre-establishment checks on new charter schools. Effective and timely data sharing between all parties will be crucial for streamlining processes for charter schools, while also minimising duplication.

Student attendance data reporting

25. You have agreed that charter schools will be required through contracts to report daily attendance in line with the updated attendance regulations for State schools. The new attendance regulations and associated reporting rules for State schools are expected to be finalised in October and take effect from Term 1 2025.
26. While attendance data will be reported to the Ministry daily, we also recommend that summary reports of schools' attendance be provided to the Charter School Agency in line with the proposed reporting milestones (June and December) above for performance management purposes.
27. Where charter schools apply the same or similar operating day, hour, and term settings as State schools, then the updated attendance reporting rules and requirements would apply. However, where a school chooses to apply different settings, then we recommend the Charter Schools Agency work with the Sponsor to determine how attendance should be best reported and monitored in these bespoke instances. The Charter Schools agency will also inform the Ministry and Authorisation Board of these bespoke attendance reporting decisions.

Student achievement data reporting

Reporting for assessment and aromatawai in Years 3 to 10

28. You have indicated previously that the preferred suite of measurement tools for primary assessment should include, either:
 - a. e-asTTle for reading or pānui; writing or tuhituhi; and mathematics or pāngarau;
 - b. New Zealand Council for Educational Research's (NZCER) Progressive Achievement Tests for reading comprehension and reading vocabulary; Punctuation and Grammar; and Mathematics (English-medium only); and
 - c. The Ministry of Education Te Waharoa Ararau tool for monitoring and reporting on student progress and achievement in Pānui, Tuhituhi and Pāngarau.
29. You have also indicated a preference that standard reporting using these tools should occur twice a year, once as part of the school's annual self-audit, and again later in the year to track progress throughout the year.

30. For e-asTTle and Te Waharoa Ararau, the Ministry is currently reviewing its privacy statements and settings with schools to simplify extraction of school-level data. This is expected to be in place by 2026. Alongside these changes, we also recommend that charter school contracts include a provision requiring Ministry access to achievement data at a school level from the relevant platforms for performance management purposes.
31. These changes would enable the Ministry to support the Charter Schools Agency in developing school-level data reports for Ministry-owned assessment tools at each reporting milestone throughout the year. This can then be incorporated into charter schools' standard reporting to track performance against set targets. This aims to minimise the administrative burden for charter schools to provide assessment data, particularly if this is readily available for the Ministry and the Charter Schools Agency.
32. However, Ministry data collection for schools that use PATs will require further work with the NZCER. The Ministry is currently engaging with NZCER to find effective ways to share data at a system level to support system monitoring more broadly across State schools. The Authorisation Board will also work with NZCER regarding the use of PAT tests. The Ministry will, where possible, align any applicable updates on data sharing to charter schools as the system monitoring matures.”
33. In the meantime, where the Ministry cannot directly obtain achievement data for charter schools, we recommend that schools provide this data to the Charter School Agency in some other appropriate form which should be agreed in contracts.

Enabling twice-yearly assessment for Years 3 to 10 to track progress

34. We recommend that reporting on Year 3 to 10 achievement outcomes occur at both reporting milestones throughout the year. The annual self-audit is proposed to occur in June each year, allowing charter schools to undertake initial assessment in Terms 1 and 2 of the year. This would provide baseline information which could then be compared to follow-up reporting at the end of the year, providing valuable information about the progress learners have made throughout the year.

Reporting for assessment and aromatawai in Year 11 to 13

35. The Ministry currently receives student-level NCEA achievement data annually every April from the New Zealand Qualifications Authority as part of its standard data sharing processes. Where schools use NCEA as the assessment tool for Years 11 to 13, we recommend the Ministry work with the Charter School Agency to incorporate the relevant school-level data into charter schools' standard reporting for performance measurement. This would be reflective of NCEA achievement for the entire year prior. Utilising this standard reporting would be feasible, provide accurate data on student achievement, and minimise the administrative burden for schools.

Twice-yearly reporting on NCEA is not recommended

36. While we recommend twice yearly reporting for assessments in Years 3 to 10, this approach is not appropriate or practical for reporting against NCEA (or other senior secondary assessments). This is because students attain their credits at different rates throughout the year. Some students prefer and/or perform better in internal assessments throughout the year, while some students prefer and/or perform better in external assessments at the end of the year. Generating an interim report on NCEA results part-way through the year would not be reflective of a school's actual attainment at the end of the year.

37. For this reason, we recommend that NCEA is only reported on once a year as part of the annual self-audit in June. This would provide actual school-level NCEA data for the previous year by which schools' performance can be measured.

Reporting for non-NCEA assessments will require different reporting processes

38. Where schools choose to use a different assessment for Years 11 to 13, like International Baccalaureate or Cambridge, this would require charter schools to provide data directly through existing International Assessments Collection processes, in the same way that independent schools do. This would allow the Ministry to use an existing data collection process for alternative assessments to collect and share relevant data with the Charter Schools Agency as required for performance management.

Financial performance measure reporting

39. You have agreed to biannual reporting against financial performance measures. This will provide the Charter School Agency with multiple datapoints throughout the year to help understand important financial performance trends throughout the year.

As a default setting in contracts, we recommend that schools' financial reporting align with all other charter schools reporting in June and December each year

40. Currently, State, State-integrated schools, and independent schools mostly have a balance date (last day of the accounting year) of December 31 which aligns with the school year rather than the financial year.
41. As noted above, we recommend that the legislated self-audit occur every June. The proposed legislation requires that externally audited accounts need to be provided as part of this reporting. We consider that aligning financial reporting with the charter schools self-audit would minimise the administrative burden both for charter schools as well as for the Charter Schools Agency.
42. For the annual self-audit in June, we will require charter schools to provide:
- Externally audited financial accounts provided in line with Generally Accepted Accounting Practices and reporting against the key performance measures covering January to December for the year prior.
 - Updated Sponsor certified information on financial measures as at June of the current year. This would indicate any change in these financial metrics from January to June of the current year.
 - Detailed forecast/budget for the next 18 months of operation. This should include detailed assumptions on expected use of funds, as well as any expected income, debt or liabilities that will arise.
 - Lastly, we would require attestation and disclosure regarding the financial probity requirements.
43. For the end-of-year reporting milestone in December, we will only require charter schools to report on the following:
- Updated Sponsor certified information on financial measures as at December of the current year. This would indicate any change in financial metrics from June to December.
 - Alongside this follow-up report, we would also seek re-attestation to the additional financial requirements.

- c. Detailed forecast/budget for the next 18 months of operation. This should include any significant changes in the forecasts/budgets that were presented as part of the annual self-audit.

Where Sponsors choose to apply a different financial year for reporting purposes, we recommend financial reporting timings and requirements be responsive to these

44. We also acknowledge that charter schools are expected to have greater flexibility in the way they operate their schools. Should a charter school choose to apply different balance dates to those of State schools, timing for financial reporting should be flexible and responsive to these circumstances. In these instances, we recommend the Charter Schools Agency work with the Sponsor to determine how financial reporting might be best structured to support different financial reporting periods.
45. This could involve requiring charter schools to provide their financial reports within three months of the set balance date agreed in contracts for initial financial reporting. Then for follow up reporting, this be required within three months of the six-month balance date. Note, while timing of reporting may differ, we recommend the information required to be provided be consistent with the requirements outlined in paragraphs 42 and 43 above.

Standard minimum compliance

46. Currently in the State school system, school Boards are requested as part of the review process to undertake Board Assurance Statements and self-audit checks through ERO. This process allows Boards to attest to meeting regulatory and legislative requirements. This also presents schools with a useful process for self-review against legislative and regulatory requirements.
47. You have agreed that charter schools' standard minimum compliance measures be attested to as part of the legislated annual self-audit process [METIS 1319872 refers]. We seek your agreement to the reporting mechanism by which this will occur.
48. We recommend that standard compliance for charter schools be attested using a Sponsor Assurance Statement and self-audit check. This would occur once a year as part of the self-audit process in June. The proposed Sponsor Assurance Statement and self-audit check would be similar to the approach applied for State and State-integrated schools but would only seek attestation for the minimum compliance measures relevant for charter schools relating to:
 - a. existing legislation, and
 - b. other compliance measures which you have previously agreed to.
49. Should you agree to using the Sponsor Assurance Statement and self-audit check as part of compliance processes, the Ministry/Charter Schools Agency will work with ERO to develop what this could look like for charter schools. ERO has existing tools and templates for what information is required for assurance processes, and we can build off this existing collateral to create a fit-for-purpose assurance instrument to apply for charter schools.
50. We know that under the previous Partnership Schools model, some schools raised concerns around duplication of effort and tasks, particularly between ERO and the Ministry. To mitigate duplication of Ministry and ERO roles, we recommend that ERO develop and own the Sponsor Assurance Statement and Self-Audit Checklist. However, we also recommend that Sponsors submit the proposed Sponsor Assurance Statement and Self-Audit Checklist to the Charter School Agency as part of their

compliance reporting and that this information be routinely shared with ERO to support standard review processes.

Lower-level interventions for Charter Schools

51. You have agreed to a graduated interventions framework for managing the performance of Charter Schools with the following interventions to be set out in legislation [METIS 1319872 refers]:
 - a. require ERO to conduct a review of charter schools
 - b. issue a statutory notice that could require sponsors to undertake certain actions or provide specific information
 - c. replacement of the sponsor
 - d. termination of the contract
52. You also agreed that the triggers for the more serious interventions of replacement of the sponsor or termination of the contract are to be set in legislation and the triggers for less serious interventions of a ERO review and statutory notice to be set in contracts.
53. You also indicated previously that lower-level interventions aimed at improving performance, such as those used for State schools, could be included in contracts [METIS 1319872 refers]. These types of interventions include:
 - a. Remedial Plan: requiring the sponsor to develop and implement a plan to address performance failures
 - b. Performance Notice: a written notice about the Sponsor's performance failure(s) that may also recommend or require specific actions from the sponsor
 - c. Specialist Audit: requiring the sponsor to engage someone with the relevant expertise to undertake an audit
 - d. Appointing a specialist adviser: requiring the sponsor, at their cost, to appoint an independent and qualified adviser to assist the sponsor to improve performance
54. Our view is that there is no additional need to include such lower-level interventions in contracts. The statutory interventions allow for a range of less to more serious intervention to be applied as and when the Authorisation Board sees fit with a statutory notice providing the ability to use these low-level interventions if needed. For example, the Authorisation Board can issue a statutory notice to require a sponsor to develop and carry out a Remedial Plan. The types of interventions the Authorisation Board may wish to apply are also not limited to what is used for State schools. Additionally, the inclusion of such lower-level interventions in contracts could add confusion and a layer of duplication for sponsors as to how interventions are applied.
55. There are also other ways to allow for engagement with a view to improving performance without including lower-level interventions in contracts. At an operational level, the Charter School Agency and Support Entity will be able to give effect to more relational-based engagement, including doing so early with a view to improve performance, if needed.
56. The Ministry can provide advice to the Charter School Agency and Authorisation Board on the types of lower-level interventions used for State and previous partnerships schools to inform their operationalisation of the performance management and intervention framework.

Next steps

57. We will continue developing template contracts to be provided for sponsor application processes in alignment with your direction.
58. We will also provide you and the Minister of Education with further advice on compliance management relating to school property. In addition to this, we will also provide further detailed advice on setting performance targets based on the direction you provided previously [METIS 1329826 refers].

Proactively Released

Annex 1: Overview of agreed charter school performance measures and proposed reporting schedule

| Domain | Focus area | Measure/tool | Reporting milestone 1 – June: Annual self-audit | Reporting milestone 2 – December: End of year reporting |
|-----------------------------|--|--|--|---|
| Student outcomes | Attendance | Standard attendance reporting | <ul style="list-style-type: none"> Standard report on achievement and attendance measures. | <ul style="list-style-type: none"> Follow-up report on achievement and attendance measures. |
| | Primary progress and achievement | Reading | | |
| | | Writing | | |
| | | Mathematics | | |
| Secondary achievement | NCEA attainment (or equivalent qualifications) | | | |
| Financial performance | Financial health | Operating surplus | <ul style="list-style-type: none"> Annual report and externally audited accounts, including the specified financial performance measures for the school year prior (January to December). Updated information on financial measures as at June of the current year, to be certified by the Sponsor – not externally audited. Provision of detailed forecasts/budgets for the next 18 months. Attestation and disclosures regarding financial probity requirements. | <ul style="list-style-type: none"> Follow up report on financial performance measures as at December of the current year, to be certified by the Sponsor – not externally audited. This follow-up report would also include re-attestation of financial probity requirements, as well as disclosure of any significant changes from expected forecasts/budgets. |
| | | Working capital ratio | | |
| | | Debt/equity ratio | | |
| | | Operating cash | | |
| | | Enrolment variance | | |
| | Financial probity | Discharge of all contractual obligations before the sponsor can use any profit | | |
| | | Notification when any source of anticipated funding on which the ongoing viability of the sponsor or schools is dependent will not be available either in the expected amount or time | | |
| | | Notification of when they have failed to pay any debt from borrowed money, or when they reasonably anticipate, it will fail to pay this debt in future | | |
| | | Related party disclosure | | |
| | | Sensitive expenditure policies in place | | |
| | Reporting expected use of funds and financial plans | <ul style="list-style-type: none"> Detailed financial plan and forecasts for the next 18 months, inclusive of all necessary assumptions. | <ul style="list-style-type: none"> Detailed financial plan and forecasts for the next 18 months, inclusive of all necessary assumptions. | |
| Standard minimum compliance | Legislative compliance | Standard attestation/reporting of compliance with legislation | <ul style="list-style-type: none"> Sponsor Assurance Statement and self-audit check | N/A |
| | Registered teachers | Compliance with minimum percentage of teachers that must be registered and the roles they must hold. This also includes requirements for the number of LATs a charter school may employ. | | |
| | Student enrolment | Compliance with requirement to accept all domestic enrolments as per previous Ministerial decisions, unless they meet any exceptions outlined in legislation. In addition to this, a charter school must protect enrolment for existing students at the school where applicable. | | |
| | School day, hours and term dates | Compliance with its school day, hours and term dates, as set out in contracts. | | |
| | Reporting requirements | Compliance with reporting requirements as set out in contracts. This would include if a school does not adequately report against attendance, student outcomes measures and financial performance measures. | | |
| | Insurance | Compliance with insurance requirements as set out in contracts. This could include indemnity insurance, building and contents insurance, public liability insurance, etc. | | |
| | Transport provision (if applicable) | If a charter school provides transport services as set out in contracts, a charter school must comply with its contractual obligations relating to provision of the service outlined in contracts. | | |
| | Property maintenance fees | Compliance with approved property maintenance fees requirements. | | |
| Property | Where a charter school provides its own property, they would be required to meet any legislative requirements that apply (e.g., Resource Management Act 1991, Building Act 2004, etc.). However, where a State school converts, compliance requirements for Ministry-owned property are necessary to ensure that sponsors are utilising the relevant allocated resourcing to maintain the Crown's asset. | To be confirmed in further advice. | To be confirmed in further advice. | |

*Please note: The timing of financial reporting provided in this table only applies if a school has a December 31 balance date. When schools apply a different financial reporting year, we propose that the Charter Schools Agency work with Sponsors to determine how financial reporting might be best structured to support this.