



Northern Ireland
Assembly

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Inspectorate Governance and Budget: England, Scotland and Finland

1. Introduction

This paper summarises who has the power to make decisions and how account is rendered with respect to the school inspectorates in England, Scotland and Finland. It also makes reference to the budgetary arrangements for the inspectorates in England and Scotland.

2. England: Office for Standards in Education, Children's Services and Skills (Ofsted)

Ofsted is an independent body which reports directly to Parliament. It inspects and regulates services which provide education and skills for learners of all ages. **Her Majesty's Chief Inspector** (HMCI), as Accounting Officer for Ofsted, is ultimately responsible for the management and control of resources.

2.1. Ofsted Board

The Ofsted Board is responsible for setting the strategic priorities, targets and objectives for Ofsted. It is responsible overseeing Ofsted's corporate governance and ensuring that the Chief Inspector's functions are performed efficiently and effectively.¹

Board Membership

The Ofsted Board comprises of the Chair, HMCI and between five and ten other Board Members. The Chair works closely with HMCI and his/her responsibilities include leading the Ofsted Board to determine Ofsted's strategic priorities and targets.

On 1 February 2014 the Education Secretary (Michael Gove) announced that the Chair of Ofsted is to be replaced. Baroness Sally Morgan will not be given a second three-year term.²

In order to carry out its functions, the Ofsted Board will:

- provide oversight and approval of Ofsted's Strategic Plan, which sets out the strategic priorities against which Ofsted's priorities are be judged
- monitor information about Ofsted's performance

Sub-committees

The Ofsted Board has two formal sub-committees:

The **Chair's Committee** is responsible for the annual assessment of HMCI and the framework for evaluating Board performance.

The **Audit Committee** is responsible for providing advice and assurance to the Ofsted Board on the effectiveness of internal controls, risk management and governance arrangements. It also oversees internal and external audit arrangements.

Ofsted's internal auditors reviewed the Corporate Governance Framework in July 2011 and provided assurance that the arrangements in place are effective.

2.2. Operations Executive Board

The Operations Executive Board, chaired by Ofsted's Chief Operating Officer, is responsible for scrutinising monthly finance, performance and risk reports.

The Chief Operating Officer is responsible for briefing HMCI on significant issues raised by the Operations Executive Board.

¹ Ofsted Website *The Ofsted Board* Available at: <http://nia1.me/1vh>

² TES Connect Article; Available at: <http://nia1.me/1vg>

3. Funding

Ofsted is a non-ministerial government department and its funding is provided by HM Treasury through the Estimates process.

The Estimates process is explained at the following link: <http://nia1.me/1ve>

Ofsted 2013-14 Main Estimate can be accessed at: <http://nia1.me/1vf> (the URL must be copied and pasted into an internet browser)

Ofsted's budget is reducing over five years from:

£193m in 2010–11 to

£142m in 2014–15

This follows substantial savings of 19% since the creation of Ofsted in 2007.

Ofsted is required to develop plans to deliver against its statutory requirements, while operating within the funding boundaries set out in the spending review.³

4. Scotland: HM Inspectorate Education (HMIE)

Education Scotland was established in 2011 and is charged with supporting quality and improvement in Scottish Education.

It brought the work of two bodies together: **Her Majesty's Inspectorate of Education and Learning**; and **Teaching Scotland**.

As the Inspectorate now sits within Education Scotland it operates under the governance arrangements laid out by the unified body.

The status of Education Scotland as an Executive Agency means that it operates independently, whilst remaining directly **accountable to Scottish Ministers** for the standards of its work. Education Scotland is headed by a **Chief Executive**.

4.1. Roles and Responsibilities

Scottish Ministers

Scottish Ministers set the strategic objectives for the education system in Scotland.⁴ They are responsible for:

- approving the agency's corporate and business plans
- holding the Chief Executive to account for Education Scotland's performance
- setting budgets for Education Scotland

³ Ofsted *Annual Report and Accounts 2011-12*

⁴ Education Scotland *Framework Document* Available at: <http://nia1.me/1vi>

- receiving the annual report and audited financial accounts from the Chief Executive

The Scottish Government Directorates

Scottish Government **directorates** are responsible for progressing governmental strategic objectives. The **Director-General Learning and Justice (DLG)** is responsible for providing Ministers with external advice on the strategic role and direction of Education Scotland.

The DLG is also tasked with providing **support and constructive challenge** to the Chief Executive at a strategic level.

Education Scotland's Chief Executive

The **Chief Executive** is answerable to the Scottish Ministers for the performance of Education Scotland and for planning its future development. Responsibility for all operational matters is delegated to the Chief Executive by the Director-General Learning and Justice. The Chief Executive's principal duties include:

- responsibility for the achievement of the Education Scotland's strategic priorities
- the operations and financial management of Education Scotland
- providing regular briefings to Ministers on progress
- determining the scale and priorities of the agency's inspection/review
- acting as Accountable Officer for Education Scotland's resource management
- preparing and publishing annual reports, accounts, corporate and business plans

The **Chief Executive** reports to the **Director of Learning** on all expenditure and income administered by Education Scotland. He/she is liable to be called to appear before the Public Audit Committee of the Scottish Parliament.

Director of Inspection

The Director of Inspection is responsible for maintaining stakeholder confidence in the integrity and impartiality of the Scottish inspection model.⁵ The Director of Inspection is a member of the senior management of Education Scotland, and his/her duties include:

- governing the conduct of inspections
- ensuring that inspection activities comply with the code of practice
- ensuring the provision of an appropriate complaints procedure

⁵ Education Scotland *Framework Document* Available at: <http://nia1.me/1vi>

- reporting to Education Scotland's Audit and Risk Committee on compliance
- taking responsibility for the integrity of the inspection analysis

Audit and Risk Committee

The remit of the Audit and Risk Committee includes supporting the Chief Executive with regard to the efficient and effective use of resources. The Committee also supports the Chief Executive in reviewing risk and governance arrangements and evaluates the effectiveness of the financial and management controls within Education Scotland.

External audit

Education Scotland is subject to external audit by the Auditor General for Scotland (AGS).

Education Scotland's Corporate Plan

Education Scotland's Corporate Management Group develops and publishes a corporate plan which sets out the strategic management priorities for the agency over a three-year period. It is submitted to Scottish Government ministers for approval.

The corporate plan is the basis for **evaluating the performance** of Education Scotland. At the end of the three-year period, Education Scotland produces a report about its impact and effectiveness. Education Scotland state that they work closely with Scottish Ministers and their policy advisors. Therefore, it is suggested that the evidence and analysis provided feeds directly into the policy-making process.⁶

5. Funding

The Education Scotland budget is allocated as a discrete element within the overall budgetary provision for the **Learning and Justice portfolios**.

The creation of Education Scotland in 2011 combined the resources and functions of Learning and Teaching Scotland, HM Inspectorate of Education (HMIE), the National Continuing Professional Development Team and the Scottish Government's Positive Behaviour Team.

The operating budget for Education Scotland during 2012/13 was £32.5 million.

Education Scotland is planning for a gradual reduction in its core funding over the period during 2013 -2016. The agency states that the creation of Education Scotland has led to over £10 million in efficiencies.⁷

During 2011/12 the HMIE annual budget was £8.6 million.⁸

⁶ Education Scotland (2013) *Transforming lives through learning: Corporate Plan 2013-2016*

⁷ Education Scotland (2013) *Transforming lives through learning: Corporate Plan 2013-2016*

⁸ Her Majesty's Inspectorate of Education response to Freedom of Information Request: Reference Number 12/01656

6. Finland

Finnish education policy is geared towards flexibility of administration. The governance of education is grounded on delegation and support. There is not an Ofsted style inspection system in Finland; these activities were discontinued in the early 1990s.⁹

However, schools have a statutory duty to self-evaluate and participate in external evaluations. Evaluation is used to collect data which informs education policy decisions. The Ministry of Education and Culture conducts school evaluations through the following independent bodies:

- National Board of Education
- Education Evaluation Council

These institutions will be merged into a single body known as the Education Evaluation Centre during 2014.¹⁰

6.1. National Board of Education

The National Board of Education is responsible for the national assessments of learning outcomes. The main purpose is to evaluate to what degree national core curricula objectives have been achieved. Evaluations are **sample-based** and carried out, adhering to the Ministry of Education and Culture's evaluation plan.¹¹ Results are sent to schools for development purposes but are **not** used to rank schools.¹²

6.2. Education Evaluation Council

Schools conduct **self-evaluations** and participate in external evaluations conducted by the Education Evaluation Council (EEC). The EEC is an **independent** specialist organisation for educational evaluation and development.¹³ The operations of the EEC are organised by the Evaluation Council Secretariat, which runs as a separate institute, based at the University of Jyväskylä.

The responsibilities of the EEC are:

- to assist the Ministry of Education and Culture and to support education providers in matters concerning educational evaluation
- to organise external evaluations of education as well as evaluations of the activities of education providers
- to develop external evaluation of education

⁹ The European Agency for Special Needs and Inclusive Education *Descriptions of the legal system for assessment - Finland* Available at <http://nia1.me/1vy>

¹⁰ Ministry of Education and Culture, Finland (2013) *Education evaluation plan for 2012–2015*

¹¹ As above

¹² OECD (2103) *Education Policy Outlook Finland*

¹³ The Finnish Education Evaluation Council Website: Available at <http://nia1.me/1vw>

- to co-operate with international stakeholders

The aims of the EEC are:

- to gather and analyse information in order to provide a basis for national education policymaking and educational development
- to gather and analyse information so as to provide a basis for local efforts and decision making on educational development
- to support students' learning, educators' work and school development

6.3. Teacher Evaluation

There is no national evaluation system for teachers. Instead, guidelines for teacher appraisals are outlined in contracts between the local government employer and the teachers' trade union. Most schools have an **annual performance review system** where the principal works with a teacher to agree how they can develop and identify areas for in-service training.¹⁴

¹⁴ OECD (2103) Education Policy Outlook Finland

Appendix 1: Education Scotland Accountability Diagram

