

6 March 2013		ITEM 5
Standards and Audit Committee		
AUDIT REPORT: MANOR SCHOOL		
Report of: Cllr Oliver Gerrish, Portfolio Holder for Children’s Services		
Wards & Communities Affected: All Tilbury Wards	Key Decision: Non-key	
Accountable Head of Service: Carmel Littleton, Learning and Universal Outcomes		
Accountable Director: Jo Olsson, Director of People Services		
This report is: Public		
Purpose of Report: To advise members on the issues identified in the RSM Tenon audit of Manor School and to update on actions taken since publication		

EXECUTIVE SUMMARY

The Council commissioned RSM Tenon to undertake an audit of Manor School as concerns about compliance with usual financial and procurement procedures had been brought to our attention. The audit was carried out promptly and diligently by RSM Tenon who reported their findings to the Council. The Council shared the findings at the earliest opportunity with the Headteacher and Chair of Governors in order to reach agreement about next steps and ensure swift actions were taken to address the issues raised in the report. The Council indicated to the school its intention to seek permission from the Department for Education (DfE) to replace the governing body with an Interim Executive Board (IEB) to ensure standards of achievement continued to accelerate and that financial and procurement controls were securely in place. The Council confirmed that in response to the audit, it would make representations to the DfE to expedite the implementation of an Interim Executive Board (IEB). The governing body decided to resign and a new governing body has been put in place chaired by a Headteacher from another primary in the borough. Action has been taken in respect of all the recommendations in the audit report including the withdrawal of delegated responsibility for finance and assurances will be sought from the school within 12 months to evidence the implementation of all recommendations.

1. RECOMMENDATIONS:

Audit and Standards is asked to:

1.1 Note the content of this report and the RSM Tenon audit report (redacted)

1.2 Note that the Council erred in publishing the un-redacted report as it breached the rights of the individuals identifiable in the report. The committee must exercise caution in ensuring its discussions do not further breach the rights of the individuals identifiable in the report.

1.3 Satisfy itself that the actions taken by the Council in response to the audit report are proportionate and appropriate.

2. INTRODUCTION AND BACKGROUND:

2.1 There is a complex architecture of law, regulation and guidance governing the relationship between schools and Local Authorities. The last government introduced reforms designed to strengthen the independence of schools, and the role of governing bodies. Their aim was to ensure schools were not shackled by overbearing Local Authorities and their bureaucratic requirements, giving schools greater freedom to be nimble and responsive to the needs of their pupils and communities. The Academies programme of the current government has taken school independence to a new level. Thurrock is fully compliant with the legal framework and with the policy framework that has shaped the legislation. Headteachers and governing bodies of schools have a responsibility for robust financial management, and compliance with their local schemes of delegation. However for maintained schools, the Local Authority is responsible for monitoring and auditing this compliance, and the S151 officer must have assurance from the Governing Body that systems of control are in place to underwrite financial regulations and procurement rules. The Local Authority has an important influencing and system leadership role as well as powers of intervention in the event of failing standards or irregularities. Thurrock Council exercises these powers appropriately.

Concerns were brought to the attention of the Local Authority about Manor School's compliance with financial regulations and procurement rules. Having given very careful consideration to the context, history and performance of the school and its relationship with the Local Authority, the head of service, in consultation with the Director, commissioned an independent audit from RSM Tenon. The scope of the audit is set out in the report, which committee members have already seen.

3. ISSUES AND/OR OPTIONS:

3.1 The original RSM Tenon report was written for restricted circulation, see page 10 of the committee's papers (page one of the report). Publication, without redaction, on the Council's website has led to significant press interest with

unwelcome and distressing consequences for the individuals, identifiable in the report. The report has now been redacted. The Director of People Services has spoken to the Headteacher and previous Chair of Governors to explain and apologise for the error. The committee chair had invited the Headteacher to this meeting to account for progress against the recommendations. In the light of the distress caused by mistaken publication, I have agreed with the Headteacher that I would attend the committee as statutory Director of Children’s Services in Thurrock to account for progress against the key recommendations in the report. If members require a more detailed progress report, I will forward to the committee a written update on the implementation of the recommendations. Timescales have precluded preparing this for the meeting tonight.

- 3.2 The Local Authority, prior to the publication of the audit report, had been in discussion with the school about accelerating progress through intervention as there were concerns about progress and standards. The report added weight to the Local Authority’s case for an Interim Executive Board, a temporary body which replaces a governing body to add pace and rigour to improvements. The DfE has to approve a Local Authority plan to institute an IEB. The DfE was aware of our intentions and we were in discussion around IEB when the governing body resigned. The resignation of the governing body made the question of an IEB redundant. A new governing body has been appointed, chaired by Mrs Lynda Pritchard, a Headteacher of another primary school in Thurrock.

In relation to the recommendations in the report, the critical issue of the Strategic Creative Director’s conflict of interest is resolved by the resignation of the governing body. The new governing body is taking a view about all roles and responsibilities in the school. The Headteacher has accepted and is implementing recommendations 3.1 to 6.1 (page 15), accounting for this to the new governing body. Within 12 months, the strategic leader, school improvement learning and skills will seek assurances from the Headteacher and chair of governors that they can demonstrate compliance with the recommendations. The local authority has also removed financial delegation from the school.

4. CONSULTATION (including Overview and Scrutiny, if applicable)

- 4.1 Not applicable.

5. IMPACT ON CORPORATE POLICIES, PRIORITIES, PERFORMANCE AND COMMUNITY IMPACT

- 5.1 The Council has demonstrated an appropriate and proportionate intervention in a school where concerns were drawn to attention. The community can have confidence in the robustness of the Council’s actions in commissioning the audit and in the responsiveness of the school to the findings of the audit.

6. IMPLICATIONS

6.1 Financial

See Section 2.1.

Implications verified by: **Kay Goodacre**
Telephone and email: **01375 652466**
kgoodacre@thurrock.gov.uk

6.2 Legal

The report author has correctly identified that the report as published contained personal information. Due to a potential breach of the law measures have been taken to protect the rights of individuals. It is for these reasons the audit report has been redacted to ensure no further infringement takes place to protect an individual's right to privacy under the Data protection and the Human Rights Act. It is important the committee ensures no further individual information is disclosed during public session through discussion of individuals and that members direct themselves to consider the role of the Council and the actions taken in response to the audit report.

Implications verified by: **Fiona Taylor**
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6.3 Diversity and Equality

None identified

6.4 Other implications (where significant) – i.e. Section 17, Risk Assessment, Health Impact Assessment, Sustainability, IT, Environmental

None identified

7. CONCLUSION

The Council commissioned a thorough piece of work in response to the concerns brought to attention. The school has responded appropriately to the issues identified and is implementing the recommendations of the audit report. The Council has acknowledged its mistake in publicising an un-redacted confidential report on the website. The publication had distressing consequences for those identifiable people in the school. The Council has determined appropriate action to ensure a similar mistake is not made again

BACKGROUND PAPERS USED IN PREPARING THIS REPORT:

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