

Summary

Passed? – The Swedish Schools Inspectorate's consideration of applications from private operators that wish to become principal organisers.

(RiR 2012:17)



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The Swedish National Audit Office (Swedish NAO) has audited the consideration process for private operators applying for approval as the principal organiser of a school.

Audit background

Reasons: Schools are important both for the individual and for society and form part of a functioning democratic society composed of educated and active citizens. Because schooling is of such great importance for every individual pupil, it is important that any errors and deficiencies in schools are brought to light and addressed as early as possible. Independent schools are an integral part of the Swedish school system. The Swedish Schools Inspectorate's consideration process is intended to ensure that private operators, such as companies, foundations or associations, wishing to run a school have preconditions for compliance with applicable regulations and that the starting of an independent school does not involve any considerable negative consequences for pupils or for the part of the school system run by the public sector in the municipality where that schooling will be offered. If this consideration process functions as it should, it contributes to a diverse range of schools run by different principal organisers where pupils will receive the quality of education to which the Education Act entitles them. The purpose of the legislation and of the Swedish Schools Inspectorate's consideration is one of promotion so that independent schools will be able to start and be able to maintain high standards, while contributing to diversity and competition throughout the school system. In 2011, 789 applications were received from private operators wishing to become an approved principal organiser. Of these, about a quarter gained approval as principal organisers, and 64 schools were started. This corresponds to 34 per cent of those approved.

The Swedish Schools Inspectorate carries out what are known as 'first-time inspections' of recently started independent schools. These inspection visits have shown that a relatively large proportion of the schools has numerous or serious deficiencies. The Swedish Schools Inspectorate has also withdrawn some decisions on the approval of principal organisers a relatively short time after they had started their schools. The result makes clear the complexity of starting a school, something which can present difficulties in fully adhering to the Education Act's requirements at the time a school is started. Taken together, all of this has provided the Swedish NAO with reason to audit whether the Swedish Schools Inspectorate's consideration process for private operators applying to be principal organisers is effective. If the consideration process is effective, it has the function of a *gatekeeper* that brings about a diverse range of schools run by different principal organisers and ensures that the principal organisers that are approved start schools with teaching of the standard required by the Education Act.

Purpose: The purpose of the audit is to examine whether the Swedish Schools Inspectorate's consideration process for the approval of private operators as principal organisers is effective and equivalent. The audit also includes an assessment of whether the Government has provided the Swedish Schools Inspectorate with sufficient preconditions for implementing its consideration of private operators wishing to become approved as principal organisers. In addition, the Swedish NAO has audited whether the Swedish Schools Inspectorate fulfils its informative remit as formulated in the Inspectorate's instruction.

Implementation: In the audit, the Swedish NAO has carried out document studies and interviews with

actors concerned. The Swedish NAO has also audited the files of a sample of the Swedish Schools Inspectorate's cases from the 2011 application round and has implemented an in-depth audit of a smaller number of files. As part of the audit, two questionnaire surveys were carried out. One questionnaire was addressed to those applying for approval in the 2010 and 2011 application rounds and one questionnaire was addressed to all the officers at the Swedish Schools Inspectorate's unit for licensing.

Audit results

The audit has resulted in the following findings and conclusions.

The Swedish Schools Inspectorate's consideration process needs to be developed. The Swedish NAO considers the context in which the Swedish Schools Inspectorate operates to have changed a great deal since the time that the method of the consideration process was developed. Today, many more private operators are approved principal organisers than was the case at the time of the Independent School Reform. This means that the Government also needs to follow up the activities of the Inspectorate from other perspectives and gain an understanding of whether the regulations as a whole are still functioning with respect to the changes that have taken place. The Government should also follow up whether the Swedish Schools Inspectorate's consideration process assigns sufficient weight to the Inspectorate's function of *gatekeeper* in accordance with the intentions of the Riksdag.

According to the Swedish NAO, it would not appear that the legislator's intentions for the consideration of private operators as principal organisers to be one of promotion, and to also function as a *gatekeeper* in order to create a diverse range of schools run by private or public principal organisers, have had sufficient impact on the activities of the Swedish Schools Inspectorate. The Swedish NAO believes that with the current way the consideration process is conducted, it is unclear as to the extent the Swedish Schools Inspectorate actually considers the future principal organiser's preconditions for running a school. The uncertainty is primarily due to the focus of the consideration process on verifying the applicants' knowledge of education legislation through an application form on which applicants are to enter the "right" answer to all the questions. The problems with the consideration process are also partly due to how the questions on the application form are framed. This method means that there is a risk that the Swedish Schools Inspectorate's consideration does not lead to principal organisers that have preconditions for compliance with the regulations being approved as principal organisers. The Swedish NAO finds that the Swedish Schools Inspectorate appears to have interpreted *to have preconditions for compliance with applicable regulations* as meaning that applicants themselves are to have a thorough knowledge of the Education Act. Although this might be of importance, the Swedish NAO considers that *to have preconditions for compliance with applicable regulations* should also be understood in a broader perspective, where an assessment is made of all the circumstances relevant to the ability to run sound school operations of a high standard.

In order to consider whether applicants have preconditions for compliance with applicable regulations, it is the Swedish NAO's assessment that the Swedish Schools Inspectorate needs to request a somewhat different basis for making its decision than is the case today. With a view to making more accurate assessments, the Swedish Schools Inspectorate could request the applicant to submit a concrete plan for its school operations. In the plan, the applicant might demonstrate the ability to implement the requirements of the regulations in practice. In order for the Swedish Schools Inspectorate to assess plans in a consistent manner, the Inspectorate should specify what the plan is to contain. On this more integrated basis, the Swedish NAO considers that the Swedish Schools Inspectorate would be in a better position to assess whether applicants have preconditions for compliance with applicable regulations.

Due to its own activities, the Swedish Schools Inspectorate has a good knowledge of what makes a school successful. The Inspectorate should, according to the Swedish NAO, use that knowledge in a more methodical manner than is the case today when considering applications for approval as a principal organiser. The Swedish NAO believes that the Swedish Schools Inspectorate's knowledge of inspections and quality audits should, to a greater degree, form the basis for decisions as to the areas of the applicant's operational plan that need to be considered more closely. These may be areas that are particularly important for maintaining high educational standards or areas in which there are often deficiencies. In its work to develop the consideration process, the Swedish Schools Inspectorate should also be able to make greater use of research results on what makes schools successful.

The regulation of considerable negative consequences for pupils or for the part of the school system run by the public sector is unclear. The Swedish NAO assesses the regulation of considerable negative consequences to be an important part of the consideration of private operators as principal organisers. However, the Swedish NAO considers there to be a number of uncertainties regarding this regulation. These uncertainties concern the pupils that are referred to, the account that should be taken of already existing independent schools when considering new applications and how the regulation is to be applied upon the receipt of several applications from private operators for approval as a principal organiser in a given municipality. The existing uncertainties risk being to the detriment of the consideration's effectiveness. This, in turn, also risks affecting the effectiveness of the school system.

Equivalent processing for effective consideration. The audit demonstrates that the Swedish Schools Inspectorate has functioning means of supporting its officers in the processing of applications. However, according to the Swedish NAO, the content of this support can be improved. Functioning support for officers is central to the possibility of making the consideration process effective in the sense of applicants that have preconditions for compliance with applicable regulations also being approved as principal organisers. The Swedish NAO considers that the Swedish Schools Inspectorate needs to clarify the criteria for an application that adequately demonstrates the applicant's preconditions for compliance with the regulations. In doing this, the support can be developed so that it becomes more useful for processing applications.

The Swedish NAO finds that the officers appear to have difficulty in determining when they have sufficient basis for a decision. The audit demonstrates that the Swedish Schools Inspectorate has to ask the applicants many supplementary questions. According to the Swedish NAO, the opportunity to supplement an application should be as equal as possible in order for all applicants to have the same opportunity to submit documentation. It should also be clear to the officers when they have sufficient basis for a decision. The Swedish NAO believes that the need for supplementary information could be reduced through better support to officers and clearer criteria for what constitutes an adequate application.

Information should be used as policy instruments. The audit demonstrates that the Swedish Schools Inspectorate has not succeeded in providing information on application requirements to a sufficient extent. This is confirmed by the view of applicants responding to the Swedish NAO's questionnaire that the information from the Swedish Schools Inspectorate is clear but insufficient. It also lacks clear criteria for what constitutes an adequate application. The Swedish NAO considers this to be a possible explanation for the Inspectorate not being able to provide sufficient information. According to the Swedish NAO, the Swedish Schools Inspectorate should be clearer about the requirements so that applicants may have a more realistic understanding of what is required of those who wish to run a school and thereby increase efficiency through the fact that only those who believe they meet the requirements will apply for approval.

The Swedish National Audit Office's recommendations

The Swedish NAO's recommendations to the Government:

- The Government should follow up how the Swedish Schools Inspectorate considers applications for approval as a principal organiser on the basis of the Riksdag's objective of raised standards in schools through a diverse range of principal organisers.
- The Government should commission the Independent School Committee of inquiry to consider whether the legislation needs to be clarified with respect to the assessment of considerable negative consequences in the long term for the pupils or for the part of the school system organised by the public sector in the municipality where that schooling will be offered.

The Swedish NAO's recommendations to the Swedish Schools Inspectorate:

- The Swedish Schools Inspectorate should develop the basis used for decisions on the approval of private operators as principal organisers.
- The Swedish Schools Inspectorate should, to a greater extent than at present, use its own knowledge as well as research when considering the applications received.
- The Swedish Schools Inspectorate should develop clear criteria for what is required for a private operator to be approved as a principal organiser.
- The Swedish Schools Inspectorate should use the criteria to improve the support to its officers.
- The Swedish Schools Inspectorate should use the criteria to increase and improve the information available to applicants by clarifying the requirements for an application to be approved.