

Tertiary Education Commission

Audit Report

Te Kōhanga Reo National Trust Board

Student Achievement Component Funding

Edumis Number: 9381
Audit Dates: 20 – 22 September 2016
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1 Purpose

The purpose of the audit was to provide assurance that Te Kōhanga Reo National Trust Board (TKRNT) is meeting the Investment Plan Funding Conditions as referred to in the Tertiary Education Commission (TEC) letters of approval dated 21 December 2015 and 4 December 2014. The funding approved refers to Student Achievement Component (SAC) funding.

2 Scope

The scope of the audit was aligned to the performance commitments in the TEC Investment Plan and the associated funding obligations between the TEC and TKRNT. The scope was outlined in the audit arrangements letter.

The focus areas included:

- The reporting through the Single Data Return (SDR), including recording enrolments and withdrawals.
- The Annual Maximum Fee Movement (AMFM) policy relating to fees and course costs.
- The refund of fees that have been overcharged.
- The financial support for the equipment infrastructure required to deliver the approved qualifications.
- Whether inducements or benefits have been provided to students.
- Responsibility for subcontracting arrangements.
- Compliance with the requirements in Part 18 of the Education Act 1989.
- Any other TEC funding matters.

An audit is a snapshot of an organisation's performance at a particular point in time and may not, as such, provide a view of ongoing compliance. An audit is based on sampling and issues may remain undetected. The outcome of this audit will contribute to decisions made by the TEC relating to current and future funding.

3 Background

This audit is part of the TEC's ongoing monitoring of Tertiary Education Organisations.

TKRNT is a Māori Private Training Establishment based in Wellington offering education in and through Māori language and Mātauranga Māori to whānau and extended whānau members. Programmes are provided through Te Kōhanga Reo that are placed throughout Aotearoa. The programmes are funded by the TEC.

The organisation receives SAC funding for the following:

- PC1953 Te Ara Tuatahi Mo Te Reo Māori – Level 2
- PC2014 Te Tohu Mātauranga o Te Takaimatua - Level 4
- NC5553 Te Takaimatua o Te Kōhanga Reo - Level 4
- PC1954 Te Ara Tuatahi Mo Te Reo Māori – Level 5
- PC1699 Whakapakari Tino Rangatiratanga - Level 7.

The table below provides a breakdown of 2016 and 2015 SAC funding:

| Fund | 2016 (\$ GST exclusive) | 2015 (\$ GST exclusive) |
|--------------------|------------------------------------|------------------------------------|
| Investment Plan | | |
| SAC 3+ | \$ 3,471,580 | \$ 3,471,580 |
| SAC 1 and 2 | \$ 1,800,000 | \$ 1,800,000 |
| Total | \$ 5,271,580 | \$ 5,271,580 |

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4 Key Findings

The key findings were:

- In 2015 one ākonga was enrolled in an incorrect programme and then withdrawn. TKRNT continued to receive SAC funding from this enrolment for the academic year.
- One ākonga was enrolled in a programme by using a marriage certificate as proof of identity. This is not acceptable evidence to use as identity when enrolling in a SAC programme.
- The withdrawal policy is under review and a timeframe needs to be included to prevent a lengthy withdrawal period.
- The August 2016 course completion rates are below the expected results required for this time of the year.
- The information recorded in Service for Tertiary Education Organisations (STEO) is not up-to-date including the present programmes being delivered.
- TKRNT was first registered by NZQA in 1993 as a private training establishment and has been using a number of delivery sites for providing teaching programmes.
- The TEC requires all teaching organisations to assess ākonga by using the Literacy and Numeracy for Adults Assessment Tool (Assessment Tool) at the beginning and then towards the conclusion of a programme of study.

5 Recommendations

The main recommendations are:

- The continued SAC payment to TKRNT for the incorrectly enrolled student during 2015 could constitute a repayment to the TEC for the SAC funding received.
- TKRNT may have to repay the SAC funding for the student presenting a marriage certificate as proof of identity during the enrolment process.
- TKRNT needs to report without delay to the TEC that a withdrawal process has been approved by management.
- TKRNT need to focus on completing courses to raise the next SDR submission to a more acceptable level.
- TKRNT is required to correct the information held in STEO promptly.
- Applications to NZQA for delivery site approval should be completed as soon as possible.
- TKRNT confirm that they will introduce the Assessment Tool into practice at the beginning of 2017.

Part Two

Findings

Detailed findings are summarised in each of the audit focus areas.

| Overview | |
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| <ul style="list-style-type: none"> • A sample of 40 SAC files was selected for audit. The sample covered files from the December 2015 SDR and records from the August 2016 SDR. • Interviews were held at the National Office with the National Training Manager, Team Lead Finance and Accounts and Business Analyst and staff from the training division. Discussion was also held with two Lead Trainers who have responsibility for regional training. • The National Training Manager and three other staff from within the training division have participated in the Targeted Review of Qualifications (TROQ). Potential qualifications including unit standards have been identified for curriculum development and will be introduced as new programmes in time for the beginning of the 2019 academic year. | |
| Audit focus areas | Evidence sighted |
| <p>1. The reporting through the Single Data Return, including recording enrolments and withdrawals.</p> | <p>Student management system</p> <ul style="list-style-type: none"> • In 2015, TKRNT introduced a commercial database student management system Take2, which is software certified by the Ministry of Education for the Single Data Return. Take2 is used to load enrolments, document withdrawals and report completions. • Take2 is a data management system recording basic data that is reported through the SDR. Take2 Academic Record provides information on enrolment patterns and completion data reported through the SDR. • Access and use of the Take2 student management system is restricted to specific staff at the National Office and in the regions. • The information from Take2 records assessment results and academic records providing information on ākonga progress • In 2015, TKRNT also centralised the processing of enrolments, withdrawals and course completions to the National Office where all data is received and loaded into Take2. • Previously, the processing of enrolment information and the management and monitoring of course completions was conducted within each district (Rohe). • Rohe were also responsible for the monitoring of all ākonga attendance. • Rohe staff accepts ākonga enrolment documentation including identification, then scan the entire portfolio and send to the National Office to be loaded into Take2. • Checking of data is performed once the documents are received and then after the scanned information has been loaded into Take2. |

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| | <ul style="list-style-type: none"> • The student management system was evaluated as satisfactory. • Most of the ākonga records in the audit sample were valid enrolments for funding purposes, domestic status was confirmed and minimum attendance requirements met. <p>Student enrolments</p> <ul style="list-style-type: none"> • A National Student Number 9(2)(a) was enrolled in an incorrect programme PC2014 at the beginning of the academic year and was withdrawn in April 2015. They were re-enrolled in the correct programme PC1954 at the beginning of 2016. • The ākonga however, was not formally withdrawn from the 2015 SDR and TKRNT continued to receive full SAC funding for the 2016 year. • This constitutes a repayment to the TEC for the SAC funding received by TKRNT for the incorrect payment made in 2015. • NSN 9(2)(a) was enrolled in a PC2014 by using a Marriage Certificate as proof of identity. According to the SAC funding conditions a marriage certificate is not included in the list stated under SAC3+/016 Verification requirements. • This constitutes a repayment to the TEC for the SAC funding received by TKRNT for the incorrect payment made in 2015. <p>Student withdrawals</p> <ul style="list-style-type: none"> • Policy refers to a withdrawal process to be followed when a ākonga has officially withdrawn or TKRNT has not communicated with a ākonga for some time. • The withdrawal policy is under review and a timeframe needs to be included to prevent a lengthy withdrawal period. • TKRNT needs to report without delay to the TEC that a withdrawal process has been approved by management. <p>Course completions</p> <ul style="list-style-type: none"> • The August 2016 course completion rates are at a lower rate than expected for this time of the year. • TKRNT has an extensive monitoring process in place and managers are aware of the present course completion percentage. Staff need to continue to focus on completing courses to raise the present result to a more acceptable level. <p>Services for tertiary education organisations</p> <ul style="list-style-type: none"> • The information recorded on Service to Tertiary Organisations (STEO) is not up-to-date including programmes being delivered and hours of ākonga contact. TKRNT is required to correct the information held on STEO promptly. |
| <p>2. The Annual Maximum Fee Movement (AMFM) policy relating to fees and course costs.</p> | <ul style="list-style-type: none"> • The Annual Maximum Fee Movement Policy does not apply to TKRNT as a ākonga enrolled in a programme is not charged any student cost or fees. |

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| <p>3. The refund of fees that have been overcharged.</p> | <ul style="list-style-type: none"> • A procedure for the refund of ākonga fees is not applicable as TKRNT is not charging ākonga fees or costs. |
| <p>4. The financial support for the equipment infrastructure required to deliver the approved qualifications.</p> | <ul style="list-style-type: none"> • All ākonga were not required to individually purchase any item of hardware or equipment necessary to gain the approved qualification. • KPMG completed an audit of the 2015 - 2016 annual accounts and the requirement for a financial report was submitted to the TEC in July 2016. |
| <p>5. Whether inducements or benefits have been provided to students.</p> | <ul style="list-style-type: none"> • From the sample of records reviewed there was no evidence of any ākonga being provided with an inducement or benefit to study |
| <p>6. Responsibility for subcontracting arrangements.</p> | <ul style="list-style-type: none"> • TKRNT claimed no subcontracting arrangements are used for any component of the programmes being provided. • Programmes where specific teaching expertise is not readily available, such as for the business and administration programme specialised teaching staff are engaged on a fixed term basis. • Teaching staff have been approved on fixed term contracts for the Napier teaching site, Auckland and Tainui. |
| <p>7. Compliance with the requirements in Part 18 of Education Act 1989.</p> | <ul style="list-style-type: none"> • The overall standard of recordkeeping was reviewed as satisfactory. • Part 18 of the Education Act 1989 includes, but is not limited to ākonga programme information and records. • TKRNT has programme approval from NZQA for the programmes that are funded by TEC. Copies of NZQA Qualification Overviews were available for the audit. Original copies of NZQA course approval documents were not available from NZQA and information held on NZQA website as reference material was used as a substitute. • One NZQA course approval letter dated July 2014 was provided for a Type 2 change for the programme Te Tohu Matauranga o Te Takaimatua. • This programme leads to the National Certificate in Māori Business and Management – Level 4. <p>Teaching site approval</p> <ul style="list-style-type: none"> • TKRNT was first registered by NZQA in 1993 as a private training establishment. Since being registered with NZQA ākonga have since been enrolled in programmes at the permanent delivery sites. • TKRNT provided the approval documents for two sites and agreed that a plan is in place to obtain approval for the remaining eight delivery or teaching sites. |

| | <ul style="list-style-type: none"> • The two delivery sites that have NZQA approval include the National Office in Wellington and Mataatua/Tauranga. • The TEC funding conditions require registered PTEs to have permanent site approval to allow a ākonga to be enrolled in TEC-funded programmes. • A schedule has been established for the preparation required for the approval of permanent delivery sites. Applications to NZQA for approval will commence with submissions in December 2016 for the first four sites, then for one site March 2017 and finally for three sites in December 2017. • The following schedule shows the timeframe planned for TKRNT to obtain site approval from NZQA. <table border="1" data-bbox="523 676 1342 1093"> <thead> <tr> <th colspan="3">NZQA approval of delivery sites</th> </tr> <tr> <th colspan="3">Planned timeframe for submission of an application</th> </tr> <tr> <th>December 2016</th> <th>March 2017</th> <th>December 2017</th> </tr> </thead> <tbody> <tr> <td>Te Taitokerau</td> <td>Ngōti Kahungunu</td> <td>Te Tairāwhiti</td> </tr> <tr> <td>Tainui</td> <td></td> <td>Te Waipounamu</td> </tr> <tr> <td>Aotea</td> <td></td> <td>Waiariki/Tūwharetoa</td> </tr> <tr> <td>Ikaroa</td> <td></td> <td></td> </tr> </tbody> </table> <ul style="list-style-type: none"> • TKRNT is to receive NZQA approval for these delivery sites as soon as possible. | NZQA approval of delivery sites | | | Planned timeframe for submission of an application | | | December 2016 | March 2017 | December 2017 | Te Taitokerau | Ngōti Kahungunu | Te Tairāwhiti | Tainui | | Te Waipounamu | Aotea | | Waiariki/Tūwharetoa | Ikaroa | | |
|--|--|---------------------------------|--|--|--|--|--|---------------|------------|---------------|---------------|-----------------|---------------|--------|--|---------------|-------|--|---------------------|--------|--|--|
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| Ikaroa | | | | | | | | | | | | | | | | | | | | | | |
| <p>8. Any other TEC funding matters.</p> | <p>Intensive Literacy and Numeracy</p> <ul style="list-style-type: none"> • TKRNT has been assessing ākonga by using their own Literacy and Numeracy assessment tool. • The TEC requires all teaching organisations to assess ākonga by using the Literacy and Numeracy for Adults Assessment Tool (Assessment Tool) at the beginning and then towards the conclusion of a programme of study. • TKRNT is preparing to introduce the Assessment Tool into practice at the beginning of 2017. • Staff in preparation for the introduction of the Intensive Literacy and Numeracy assessment are enrolled in the Literacy Aotearoa National Certificate in Adult Literacy and Numeracy (Level 5) qualification. • Four staff members have completed the qualification, while another staff member is presently enrolled in the programme of study. <p>Archiving</p> <ul style="list-style-type: none"> • An archiving policy covers the ākonga documents to be archived and the length of time they are to be held in secure storage. • The scanning of ākonga documentation has commenced to enable the retention of academic documents to be held electronically. | | | | | | | | | | | | | | | | | | | | | |

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