

Tertiary Education Commission

Audit Report

Te Wānanga Whare Tāpere O Takitimu

Student Achievement Component Funding

Edumis Number: 9847
Audit Date: 19 - 20 April 2016
Draft Report Release Date: 13 May 2016
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1 Purpose

The purpose of the audit was to provide assurance that Takitimu Performing Arts School Trust trading as Te Wānanga Whare Tāpere O Takitimu (Takitimu) is meeting the Investment Plan Funding Conditions as referred to in the Tertiary Education Commission (TEC) letters of approval dated 4 December 2014 and 21 December 2015. The funding approved includes Student Achievement Component 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 Takitimu. The scope was outlined in the audit arrangements letter.

The focus areas included:

- The reporting through the Single Data Return, 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.

Takitimu is a Māori Private Training Establishment (PTE) based in Hastings offering programmes in Māori Performing Arts.

The organisation receives Student Achievement Component funding for the following qualifications:

- PC9004 Certificate in Māori Art (Advanced) (Level 7)
- PC9006 Diploma in Māori Performing Arts (Level 6)
- PC9005 Certificate in Māori Performing Arts (Level 5) (This is an exit qualification for PC9006).

The three local qualifications will be affected by the NZQA Targeted Review of Qualifications (TRoQ) and eventually be replaced with New Zealand qualifications.

4 2016 Mix of Provision and status of fourth qualification

Table 1 below records the 2016 Mix of Provision and lists a fourth qualification:

- PC2882, Certificate in Māori Performing Arts (Skills Enhancement) (Level 4).

Takitimu is accredited to offer this qualification but during the audit it was commented that it was last offered in 2003.

Table 1: 2016 Mix of Provision (uploaded in November 2015)

Qualification Code	Qualification Level	EFTS (funded only)	Allocation GST Exclusive
PC9004	Level 7	5.0	\$ 30,070
PC9006	Level 6	5.0	\$ 30,070
PC9005	Level 5	16.0	\$ 96,224
PC2882	Level 4	15.0	\$ 90,210
	Total	41.0	\$ 246,574

In the 2015 Investment Plan the fourth qualification listed is not PC2882 but NC0701 National Certificate in Māori Performing Arts (Performance) (Level 4); however, Takitimu is not accredited by NZQA to offer this qualification.

It is a funding concern if PC2882 is not offered in 2016 and the length of time since it was last offered.

5 Funding

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

Fund	2015 (\$ GST exclusive)	2016 (\$ GST exclusive)
Investment Plan		
Student Achievement Component	\$ 260,398	\$ 244,774
Equity	\$ 3,639	\$ 5,302
Total	\$ 264,037	\$ 250,076

4 Findings

The findings were:

- Takitimu commented that they last offered in 2003 a level 4 qualification in Māori Performing Arts. There is a discrepancy in the Investment Plan for 2015 Summary of Activity (NC0701) and the Mix of Provision Master Template for 2016 that refers to the qualification, PC2882. There were no taura (students) reported in either qualification in the December 2015 or April 2016 SDR.
- Funding was claimed for three taura not reported as early withdrawals.
- Domestic status was not established for seven taura. Under funding condition SAC3+018: *TEO to confirm that each student is a valid domestic enrolment* there is a table of verification methods for a New Zealand citizen. One method relates to the student's NSN. There was no evidence presented during the audit that the student's citizenship status was confirmed using the student's NSN for the seven taura.
- Two taura had been re-enrolled in 2015 without a re-enrolment form. Both taura were previously enrolled in 2011 and 2012 respectively.
- Offer of placement letters were not provided to part-time taura and evidence of offer of placement letters was not retained in the student management system for full-time taura.
- There was no documented policy covering no fee payment required for taura aged 55 years and above and studying part-time.
- Re-enrolment forms for taura returning to study in a second year were minimalist, consisting of one page.
- Funding was incorrectly claimed for one taura for seven courses in 2011 previously funded.
- Staff development policy did not cover the waiving of fees for staff enrolled in Takitimu programmes.
- The NZQA Record of Achievement is not accessed during the enrolment process to ascertain if taura may be eligible for Recognition of Prior Learning.

5 Recommendations

The recommendations were:

- Review the 2016 Mix of Provision Template and confirm if the details are correct. If the Level 4 qualification is to be offered the TEC would expect to be advised given that it was commented during the audit that it had last been offered in 2003.
- Funding recoveries are sought for the three taura not reported as early withdrawals.
- Funding recoveries are to be discussed for the seven taura where domestic status was not established. (The Manager, PTE and CE Investment has reviewed this report and determined that the TEC will not seek recovery of funding relating to this recommendation. The details, on page 8 of this report, are included to quantify the consequences if recovery of funding was to occur).
- Funding recoveries are sought for the two taura re-enrolled in 2015 without a re-enrolment form.
- Offer of placement letters are provided to all taura and evidence retained in the student management system
- Takitimu to provide a copy of their policy covering no fee payments required for taura aged 55 years and above and studying part-time.
- Review the enrolment process for returning taura.
- Funding recoveries are sought for the funding of one taura in 2015 who had achieved in 2011 all seven courses.
- Review the staff development policy including the waiving of fees and application process.
- Access the NZQA Record of Achievement during the enrolment process to ascertain if taura may be eligible for Recognition of Prior Learning.

Part Two

Findings

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

Overview	
<ul style="list-style-type: none"> Interviews were held with the Chief Executive Officer, and Academic Director, both of whom teach components of the programmes part-time. A total of 80 students (taura) were reported in the December 2015 Single Data Return (SDR). A sample of 20 Student Achievement Component (SAC) funding taura records across the three reported qualifications was selected for audit. One of the 20 records was missing. Taura demographically profiling at 55 years of age and over were not required to pay a fee but there was no policy documenting this. The number of taura born in 1960 or earlier accounted for 26 out of the 80 taura (32.5%) reported. An additional sample of four records was reviewed to ascertain why older taura were treated differently from those paying fees. It was confirmed the taura were studying part-time. In the April 2016 SDR of the 47 taura reported there were 11 (23.4%) born in 1991 or later while 24 (51.06%) were born in 1960 or earlier. One of the focus areas of the Tertiary Education Strategy relates to increasing participation for those under 25 years of age. In accepting funding from the TEC it is the responsibility of the TEO to comply with funding conditions that includes ensuring taura are eligible to study. The findings relating to fee waivers for older taura, funding claimed for early withdrawals, domestic status not confirmed for a high proportion of records sampled and re-enrolling two taura several years later without an enrolment form does not provide confidence that recordkeeping is satisfactory. 	
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"> Takitimu uses a commercial database student management system, Wisenet Information Systems (Wisenet), which is software certified by the Ministry of Education for the Single Data Return. It is used to load enrolments and report completions. The system is satisfactory for reporting data through the SDR. Takitimu is intending to use the financial function within Wisenet but in the meantime information is not integrated into one system. Details of fees paid by taura are held in a stand-alone system. Pastoral care information is not captured in Wisenet either and there was no retention of offer of placement letters. <p>Segregation of Duties</p> <ul style="list-style-type: none"> Controls are in place to ensure there is segregation of duties between the data input of enrolment information into the Student Management System, and updating course completions and withdrawals. The SDR attestation is signed by either the Chief Executive Officer or the Academic Director.

Enrolment Records

- Enrolment records in the sample of records reviewed held minimum information and the overall standard of recordkeeping was unsatisfactory.
- Takitimu commented that there have been changes in administrative personnel in the last two years; however, this does not address the requirements of the TEO to keep enrolment records (SAC3+016), verify student's identity (SAC3+017) and confirm domestic enrolment status (SAC3+018)¹.
- The poor standard of recordkeeping has resulted in a number of findings relating to ineligibility. This includes:
 - Funding claimed for three taura not reported as early withdrawals
 - Domestic status not being established for seven taura and
 - Two taura re-enrolled without an enrolment form

Funding claimed for taura not reported as early withdrawals.

- There were three out of 19 records sampled where funding had been claimed in the December 2015 SDR for taura not reported as early withdrawals. In the three records the withdrawal date in the SDR was reported the same as the course end date. Funding in the three cases should not have been claimed.
- The following table details the three records and the funding claimed.

NSN and Qual Code	Start Date	End Date and SDR Withdrawal Date	EFTS Delivered	Dollar Delivered (GST exclusive)	Comments
9(2)(a) (PC9004)	28/07/14	06/04/15	0.4	\$ 2,406	Withdrawn on 03/08/14 (7 days). Withdrawal approved by CEO.
9(2)(a) (PC9004)	28/07/04	05/07/15	0.5398	\$ 3,246	Withdrawn on 03/08/14 (7 days). Withdrawal approved by CEO.
9(2)(a) (PC9004)	27/07/15	11/12/15	1.001	\$ 6,020	Attended 1 full day on 16/09/15. Attendance on first day 27/07/15 incomplete. No other attendance and no notes on file. Should have been an early withdrawal.
		Total	1.9408	\$ 11,672	

¹ In 2015 the funding conditions were numbered SAC3+/017, SAC 3+/018 and SAC3+/019.

Domestic Status not established for seven taura

- Under funding condition SAC3+018: TEO to confirm that each student is a valid domestic enrolment there is a table of verification methods for a New Zealand citizen. One method relates to the student's NSN. There was no evidence presented during the audit that the student's citizenship status was confirmed using the student's NSN for the seven taura.
- There was no evidence of domestic status recorded for taura NSN 9(2)(a) [REDACTED].
- Domestic status could not be established for three taura where a New Zealand driver licence had been submitted. The taura NSNs were: 9(2)(a) [REDACTED], 9(2)(a) [REDACTED] and 9(2)(a) [REDACTED].
- In the additional sample of four records, a New Zealand driver licence had been submitted for two taura. The taura NSNs were: 9(2)(a) [REDACTED] and 9(2)(a) [REDACTED].
- A whakapapa statement had been submitted with the enrolment for taura NSN 9(2)(a) [REDACTED]; however, this was invalid as it had not been certified by a kaumatua.
- The following table details the seven records and the funding claimed.

NSN and Qual Code	Start Date	End Date and SDR Withdrawal Date	EFTS Delivered	Dollar Delivered (GST exclusive)	Comments
9(2)(a) [REDACTED] (PC9005)	27/07/15	08/07/16	0.4608	\$ 2,771	Withdrawn on 29/10/15. No evidence of domestic status.
9(2)(a) [REDACTED] (PC9006)	23/02/15	11/12/15	0.417	\$ 2,508	NZ Driver Licence is not evidence of domestic status.
9(2)(a) [REDACTED] (PC9006)	23/02/15	11/12/15	0.584	\$ 3,512	NZ Driver Licence is not evidence of domestic status.
9(2)(a) [REDACTED] (PC9005)	27/07/15	08/07/16	0.4608	\$ 2,771	NZ Driver Licence is not evidence of domestic status.
9(2)(a) [REDACTED] (PC9005)	23/02/15	11/12/15	0.584	\$ 3,512	NZ Driver Licence is not evidence of domestic status.
9(2)(a) [REDACTED] (PC9005)	23/02/15	11/12/15	0.459	\$ 2,760	NZ Driver Licence is not evidence of domestic status.
9(2)(a) [REDACTED] (PC9005)	23/02/15	11/12/15	0.584	\$ 3,512	Whakapapa statement invalid as not attested by a kaumatua. Domestic status not confirmed.
		Total	3.5496	\$ 21,346	

Two taura re-enrolled without an enrolment form

- There were no 2015 enrolment forms for two taura NSNs 9(2)(a) and 9(2)(a). Both taura were previously enrolled in 2011 and 2012 respectively.
- As there is no evidence of a current contract for 2015 the two enrolments are deemed invalid for funding purposes.
- The following table details the two records and the funding claimed.

NSN and Qual Code	Start Date	End Date and SDR Withdrawal Date	EFTS Delivered	Dollar Delivered (GST exclusive)	Comments
9(2)(a) (PC9006)	23/02/15	11/12/15	0.417	\$ 2,508	No 2015 enrolment form.
9(2)(a) (PC9006)	23/02/15	11/12/15	0.417	\$ 2,508	No 2015 enrolment form
		Total	0.834	\$ 5,016	

Offer of placement letters

- Offer of placement letters are provided to full time but not to part-time taura.
- A copy of the offer of placement letter is not retained.
- All taura, regardless of part-time or full-time status, should receive an offer of placement letter. Such letters record important information about an enrolment including the name of the taura, course start and end dates, the programme the taura is enrolled in and, if fees apply, the amount required to be paid.
- The offer of placement letter template sighted records the relevant information but a record for each taura should be retained for audit trails.

Fees waived for part-time taura aged 55 years and above

- There was no policy detailing upon what basis part-time taura aged 55 years and above had had their fees waived.
- Takitimu commented that all part-time taura aged 55 years and above do not pay fees. Takitimu claims SAC funding for each part-time enrolment.
- It is important that fee waivers are recorded because an invalid enrolment for funding purposes is one where a taura is required to pay a fee and fails to do so. Refer to 2016 funding condition on pages 7-9: SAC3+ Valid domestic enrolment sections 1(d) and 5 and for 2015 the corresponding sections in SAC3+/016.
- Takitimu is also directed to 2016 funding condition: SAC3+019: TEO not to induce enrolment and for 2015 the corresponding SAC3+020 and the section Definition of scholarship.
- Full-time taura are charged fees and are eligible for loans and allowances.

Re-enrolment forms

- Taura returning to Takitimu to study in a second year complete a simplified one page re-enrolment form.
- The re-enrolment form does not replicate the information contained in the enrolment form including contractual obligations.
- Additionally, part-time taura do not receive an offer of placement letter.

High EFTS claimed for one taura – reporting error

- There was one taura NSN 9(2)(a) reported in the December 2015 in 14 courses. Seven of the courses in 2011 had been previously funded. This is a reporting error and must be reversed.
- The details are included in the following table:

NSN and Qual Code	Start Date	End Date and SDR Withdrawal Date	EFTS Delivered	Dollar Delivered (GST exclusive)	Comments
9(2)(a) (PC9006)	27/07/15	08/07/16	0 4608	\$ 2,770	Reported in Dec 2015 SDR in 14 courses at 1.2368 EFTS Delivered (\$ 7,438)
		Total to be recovered	0 4608	\$ 2,770	No funding to be claimed for 7 courses (DMPA 101-107) in Year 1 of PC9006.

Staff Development Policy

- In the sample of taura records reviewed there was one member of staff reported in a programme offered by Takitimu.
- There was no documentation waiving course fees.
- There was also no evidence on file of domestic status but this was obtained and sighted during the audit.
- Takitimu has confirmed employee NSN 9(2)(a), was not teaching in the subject they were also studying.
- Fee waivers should always be documented and authorised. The staff development policy should be reviewed and updated.

NZQA Record of Achievement

- Upon enrolling taura there is no check undertaken of the NZQA Record of Achievement for prior learning. It is important that these records are checked as some taura may be eligible to apply for Recognition of Prior Learning (RPL).
- Approved RPL potentially reduces the amount of funding paid by the TEC. It may also lead to a reduction in fees and the amount a taura may need to borrow from Studylink if applying for loans and allowances. The time a taura requires to complete a qualification may further be reduced.
- One example of potential eligibility is taura NSN 9(2)(a).

	<ul style="list-style-type: none"> This person holds 238 credits in unit standards to level 6 in 9(2)(a) and 18 credits in unit standards to level 3 in 9(2)(a). The taura completed the form <i>QA2 116 Application for Recognition of Informal and Formal Learning towards a Qualification</i> (but at the end of the course). In discussions with Takitimu it was indicated the taura was fully competent for course <i>CMPA 101 Te Reo / Tikanga</i>. If the taura had prior learning approved then funding would not be claimed for this course. In this case Takitimu was not complying with its own RPL policy. This subject is covered in more detail in section 8. 												
<p>2. The Annual Maximum Fee Movement policy relating to fees and course costs.</p>	<ul style="list-style-type: none"> Takitimu is complying with the Annual Maximum Fee Movement Policy. <table border="1" data-bbox="676 831 1230 1144"> <thead> <tr> <th>Year</th> <th>All Programmes PC9004 PC9005 PC9006</th> <th>Increase</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>4,196.60</td> <td></td> </tr> <tr> <td>2015</td> <td>4,364.40</td> <td>4%</td> </tr> <tr> <td>2016</td> <td>4,364.40</td> <td>Nil</td> </tr> </tbody> </table>	Year	All Programmes PC9004 PC9005 PC9006	Increase	2014	4,196.60		2015	4,364.40	4%	2016	4,364.40	Nil
Year	All Programmes PC9004 PC9005 PC9006	Increase											
2014	4,196.60												
2015	4,364.40	4%											
2016	4,364.40	Nil											
<p>3. The refund of fees that have been overcharged</p>	<ul style="list-style-type: none"> There was no evidence that taura have been overcharged fees. 												
<p>4. The financial support for the equipment infrastructure required to deliver the approved qualifications.</p>	<ul style="list-style-type: none"> Taura were not required to individually purchase any item of hardware or equipment necessary to gain the approved qualification. Taura are provided with a list of compulsory course costs that includes a piupiu (dancing skirt). The taura can also purchase materials for the making of Whetu Tātua and Poutama Tātua Korowai (which are the belts used during performance). The taura learn how to make these items during their performance paper. 												
<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 taura being provided with an inducement or benefit to study. 												

6. Responsibility for subcontracting arrangements.	<ul style="list-style-type: none"> There was no subcontracting of education provision. 																																
7. Compliance with requirements in Part 18 of Education Act 1989.	<ul style="list-style-type: none"> The overall standard of recordkeeping for enrolment records was inadequate as detailed in section 1 above. Part 18 of the Education Act 1989 includes, but is not limited to student programme information and records. The organisation holds taura records securely. The local qualifications offered by Takitimu are among the earliest approved by NZQA and one approval letter was sighted that dated back to February 1992. The most recent letter dated August 2006 from NZQA was sighted that included PC9004 and PC9006. This was part of the NZQA Compliance Register Project. It was not stated that PC9005 is an embedded qualification within PC9006 although the credit values match the rates at which the qualifications are currently funded by the TEC. The NZQA letter did not break down the learning hours to teaching hours weekly, work experience and self-directed learning. A review with Takitimu management of the teaching hours weekly, work experience and self-directed learning confirmed that full-time programmes are being delivered as approved. There was a slight under-delivery for taura enrolled in PC9005 and PC 9006 part-time. A summary of the discussion around hours delivered is included in the following table. <table border="1" data-bbox="501 1160 1402 1648"> <thead> <tr> <th colspan="4">Part-time tauri a enrolled in PC9005 and PC9006</th> </tr> </thead> <tbody> <tr> <td>Monday</td> <td>Teaching hours for Te Reo / Tikanga</td> <td>6.00 – 8.00 pm</td> <td>2 hours (Only for those that need it)</td> </tr> <tr> <td>Tuesday</td> <td>Teaching hours</td> <td>6.00 – 9.00 pm</td> <td>3 hours</td> </tr> <tr> <td>Thursday</td> <td>Teaching hours</td> <td>6.00 – 9.00 pm</td> <td>3 hours</td> </tr> <tr> <td>Saturday</td> <td></td> <td>Not set</td> <td></td> </tr> <tr> <td>Total</td> <td>Teaching hours</td> <td></td> <td>6-8 hours per week</td> </tr> <tr> <td>Add</td> <td>Self-directed learning</td> <td></td> <td>5 hours per week</td> </tr> <tr> <td>Add</td> <td>Work experience weekly</td> <td>Recorded as 5 hours in STEO but on average 2 hours per week</td> <td>2 hours per week</td> </tr> </tbody> </table> <ul style="list-style-type: none"> The summary provides a range of 13-15 hours per week x 36 weeks = 468-540 learning hours out of 600 hours required for a part-time enrolment. This is an average under-delivery of between 12.8% and 11.1%. The under-delivery is not deemed to be material for funding purposes but should be reviewed. 	Part-time tauri a enrolled in PC9005 and PC9006				Monday	Teaching hours for Te Reo / Tikanga	6.00 – 8.00 pm	2 hours (Only for those that need it)	Tuesday	Teaching hours	6.00 – 9.00 pm	3 hours	Thursday	Teaching hours	6.00 – 9.00 pm	3 hours	Saturday		Not set		Total	Teaching hours		6-8 hours per week	Add	Self-directed learning		5 hours per week	Add	Work experience weekly	Recorded as 5 hours in STEO but on average 2 hours per week	2 hours per week
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	<p>Level 4 qualification in Māori Performing Arts</p> <ul style="list-style-type: none"> • Takitimu commented that they last offered in 2003 a level 4 qualification in Māori Performing Arts. • There is a discrepancy in the qualification included in the Investment Plan for 2015 Summary of Activity (NC0701) and the Mix of Provision Master Template for 2016 that refers to PC2882. In the 2016 Mix of Provision PC2882 has activity indicated at 15.0 EFTS delivered (\$90,210 GST exclusive). • There were no taura (students) reported in 2015 in either qualification. • Takitimu should review the 2016 Mix of Provision Template and confirm if the details are correct. If the Level 4 qualification is to be offered the TEC would expect to be advised given that it was commented during the audit that the level 4 qualification had last been offered in 2003.
<p>8. Any other TEC funding matters.</p>	<p>Recognition of Prior Learning</p> <ul style="list-style-type: none"> • Takitimu has a Recognition of Prior Learning (RPL) Policy. The policy does not detail the administrative processes that should follow once RPL has been approved. • It is important to detail the process because of the funding condition: <i>SAC3+021: TEO not to seek SAC funding for recognised prior learning.</i> • Procedures are required to ensure funding is not claimed through the SDR where full RPL has been approved and the course EFTS factor field needs to be reset to zero. • In the case of partial RPL the course EFTS factor field should be pro-rated. • During the audit it was recorded on several academic Results Sheets that RPL had been approved and taura had also been awarded a course Grade. Complementing this were completed RPL forms held in the enrolment file but curiously dated at the end of the programme. • RPL (or Recognition of Current Competency) is an enrolment process and not applied after a taura has completed their studies. • Takitimu explained that it undertook this retrospective analysis in response to a 2015 Quality Improvement Plan action point reviewing RPL assessments. • Discussions during the audit indicated that some taura may have been eligible for full or partial RPL; however, without a full and documented assessment it could not be established if RPL was indeed applicable. • Takitimu does not have a history of approving RPL but the discussions indicated that some taura could have been eligible particularly those in the over 55 years of age category.

	<ul style="list-style-type: none">• Takitimu need to review their RPL policy and add a section detailing the administrative adjustments to funding that are required when RPL has been approved.
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Released under the
Official Information Act 1982