



TEC Overview: Review of Information Technology Training Institute

The TEC invests almost \$3 billion into tertiary education each year – funding about 700 tertiary education organisations (TEOs). It's vital we have a high performing sector that provides excellent outcomes for New Zealanders.

We continue to enhance our approach to monitoring to help ensure this happens. Monitoring is a 'business as usual' role for the TEC that contributes to both student success and sound stewardship of public money. We engage with TEOs on how they are delivering against their investment Plans, their financial viability and their operational performance.

Our regular monitoring function includes some or all of the following:

- › Engagement – we are available to offer advice and assist TEOs
- › Audits – designed to ensure that a TEO is meeting its funding conditions
- › Reviews – if we become aware of issues or concerns relating to a TEO's activities
- › Investigations – a more in-depth examination of a TEO's activities, likely to be in response to specific concerns or a complaint

You can read more about our monitoring framework [here](#).

Information Technology Training Institute

Information Technology Training Institute (ITTI) is a Private Training Establishment (PTE) whose programmes are offered through Academy New Zealand. Academy New Zealand operates in Auckland, Hamilton and Christchurch and is a division of Intueri Education New Zealand Ltd, which is part of Intueri Education Group Ltd (Intueri). It receives Student Achievement Component (SAC) and Youth Guarantee (YG) funding from the TEC.

Rationale for initiating the review

ITTI was identified for review based on routine analysis of the December 2015 [single data return \(SDR\)](#). In July 2016, we engaged Deloitte to undertake a review of the four programmes offered at ITTI from 2014 – 2016.

The programmes reviewed were:

- › Certificate in Computer Services (Level 5)
- › Certificate in Networking and Communications (Level 5)
- › Certificate in Linux Systems (Level 5)
- › National Certificate in Computing (Level 3)

These Certificates make up the Diploma in Computer Support: Service and Networks (Level 5).

Findings of the review and actions taken

Findings	Actions taken
Records <ul style="list-style-type: none">> Some historical issues with programme approval, verification of students and student data that occurred before Intueri's ownership of ITTI.	<ul style="list-style-type: none">> We have discussed with Intueri the importance of ensuring accurate data reporting for these programmes.

Next steps

This review has been completed. We are continuing to engage with Intueri through our standard monitoring processes.

We work with the sector in an open and transparent way across this area of our work, to ensure TEOs are clear about our processes and expectations. To improve on this commitment, we intend to publish the reports of all reviews and investigations once complete



We ensure New Zealand's future success.



**Information Technology Training
Institute**

Final Report for the Tertiary
Education Commission

Confidential

20 October 2016

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1. Executive Summary

Background

- 1.1. The Information Technology Training Institute ("ITTI") is a small Tertiary Education Organisation ("TEO") that offers qualifications that prepare students for roles within the information and communications technology ("ICT") industry.
- 1.2. Based on the funding information in the TEC SDR, ITTI had 37 Equivalent Fulltime Students ("EFTS") and \$278,063 of Student Achievement Component ("SAC") funding in the 2015 calendar year. This compares with 56 EFTS and \$492,927 of SAC funding in 2014.
- 1.3. The previous owner and chief executive of ITTI, Ms Margaret Sorensen, explained that she acquired the organisation as a going concern around 2007. She then re-developed the key programmes in collaboration with contacts in the ICT industry in order to deliver qualifications that were more attractive to potential employers.
- 1.4. Intueri Education Group Limited ("Intueri") then purchased ITTI from Margaret Sorensen and Robert Hogg on 9 April 2015. Since the purchase, ITTI has gone through another period of extensive change. This includes a change in management, further redevelopment of the ITTI programmes, improving internal processes, and moving premises to the Auckland CBD in order to attract more students.

Programmes under Review

- 1.5. TEC engaged Deloitte to undertake a review of four specific programmes at ITTI from 2014 – 2016. This included the Certificate in Computer Servicing (Level 5), the Certificate in Networking and Communications (Level 5), and the Certificate in Linux Systems (Level 5), referred to as the "three Certificates," and the National Certificate in Computing (Level 3).
- 1.6. The TEC funding provided for these programmes historically made up the majority of total funding received by ITTI. In the 2015 calendar year the TEC funding for these programmes was \$187,845, which made up 68% of ITTI's total SAC funding from TEC of \$278,063.
- 1.7. The three Certificates make up the content of another ITTI programme, the Diploma in Computer Support: Service and Networks (Level 5), referred to as the "Diploma." Historically, a student could enrol in either the Diploma or the individual Certificates. Once the three Certificates had been achieved by the student, the Diploma could be awarded to the student without undertaking any further programmes.

Key Findings

- 1.8. We did not find any significant issues of concern during our review in relation to the delivery of the four programmes from 2014 – 2016. However, we did find some issues for consideration that we have highlighted below:

Compliance with the Learning Hours and Weeks Entered by ITTI into the TEC Database STEO

- 1.9. For the three Certificates, we did not find any differences in learning hours and weeks between those submitted by ITTI in the TEC database ("STEO"), the Curriculum Documents and what were originally approved by NZQA. The tutors were aware of the hours in STEO and understood that they were the required hours of delivery. We also concluded, based on the tutor and student interviews that we conducted, that the total learning hours in STEO for each of the three Certificates have been materially delivered in practice.
- 1.10. We did not find any issues with the NZQA programme approval for the three Certificates. However, for the National Certificate (Level 3), we were unable to obtain any documentation that showed the original approval of the programme by NZQA. **Section 9(2)(a)** (Team Leader – NZQA) confirmed that ITTI had been granted consent to assess unit standards up to level 5 in generic computing by NZQA. In 2011, when the requirements to obtain programme approval from NZQA came in, there is no record that this was obtained under the previous ITTI management. Therefore, the evidence suggests that ITTI has been delivering a programme that had not been appropriately approved by NZQA from 2011. We note that the programme has been removed from the ITTI website and is not currently being offered to students. **Section 9(2)(a)** (Institute Director) and **Section 9(2)(a)** (Academic Manager) have also stated that this programme is in the process of being redeveloped.
- 1.11. For the National Certificate (Level 3), we also found from the tutor and student interviews that the total learning hours in STEO have also been materially delivered in practice.
- 1.12. The 2014 students we interviewed said that they enjoyed the programme and thought it was worthwhile. However, we highlighted some historic qualitative issues in the delivery. For example, there were no pre-aptitude tests and some students had never used a computer before. Students stated that while waiting for these students to perform basic tasks, their own progress was slowed down. Further, some students referred to a specific tutor and claimed that she did some of their assessments for them. Ms Sorenson stated that she had no idea the tutor was doing their assessments, although Ms Sorenson recognised at the time that the tutor was struggling, and organised an additional tutor to support her in her teaching. As the tutor's contract was due to expire within a few weeks. The contract was not extended and the programme was not continued

Historic Issues Relating to Verification of Students and Student Data

- 1.13. For the sample of students we selected and reviewed, we were provided with the majority of enrolment forms and supporting information we requested. We observed an improvement in the enrolment process from 2015 (after ITTI was taken over by Intueri) as all the information was in one enrolment pack.
- 1.14. One issue we found during our review of the SDR data was that there was some double counting of courses for the students we selected in our sample in 2014. This relates to the period before the Intueri purchase. In some cases, a student enrolled in a level 5 Certificate had also been enrolled in the same courses in the Diploma. We found this issue in eleven students out of thirty three, across all the students enrolled in either the three Certificates or the Diploma in 2014. The total EFTS funded by TEC for these eleven students in 2014 was 12.29, which is 1.29 EFTS (\$11,868) of potential over funding (assuming 1 EFTS per student). This equates to 5% of overfunding across the 24.90 total EFTS enrolled in either the three Certificates or the Diploma in 2014.

- 1.15. Ms Sorenson stated that there were issues in relation to the interface between the ITTI and TEC systems. This created a very manual and, in her opinion, confusing process. Ms Sorenson explained that she worked closely with TEC at the time in order to create a solution, including getting help from TEC to manually correct errors. The SDR process at the time also created an "ERROR" if there were too many EFTS for a student and prevented submission of the data. Ms Sorenson's recollection was that this made it impossible for any of these students to be double-funded.
- 1.16. This indicates that there could be SDR errors across programmes, including going back earlier than 2014. However, it would require further work in order for us to understand the issues that Ms Sorenson encountered at the time, including a historical review of SDR data and also discussions with the staff at TEC that Ms Sorenson was liaising with. We recommend that TEC determine if it deems this material from a funding perspective and if any further work needs to be performed.
- 1.17. Lastly, we found two exceptions where a student with a student loan had carried out more than 10% of the programme and should have been recorded in the SDR. If our sample is extrapolated over the total population of the potential issues of this type that TEC identified in the data (eleven), this equates to four exceptions in total going back to 2014.
- 1.18. If TEC deems this material from a funding perspective we would need to carry out further work to determine more accurately the extent that students have been incorrectly excluded from the SDR, ensure that the funding caps had not been reached compared to the investment plans for each programme, and then calculate the impact on ITTI's historic EPis.

2. Introduction

Organisational Background

- 2.1 ITTI is a Private Training Establishment (“PTE”) as defined under the Education Act 1989.
- 2.2 ITTI delivers qualifications that prepare students for roles within the information and communications technology (“ICT”) industry.
- 2.3 ITTI is a small TEO with 37 EFTS funded by TEC in the 2015 calendar year. We have provided a summary of the total SAC funding received and the associated EFTS from 2014 – 2015 based on information in the TEC SDR. We have not included 2016 because it only relates to part of the year.

Table 1: Summary of Total SAC Funding Received and Associated EFTS from 2014 - 2015

	Total SAC Funding	Total EFTS	Total NSN Count (Total Students) ¹
2014	\$492,927	56	152 (84)
2015	\$278,063	37	110 (59)

¹The first figure, for example “152,” is the total NSN’s enrolled. If the same student was enrolled in two Certificates they would be counted twice. The second figure, for example “(84),” is the total students at ITTI. If the student was enrolled in two Certificates they would only be counted once.

- 2.4 We briefly discussed ITTI’s history with the previous owner and chief executive, Ms Margaret Sorensen. She acquired the organisation as a going concern around 2007. She recalls it was initially set up in 1997. Shortly after the time of purchase, Ms Sorensen made a strategic decision to cease delivering programmes that were not IT related to make ITTI an education provider of purely IT qualifications.
- 2.5 Ms Sorensen started re-developing some of the programmes around 2009, in collaboration with contacts in the IT industry. She found that the market was most interested in prospective graduates having international IT certifications (for example, Linux+ and A+) rather than the year long programmes that were currently being offered by ITTI. Therefore, a longer programme, for example a diploma, was redesigned so that it was broken down into individual twelve week long certificates that prepared students for the international IT certification exams. The diploma was also structured so that once students completed the individual certificates, they would also have completed the content for the diploma.
- 2.6 Intueri Education Group Limited (“Intueri”) then purchased ITTI approximately one and a half years ago. On 9 April 2015, 100% of the company’s shares were transferred from the previous shareholders Margaret Sorensen and Robert Hogg to Intueri¹. **Section 9(2)(a)** (GM Business Performance and Systems – Intueri) and **Section 9(2)(a)** (Academic and Quality Assurance Support Director - Intueri), explained that Ms Sorensen assisted the current ITTI management in a transition process that lasted a few months, but had no further role in the organisation after that.
- 2.7 **Section 9(2)(a)** and **Section 9(2)(a)** also explained that Intueri provides administrative and information systems support to ITTI. ITTI has recently recruited a new College Director (**Section 9(2)(a)**) and an Academic Manager (**Section 9(2)(a)**) who are responsible for overseeing the delivery of the programmes.

¹ Companies Office website.

2.8 ITTI has gone through a period of extensive change since the Intueri purchase. This includes:

- A change in ownership and management;
- Redeveloping the current ITTI programmes;
- Focusing on improving internal processes. For example, it has recently implemented a new SMS system that became effective on July 2016; and
- Moving premises from Glen Innes to the Auckland CBD during the year in order to try and attract more students.

2.9 Over the next couple of years, current ITTI management plan to focus on redeveloping further programmes and growing the ITTI student base.

Programmes Selected by TEC

2.10 TEC engaged Deloitte to undertake a review of the delivery of the following programmes at ITTI from 2014 - 2016:

- Certificate in Computer Servicing (Level 5)(PC6000);
- Certificate in Networking and Communications (Level 5)(PC3000);
- Certificate in Linux Systems (Level 5)(PC3001); and
- National Certificate in Computing (Level 3) (NC5213).

2.11 The first three Certificates make up the content of another ITTI programme, the Diploma in Computer Support: Service and Networks (Level 5). Historically, the student could enrol in either the individual Certificates or the Diploma upfront. If the student initially enrolled in the Certificates and successfully achieved them, the student could be awarded the Diploma if they wished, as the learning requirements of the Diploma would be met.

2.12 The actual SAC funding received by ITTI for each of the programmes from 2014 – 2015, based on its SDR returns to TEC, is set out in the following table. We have not included 2016 as the available data only relates to part of the year.

Table 2: SAC funding received by the ITTI School (programmes within scope only)

Programme	Level	Credits	Duration	EFTS	SAC Funding 2014 (Percentage of total SAC funding)	SAC Funding 2015 (Percentage of total SAC funding)
A - Certificate in Computer Servicing ¹	5	40	12 weeks	0.33	73,195 (15%)	83,725 (30%)
B - Certificate in Networking and Communications ¹	5	40	12 weeks	0.33	67,197 (14%)	39,707 (14%)
C - Certificate in Linux Systems ¹	5	40	12 weeks	0.33	33,678 (7%)	64,413 (23%)
<i>Diploma in Computer Support: Service and Networks¹</i>	5	120	36 weeks	1.0	54,999 (11%)	0 (0%)
National Certificate in Computing	3	53	17 weeks	0.45	113,447 (23%)	0 (0%)

¹These three Certificates (A, B and C) make up the Diploma in Computer Support: Service and Networks (Level 5). This is a qualification approved in its own right and students can initially sign up for this programme instead of the individual Certificates. Although this qualification was not included within the scope we have included it in this table for information.

Scope of this report

2.13 TEC engaged Deloitte to undertake a review of the four selected programmes above from 2014 to 2016. The review included:

- checking the programmes were approved by NZQA, and comparing the programmes learning hours and weeks entered by ITTI into the TEC database “STEO” to what has been delivered by ITTI in practice;
- reviewing a sample of ITTI’s underlying enrolment records to check that there is an approved enrolment form with supporting documentation, the programme start and end dates on the enrolment form are reasonably consistent with the periods in the ITTI SMS and TEC SDR, there are attendance and assessment records, and there was accurate reporting to TEC of completions; and
- selecting a sample of students with student loans from Studylink data to check that they were valid students enrolled at ITTI and correctly entered into the TEC SDR.

Limitations

- 2.14 The terms of this engagement and the scope of the work you have asked us to undertake do not comprise an audit or a review engagement, and the assurances associated with those reviews are not given. Our work did not constitute an assurance engagement in accordance with the requirements of the Chartered Accountants Australia and New Zealand, and was not designed to provide assurance accordingly under International or New Zealand Standards on Auditing or Assurance such as ISAE 3000. Accordingly, no assurance opinion or conclusion has been provided.
- 2.15 The financial and other information contained in this report have been provided by ITTI, former and current ITTI staff, TEC, NZQA and various ITTI students. Our investigation was based on enquiries, analytical review, interviews and the exercise of judgement.
- 2.16 Our assessments are based on observations from our investigation undertaken in the time allocated. Assessments made by our team are matched against our expectations and good practice guidelines.
- 2.17 The matters raised in this report are only those which came to our attention during the course of performing our procedures and are not necessarily a comprehensive statement of all the weaknesses that exist or improvements that might be made. We cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud. Accordingly, our report should not be relied on to identify all weaknesses that may exist in the systems and procedures under examination, or potential instances of non-compliance that may exist.
- 2.18 This report has been prepared for distribution to TEC. We disclaim any assumption of responsibility for any reliance on this report to any other persons or users, or for any purpose other than that for which it was prepared. The reader agrees that Deloitte, its partners, principals, employees and agents neither owe nor accept any duty or responsibility to it, whether in contract or in tort (including without limitation, negligence and breach of statutory duty), and shall not be liable in respect of any loss, damage or expense of whatsoever nature which is caused by this report, or any use the reader may choose to make of it, or which is otherwise consequent upon the gaining of access to the report by the reader.

3. Compliance with the Learning Hours and Weeks

3.1 In this section we set out our findings on whether or not:

- the programmes were approved by NZQA; and
- the programme learning hours and weeks entered by ITTI into the TEC database “STEO” have been delivered by ITTI in practice.

Programme Alignment with the Approval Requirements

3.2 We have set out below the required hours of delivery under the original NZQA programme approval documents, the ITTI Curriculum Documents, and the hours that were submitted by ITTI into the TEC database STEO. TEC has advised us that the data entered into STEO is the basis for the education provider funding calculations.

Table 3: Required Hours of Delivery under STEO (TEC) and the NZQA Curriculum Documents

Programme	Approved STEO (TEC)	STEO (TEC)	Originally Approved ITTI Curriculum Document ¹	NZQA Original Approval or R0482
A – Certificate in Computer Servicing	22/04/2010	Duration: 12 weeks Teaching: 20 hrs/wk (240 total) Self-Directed: 13.3 hrs/wk (160 total) Total Learning Hours: 400	Duration: 12 weeks Teaching: 20 hrs/wk (240 total) Self-Directed: 13.3 hrs/wk (160 total) Total Learning Hours:400	Duration: 12 weeks Teaching: 20 hrs/wk (240 total) Self-Directed: 13.3 hrs/wk (160 total) Total Learning Hours:400
B – Certificate in Networking and Communications	13/04/2010	Duration: 12 weeks Teaching: 20 hrs/wk (240 total) Self-Directed: 13.3 hrs/wk (160 total) Total Learning Hours: 400	Duration: 12 weeks Teaching: 20 hrs/wk (240 total) Self-Directed: 13.3 hrs/wk (160 total) Total Learning Hours:400	Duration: 12 weeks Teaching: 20 hrs/wk (240 total) Self-Directed: 13.3 hrs/wk (160 total) Total Learning Hours:400
C – Certificate in Linux Systems	26/08/2010	Duration: 12 weeks Teaching: 20 hrs/wk (240 total) Self-Directed: 13 hrs/wk (156 total) Total Learning Hours:396	Duration: 12 weeks Teaching: 20 hrs/wk (240 total) Self-Directed: 13.3 hrs/wk (160 total) Total Learning Hours:400	Duration: 12 weeks Teaching: 20 hrs/wk (240 total) Self-Directed: 13 hrs/wk (156 total) Total Learning Hours:400
Diploma in Computer	22/04/2010	Duration: 36 weeks Teaching: 20 hrs/wk (720 total)	Duration: 36 weeks (teaching weeks)	Duration: N/a Teaching: N/a

Programme	Approved STEO (TEC)	STEO (TEC)	Originally Approved ITTI Curriculum Document ¹	NZQA Original Approval or R0482
<i>Support: Service and Networks</i>		<i>Self-Directed: 13.3 hrs/wk (479 total)</i> Total Learning Hours: 1,199	<i>Teaching: 20 hrs/wk (720 total)</i> <i>Self-Directed: 13.3 hrs/wk (479 total)</i> Total Learning Hours: 1,199	<i>Self-Directed: N/a</i> Total Learning Hours: 1,199
National Certificate in Computing	1/01/2007	Duration: 17 weeks Teaching: 30 hrs/wk (510 total) Self-Directed: 0 hrs/wk (0 total) Total Learning Hours: 510	N/a nothing found or obtained on the original programme approval	N/a nothing found or obtained on the original programme approval

¹Curriculum Documents were received from NZQA (not ITTI).

Certificate in Computer Servicing, Certificate in Networking and Communications and Certificate in Linux Systems

- 3.3 For the three Certificates (A, B and C), there were no differences in learning hours and weeks that were submitted in STEO, the Curriculum Documents and what was originally approved by NZQA. The tutors we interviewed were all aware of the hours in STEO and understood that they were the hours they were supposed to be delivering to in practice.
- 3.4 Once we were on site at ITTI, we found from our initial discussion that if a student completed the three Certificates, they could be awarded with the Diploma in Computer Support: Service and Networks. A student could either enrol in the Certificates individually or, at a reduced price, in the Diploma upfront. The delivery was structured so that if the student enrolled in the Diploma, the content would be the same as a student carrying out the three Certificates. We confirmed with **Section 9(2)(a)** (Team Leader – NZQA) that ITTI was able to do this under the original programme approval and change documentation that was originally submitted by ITTI under previous management. **Section 9(2)(a)** also stated that ITTI would need to provide evidence that the learners had completed the Certificates, and have a record that the equivalent learning outcomes and content for the Certificates matched the learning outcomes of the Diploma.
- 3.5 **Section 9(2)(a)** (Academic Manager) and **Section 9(2)(a)** (Institute Director) have been focusing on the development of a new Diploma in Computer Support: Service and Networks. This was approved by NZQA on 20 May 2016 and included a detailed Curriculum Document, which we have sighted. There have been no changes to the learning hours or credits in the programme, although **Section 9(2)(a)** confirmed that there had been some content changes. She also stated that students will now only be able to enrol in the new redesigned Diploma programme going forward, and not the individual twelve week long Certificates.

National Certificate in Computing

- 3.6 We were unable to locate any documentation that showed the approval of the National Certificate in Computing programme by NZQA.
- 3.7 **Section 9(2)(a)** (Academic and Quality Assurance Support Director at Intueri) advised that programme approval was not a requirement in 2007 when ITTI was originally registered. They had been granted consent to assess unit standards up to level 5 in generic computing by NZQA at this time. In 2011, when the requirements to obtain programme approval from NZQA came in, she believes that this was not obtained under the previous management. We confirmed with **Section 9(2)(a)** (Team Leader – NZQA) that this is consistent with their understanding and records.
- 3.8 We discussed this with Ms Sorenson (the previous owner and Chief Executive). Ms Sorenson's TEC Advisor brought to her attention that there was no evidence of the programme approval around the time of the Intueri purchase and she confirmed that this "*box had not been ticked*" from their perspective. However, she explained that it was discussed and agreed with TEC that as the final programme was finishing within a few weeks, the current cohort should complete their work. We understand from our discussion with Ms Sorenson that nothing further was required at that point.
- 3.9 Ms Sorenson highlighted that ITTI have had previous TEC Audits, and she always proactively addressed any issues identified as part of this process. She advised that if it was found that this was an issue earlier, she would have ensured that it was corrected appropriately.
- 3.10 However, ITTI has been delivering a programme that was not appropriately approved by NZQA from 2011. We recommend that TEC consider if this is a material issue from a funding perspective and if further investigation is required.
- 3.11 We note that the last year of delivery of the full programme was in 2014, under previous ITTI management (12.78 EFTS), with no EFTS claimed in 2015. Ms Sorenson explained that she stopped delivering this programme as it was a beginner's level qualification and it was not in line with ITTI's strategy at the time of offering ICT qualifications at a higher level and quality.
- 3.12 There were 0.45 EFTS claimed in 2016 under current ITTI management showing that they did in fact intend to offer this programme. However, all these students enrolled, but withdrew soon after. The tutor explained that the students were not fully engaged and eventually stopped showing up to class.
- 3.13 The programme has now been removed from the ITTI website and is currently not being offered to students. **Section 9(2)(a)** (Institute Director) and **Section 9(2)(a)** (Academic Manager) have also stated that this programme is in the process of being redeveloped.

Curriculum Documents

- 3.14 When we were on site at ITTI, the historical Curriculum Documents were unable to be located. The Curriculum Documents are important for the tutor in outlining the programme structure, a summary of the content, and they also often include the learning hours. They are reviewed by NZQA when the programme is initially approved by them. As a result, we have not been able to rely on the Curriculum Document as evidence in this review. However, as discussed below, we have been able to use other sources such as the TEC STEO database and the NZQA R0482 Documents.

- 3.15 When this was discussed with **Section 9(2)(a)** (GM Business Performance and Systems – Intuери), **Section 9(2)(a)** (Academic and Quality Assurance Support Director - Intuери) and **Section 9(2)(a)** (Institute Director) at an onsite meeting, they explained that they have been working to the NZQA documents and STEO since Intuери acquired the organisation in April 2015. The tutor’s primarily delivered to their lesson plans that were historically set up in accordance with the NZQA programme requirements. The tutors confirmed that there is no significant difference in the delivery before and after the acquisition that they are aware of.
- 3.16 **Section 9(2)(a)** (Academic Manager) stated that there are monthly Academic Meetings that include the Academic Manger, Institute Director and the tutors. This includes discussion on the NZQA and TEC requirements, industry engagement, moderation, programme approval and policy changes.
- 3.17 We sighted the meeting minutes dated 6 May 2016 that confirmed this. **Section 9(2)(a)** emphasised that the staff size is small, so usually all staff are present at these meetings.
- 3.18 Tutors explained that they updated the lesson plans themselves, which as previously discussed, were the main documents that they delivered too. **Section 9(2)(a)** stated that there had not been any changes to the content of the programmes since the new management took over. Lesson plans are often updated by the tutors to make the sessions more relevant and interesting, but the content and outcomes are unchanged. An example she used was that there might be a change in software that has to be updated in order for the programme to be relevant, but the learning outcomes do not change. **Section 9(2)(a)** provided us with an Intuери “Change Process for Approved Programmes and Training Schemes Guidelines” that specified Type 1 and Type 2 changes as evidence that there have recently been change processes in place. We have not investigated the programme changes that have been made within the lesson plans and whether these changes have been appropriately approved in line with the Intuери policy or historically by NZQA in any further detail.
- 3.19 As previously mentioned, a new Diploma in Computer Support: Service and Networks, including a further new Curriculum Document that has been developed by **Section 9(2)(a)** and **Section 9(2)(a)**, and approved by NZQA. As previously mentioned, **Section 9(2)(a)** stated that ITTI is also currently in the process of redesigning the National Certificate in Computing.

Learning Hour Analysis

- 3.20 We have been advised by TEC that an important part of the funding provided to Education Providers is based on the total learning hours delivered to the student (approximately 1,200 hours per year for a full time course).
- 3.21 The learning hours for the programmes we reviewed are comprised of teaching hours and self-directed hours. Our review focussed on both of these components and relied on tutor and student interviews.

Certificate in Computer Servicing, Certificate in Networking and Communications and Certificate in Linux Systems

- 3.22 We interviewed four tutors and seven students (who each enrolled in all three Certificates), related to the 2014 – 2016 period.

- 3.23 Based on the tutor and student descriptions, we understand that the three Certificates were all delivered in a similar way. There was class from 9am – 1.30pm each day of the week over 12 weeks. **Section 9(2)(a)** (Institute Director) stated that these are compulsory and there is a requirement for students to attend 80% of classes over the 12 weeks. This is reasonably consistent with what the tutors and students told us.
- 3.24 The sessions varied based on the lesson plans. However, they generally consisted of a lecture that included working through practical exercises during class. For example, building or dismantling a computer. There would often be some time in class where students would work through the exercises in the text book themselves.
- 3.25 There is likely to be some time during class that comprised “self-directed” learning. However, the student was required to work on the programme during this class time and the tutor was always present. Based on descriptions from tutors and students, the learning hours obtained from class time alone are in the range of 19-20 hours a week.
- 3.26 The tutors and students also stated that there was course work that need to be carried out in the students own time. This included exercises from the text book, quizzes from the tutor and additional study to help the student pass the assessments or associated professional exams. From the student’s perspective, the time spent on self-directed learning varied greatly. Some students did not do much outside of class and others did 3 -4 hours per day. However, the majority of the students said they carried out some study in their own time.
- 3.27 Therefore, with both the class time and the self-directed learning the total learning hours have been materially met in practice.

National Certificate in Computing

- 3.28 We interviewed one tutor and four students relating to the delivery of the National Certificate in Computing in 2014. The tutor we spoke to clarified that they were only supporting the primary tutor who was responsible for this programme, and that they were actually delivering another programme at the time.
- 3.29 From the tutor and student descriptions, there was consistency in the time of delivery, with the class time being from 9am – 3pm each day of the week.
- 3.30 All the students we spoke to enjoyed the programme and thought it was worthwhile.
- 3.31 The tutor stated there was an 80% attendance requirement. The students thought there was a requirement, although they could not specifically articulate what this was. However, they all mentioned that they generally turned up to class each day.
- 3.32 The tutor also explained that the sessions involved tasks such as using Microsoft Word, Access and Publisher functions, as well as creating your own website. The classes generally consisted of a lecture that included working through practical exercises during class, for example writing and formatting a letter or report in Microsoft Word.
- 3.33 The students that we interviewed stated that there was no class structure and during the day each student would generally do the work on their own. They would go through the unit standard they were working on themselves at the time and the progress would vary from student to student. One student stated that the tutor had difficulty keeping up with each of the individual student’s needs.

- 3.34 Ms Sorenson explained that the programme had a rolling intake, requiring the tutor to undertake one-on-one tuition with the students, rather than a lot of class plenary work. However, the tutor would plan class sessions where the whole class would interact on a project together.
- 3.35 There was likely to be time during class time in the National Certificate in Computing that was comprised of "self-directed" learning. However, the student was required to work on the programme during this time and the tutor was always present. Based on descriptions from the tutor and students, there are learning hours in the range of 28-30 hours a week delivered from this class time alone.
- 3.36 The tutor advised that there was not a requirement to carry out study in the students' own time and most of the work could be completed in class. However, some students would often spend time studying around assessment time. The students all stated that they did a lot of work in their own time to keep up with the programme. The TEC database STEO states that there is no self-directed hour component requirement for this programme. Therefore, the students were carrying out work in their own time over and above the requirements.
- 3.37 We noted qualitative issues from the student interviews with this programme during the 2014 year. For example, two students stated that there were no pre-aptitude tests, and some had never used a computer before. There was a wide range of abilities in the class and as a result the students had to work on different tasks at once. After this, one of these students stated "*what more can you expect of a free course though?*" Another student mentioned that ITTI had "*pressure to push the students through*" to get numbers, so they would sign up anyone. She did the programme because her son was a tutor of another programme. She also mentioned her cohort was shortened to twelve weeks, however no other student mentioned this issue, stating that it was the full seventeen weeks long. Lastly, one said the tutor "*did their assessments for them*" if a student was having trouble, which she was frustrated about because the students were then not learning themselves.
- 3.38 We discussed this with Ms Sorenson (previous owner and Chief Executive) and she agreed with the student comments that there would have been a mix of levels within this programme. One of the reasons ITTI stopped the programmes was because they wanted higher calibre qualifications and students. She noted that this tutor only taught the two level 3 classes in 2014. Ms Sorenson added that she was not aware that the tutor was apparently doing some of the student's assessments. She recognised at the time that the tutor was struggling and organised an additional tutor to support her. The tutor was not offered additional training, as her contract was due to expire within a few weeks. The contract was not extended and the programme was not continued.
- 3.39 In summary, we noted some historic qualitative issues in the delivery of this programme. However, the total learning hours have been materially delivered in practice.

4. Verification of Students & Student Data

Introduction

- 4.1 In this section we set out the preliminary findings from our review of ITTI’s underlying enrolment records.
- 4.2 We selected a random sample of three students per programme for each calendar year from 2014 – 2016 from the TEC SDR (being 17% of the total NSNs). The review included:
- Sighting the signed enrolment application form for each student and evidence of approval;
 - Checking that appropriate supporting documentation (e.g. birth certificate, passport) had been provided by the student to support their application;
 - Recording programme start and end dates on the enrolment form and checking that this was reasonably consistent with the periods in the ITTI SMS and the TEC SDR; and
 - Reviewing the student’s attendance, assessment and course completion records.

Enrolment Review Summary

- 4.3 A summary of the number of selections in each programme is outlined in the table below.

Table 4 Summary of Selections

Programme	2014	2015	2016
Certificate in Computer Servicing	3	3	N/a – no students
Certificate in Networking and Communications	3	3	3
Certificate in Linux Systems	3	3	3
National Certificate in Computing	3	N/a – no students	1 (no further students)
Total	12	9	7

4.4 We have displayed the results of the enrolment review in the table below by year.

Table 5 Summary of Enrolment Review Findings

Year	Enrolment form on file signed by the student	Evidence that the enrolment form is approved	Passport or Birth Certificate sighted?	Dates reconcile to the SDR (TEC) ¹	Completion of courses reported accurately to TEC?	Completion of qualifications reported accurately to TEC?
2014	9/12	7/12	12/12	12/12	12/12	10/12
2015	8/9	8/9	9/9	8/9	8/9	8/9
2016	5/7	6/7	7/7	7/7	N/a – still completing	N/a – still completing

¹The programmes dates reconcile to within six months of the programme start date. There were minor differences noted, but the majority of these related to the fact that the student signed a Diploma enrolment form and so the date they signed up for the individual Certificates could not be determined from the enrolment information.

4.5 We noted an improvement in the enrolment process from 2015, after ITTI was taken over by Intueri.

4.6 In 2014 the enrolment documentation we reviewed was hard to follow and consisted of multiple forms. For example, in the majority of cases there was an enrolment form on file signed by the student (9/12 instances), and we found evidence of approval, often through a separate letter sent to the student confirming their place in the course. Sometimes the approval was not on file and we had to rely on another document, for example a student agreement. In other cases, the enrolment form was signed, or sometimes there was no evidence of approval at all. From 2015, the approval process had been changed and the information was in one enrolment form and was much easier to follow.

4.7 After the Intueri purchase, Ms Sorensen assisted current ITTI management in a transition process that lasted a few months. She advised us that TEC identified in an audit at this time that some of the enrolment forms had not been signed (as evidence of approval). At this point, the process was amended to ensure this was completed in the future.

4.8 We noted two instances where the EFTS had been double counted within a Certificate. One of these instances related to 2015 and we found evidence that the student withdrew and was re-enrolled. The other instance related to 2014 and an explanation could not be obtained as it related to previous management.

4.9 For the 2014 and 2015 years, we found eight instances where the student was enrolled in the Diploma rather than the individual Certificates as specified in the SDR. All of these instances related to 2014 (or early 2015) under previous management. We have considered this issue in more detail separately below.

4.10 We did not locate assessment records for each student as not all assessment records are kept by ITTI. However, we sighted a sample of assessment records that ITTI kept for moderation purposes.

4.11 We were able to sight attendance records for the students for 2016. Three students had completed the qualification in the ITTI SMS in 2016 at the time we were on site. Two of the students attended more than 80% of the programme in the attendance records, and one has attended only 66%. **Section 9(2)(a)** (GM Business Performance and Systems – Intueri) stated that this was because they could not attend during normal classroom hours therefore ITTI offered the opportunity for the students to come in during the

afternoon to work with the tutor one on one. She stated that this attendance is not represented in the day-to-day attendance checking; however, they will revise their process to ensure after class attendance is recorded more appropriately in the future.

Reporting of Completions

- 4.12 Students are enrolled in a programme (qualification) level in the TEC SDR. They are also enrolled in a more detailed "course" level, which is the modules that make up the programme. This is often, but not always, in practice the individual unit standards of the programme.
- 4.13 We found that for all the courses that the students were enrolled in, completion information had been submitted to TEC.
- 4.14 In the course completions, we found one exception where the student had completed the qualification in the ITTI SMS, but one associated course had incorrectly been entered as being not completed within the TEC data.
- 4.15 However, we found three exceptions in the qualification completions where the student had successfully completed the qualification in the SMS, however this was not reported to TEC. We did not find any issues in the reverse situation (where the student had not completed the programme in the ITTI documentation provided to us, however they were incorrectly reported as completing the qualification to TEC).

Overlap of the Certificates and Diploma

- 4.16 As previously discussed, some students enrolled in the three individual Certificates, and others the Diploma.
- 4.17 However, we found that this did not always correlate with the SDR information. For example, students were recorded in the SDR under the Certificates, however they were enrolled via the enrolment form under the Diploma.
- 4.18 We discussed this with Ms Sorenson, and she advised that the SMS system utilised by ITTI did not interface well with the TEC system. ITTI planned to replace the SMS system, but put those plans on hold when the Intueri purchase was instigated. The processes behind the recognition of the EFTS consumption in the SDR became quite complicated and time consuming due to the system differences, however Ms Sorenson advises that these processes were agreed in conjunction with TEC, and ITTI worked closely with TEC at this time.
- 4.19 The enrolment process was different for each student depending on their needs. A lot of students did not have a strong educational background, and the Certificate in Computer Support was a good starting point to give them hands on experience and get them excited about the Certificates. If they continued, ITTI might then enrol them in the Diploma or the further Certificates after that depending on what they wanted to do. The student might then be recorded in the SDR as enrolled in the Certificates rather than the Diploma.
- 4.20 Therefore, the EFTS consumption and what was recorded in the SDR would not always correlate with the enrolment forms. Ms Sorenson explained that the student always carried out the programme that was recorded in the SDR though, it was just a matter of whether it was under a Certificate or a Diploma. We note that if the students are enrolled in the three Certificates compared to the Diploma, the TEC funding is

the same value per EFTS (\$9,200²). Ms Sorenson highlighted that there was a slight difference between the two options in relation to EFTS consumption. For example, the three Certificates are worth 0.99 EFTS combined and the Diploma is 1.00 EFTS. Given that 56 EFTS were funded in 2014, this maximum difference would be small, at 0.56 EFTS³.

- 4.21 In the students we tested as part of our enrolment review, we found some double counting where the student had been enrolled in the same courses under both the Certificate and the Diploma in 2014. This initially indicated that ITTI incorrectly received funding twice for these courses.
- 4.22 As a result of this, we performed a query on the TEC SDR data for all the students enrolled in the three Certificates or the Diploma from 2014 to 2016 to look for any further potential double counting. We have summarised these results below.

Table 7 Summary of Double Counting of Courses

Year	Students in Reporting Year	Students with Double Counting	Total Courses Enrolled	Courses Double Counted
2016	10	0	34	0
2015	37	0	135	0
2014	33	11 (33%)	164	22 (13%)

- 4.23 We did not find any issues with double counting within the three Certificates and Diploma in 2015 or 2016 under current ITTI management.
- 4.24 In 2014, under previous management, we found double counting for eleven NSN's (students) out of thirty three that had been enrolled in either of the four programmes (three Certificate and Diploma). Of these eleven NSNs, we found twenty two courses where there was double counting of enrolments. For example under one NSN (student) in the TEC SDR, we could find an enrolment under the course "Linux 1" in the Certificate in Linux Systems, as well as "Linux 1" under the Diploma.
- 4.25 We found that some students had more than one EFTS claimed in the SDR per student and some had less, and the total EFTS claimed were inconsistent between the students. We are not clear on the details for each student on why it was done in this way and would vary depending on each of the individual student's situation.
- 4.26 As previously mentioned, Ms Sorenson stated that there were issues in relation to the interface between the ITTI and TEC systems. This created a very manual and confusing process. She explained that she worked closely with TEC at the time in order to create a solution, including getting help from TEC to manually correct errors. The SDR process at the time also created an "ERROR" if there were too many EFTS for a student and prevented submission of the data. Ms Sorenson's recollection was that this made it impossible for any of these students to be double-funded.

² Source: SDR data.

³ (.01x56)

- 4.27 There could potentially be inaccuracy in the SDR data for some of these students. However, it would require further work in order for us to understand the issues that Ms Sorenson encountered at the time, including a historical review of SDR data and also discussions with the staff at TEC that Ms Sorenson was liaising with. The total EFTS funded by TEC for these eleven students in 2014 was 12.29, which is 1.29 EFTS (\$11,868) of potential over funding (assuming 1 EFTS per student). This equates to 5% of funding across the 24.90 total EFTS enrolled in either the three Certificates or the Diploma in 2014.
- 4.28 There may be further errors across other programmes or historically (further back than 2014). Based on the quantum of the overfunding above, TEC needs to determine if it deems this material from a funding perspective and if any further work needs to be performed.

Student Loans

- 4.29 TEC obtained data from Studylink that showed all the students that had received student loans with ITTI as the education provider. The Studylink student information did not reconcile with the TEC SDR information, so TEC carried out a basic query that constructed a "NameID" associated with the SDR, which was based on the student's full name in the Studylink data. From this query, there were students identified in the Studylink information as having loans that were not in the TEC SDR information. These differences could be for valid reasons and this was only a basic query.
- 4.30 We selected and tested some of the students with differences to check that they were firstly valid students enrolled at ITTI and secondly, whether they were accurately entered into the TEC SDR. The table below shows the number of students with differences and the number of students we selected to review.

Table 6 Summary of Issues in Student Loan Query

Year	Total Differences (Total Population)	Total Selected (Sample)	Issues
2016	0	0	0
2015	3	3 (A)	1 (A)
2014	8	3 (B)	1 (B)

- 4.31 Two out of three selections in 2015 (A) had been correctly reported in the SDR. In all the selections we found a signed enrolment form. We have sighted evidence that two of these students withdrew before the 10% start date of the programme, so have been excluded from the SDR. However, one completed the programme for 10 of the 12 weeks. We sighted a note on the file dated 2 April 2015 that they were generally unhappy with the course. We discussed this with current management and they noted that this was during the transition process and the student could have been unhappy as a result of this. Current ITTI management accept this was an oversight, but they had only just taken over management at this point.
- 4.32 Two out of three selections in 2014 (B) had been correctly reported in the SDR. For one selection we could find a signed enrolment form and the student was correctly included in the SDR. For another, there was no supporting documentation, however the Public Trust⁴ documentation showed that the student withdrew

⁴ The student (or Studylink) pays their programme fees to the Public Trust as the trustee, not directly to ITTI. The Public Trust will then transfer the funds to ITTI when they are legally entitled to them.

before the 10% start date. For the third selection, we could also not find any supporting documentation. However, the Public Trust and Studylink information stated that the student received no fee refund. The student is likely to have completed more than 10% of the programme and therefore should have been included in the SDR as there are no withdrawal records.

- 4.33 We have found two exceptions out of six in our sample where a student with a student loan through ITTI had carried out more than 10% of the programme, and should have been recorded in the SDR. If this is extrapolated over the total differences found (eleven) this equates to four exceptions in total going back to 2014.
- 4.34 The impact of these exceptions is that ITTI may have been underfunded, as these are EFTS that they could have included in the SDR, as long as their funding EFTS cap had not been reached. We note that the total EFTS cap had not been reached in 2014. However, we were not able to reconcile the EFTS in the SDR back to what was approved in the TEC investment plans for the individual programmes. We did not carry out any further work on this reconciliation as this was outside of the scope of this review.
- 4.35 On the other hand, if these students (who did not finish the programme) were correctly included in the SDR, it may have reduced ITTI's qualification and course completion Education Performance Indicators ("EPI"), which are also funding requirements.
- 4.36 We note that the current ITTI management have previously notified TEC if they have found issues with the accuracy of the SDR information submitted. For example, **Section 9(2)(a)** (Academic and Quality Assurance Support Director - Intueri) explained that an error was discovered internally following a comparison of the Public Trust accounts to the SDR, finding 4.951 EFTS (16 students) had been incorrectly omitted from the 2015 December SDR. The majority of omissions related to one particular course (13 out of 16 students). The Student Management System ("SMS") at the time allowed an enrolment to be entered without the course start and end dates, which meant that the students were not picked up in the SDR. **Section 9(2)(a)** stated that a new SMS had been implemented. This, along with more robust internal controls, will prevent this from occurring again. We have confirmed with TEC that it was proactively notified by ITTI of this particular issue in May 2016.
- 4.37 If TEC deems this material from a funding perspective we would need to carry out further work to determine more accurately the extent that students have been incorrectly excluded from the SDR, ensure that the funding caps had not been reached compared to the investment plans for each programme, and then calculate the impact on ITTI's historic EPIs.

Appendix A – Key Sources of Information

Key Sources of Information

Type	Details
Documents	<ul style="list-style-type: none"> • ITTI SDR data in relation to enrolments and completions • STEO printouts from TEC for each programme (from TEC) • NZQA programme approval and R0482 documents for each programme (from NZQA and ITTI) • Academic meeting minutes dated 6 May 2016 • Intuери Change Process for Approved Programmes and Training Schemes Guidelines • Tutor list for each programme (ITTI) • Student list for each programme (ITTI) • TEC data query comparing TEC SDR data to the Studylink data
ITTI Personnel	<ul style="list-style-type: none"> • Section 9(2)(a) (Institute Director) • Section 9(2)(a) (Academic Manager) • Section 9(2)(a) (GM Business Performance and Systems – Intuери) • Section 9(2)(a) (Academic and Quality Assurance Support Director – Intuери) • Margaret Sorenson (previous owner and Chief Executive) • ITTI Programme tutors: <small>Section 9(2)(a)</small> <ul style="list-style-type: none"> ■ [Redacted] ■ [Redacted] ■ [Redacted] ■ [Redacted]
Other	<ul style="list-style-type: none"> • A selection of randomly chosen students were interviewed across programmes • Section 9(2)(a) (Manager, Monitoring and Crown Ownership - Tertiary Education Commission) • Section 9(2)(a) (Senior Advisor - Tertiary Education Commission) • Section 9(2)(a) (Senior Advisor - Tertiary Education Commission) • Section 9(2)(a) (Team Leader – NZQA) • Section 9(2)(a) (Senior Risk Case Analyst – NZQA)



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