Deloitte.

Safety n Action

Final Report to the Tertiary Education Commission

Confidential

24 April 2015

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1. Executive Summary

1.1.   The Tertiary Education Commission ("TEC") is currently carrying out a review of Tertiary Education Organisations ("TEOs") to obtain comfort that the sector is compliant with TEC and the New Zealand Qualification Authority's ("NZQA") programme and funding approval requirements and that their high trust model is working in practice.

1.2.   TEC has selected a sample of TEOs based on certain criteria, including existence of sub-contractors to deliver programmes, rapid growth in equivalent full time participants ("EFTS") or high number of course and qualification completion rates. Once the organisation is selected, a range of programmes across the TEO are chosen for review, including those programmes that fall under the selection criteria.

1.3.   TEC has engaged Deloitte to undertake a focused review of one selected programme at Safety n Action ("SnA") to establish if the teaching delivery is in compliance with requirements of the Education Act 1989 and adheres to the delivery approved by NZQA in order to be funded by TEC.   This specifically includes a review of the processes and practices and underlying documentation to investigate whether, from 2012 – 2014, the programme:

- is taught in accordance with TEC's funding and NZQA's programme approval requirements;

- complies with the teaching hours in the Programme Document (or SnA Course Outline) and entered into STEO;

- has evidence of sufficient underlying enrolment and assessment records; and

- has evidence of accurate reporting of completions of unit standards and qualifications to TEC and NZQA.

1.4.   SnA is a Tertiary Education Provider as defined in the Education Act 1989 and is a Private Training Establishment ("PTE"). SnA was funded for an amount of $232,099 (excluding GST) by TEC during 2014 under the Student Achievement Component ("SAC") funding framework.

1.5.   SnA management and staff were all highly cooperative during the review process and we are appreciative of managements transparent approach.

1.6.   From discussions with 9(2)(a) of the OIA (Director), SnA is a unique PTE. It provides one to two day courses to people currently working in industry in order to provide opportunities for them to upskill and also helps ensure the companies and individuals meet the industries health and safety regulatory requirements. The difference between this PTE and the majority of others is that all the participants are generally in full time work. The majority of feedback we received from the participant interviews on the courses was highly positive, and they found the courses beneficial and applicable to their current roles in their employment.

1.7. The main area we want to highlight is the issue of recognised prior learning ("RPL"), as presented under the TEC guidance. The participant has often completed and paid (through the employer) to carry out the individual courses and teaching before they intend to complete or enrol in the qualification. Our sample tests and participant interviews show that the extent this occurs is highly variable, with some participants enrolling in the qualification before the courses begin, some during and some after. We recommend that TEC consider whether or not those who enrol in the qualification after completing some or all of the units are effectively being funded for RPL. We could carry out further work to understand the extent of this if required by TEC.

1.8. SnA's response to this issue is that they have addressed this through their new "Policy and Procedure Document" for enrolments, which we have sighted. This requires all enrolments into the qualification to be completed on or prior to the date of the first course being undertaken. Therefore, the timing issue will be rectified going forward.

1.9. We have also noted that there are discrepancies between the learning hours and teaching, work experience and SDL hour split between the Course Outline, STEO and the R0482. The current total learning hours of 1,000 originally entered into STEO in 2013 by SnA are unusually high, with the majority (960 hours) being work experience and self-directed learning ("SDL") hours. SnA management have explained to us that the total of 1,000 total learning hours was never a requirement and the qualification has always been a 50 credit programme with 500 total learning hours. They will update STEO to reflect this.

1.10. The "Training and Workplace Record Book" signed off by the participant to confirm that they have carried out appropriate total work experience hours is lower than this combined 960 hour level. However, it is likely that the work experience would still be met by the participant, given they are generally in full time work.

1.11. We have raised improvement recommendations in the report, which include that SnA:

- Explicitly states the total learning hours and hour split in the Course Outline (or other appropriate document) and then ensures that this agrees to STEO and NZQA documentation.

- Receive guidance from NZQA and TEC on whether the sign off of the programme learning objectives and hour requirements by the participant is enough evidence to satisfy them that the learning has taken place. In other cases, we have received advice that a more detailed work book over the qualification duration, which demonstrates more participant initiative, is necessary. This includes the student outlining how they have met the learning objectives and more detail of learning activities in contrast to a high level sign off. This would then be reviewed by an appropriate person at SnA to ensure this is up to the appropriate standard.

- Ensures that going forward, the unit standard fees are updated in STEO on an annual basis.

- Put a formal process in place to track and monitor:

    - participants completion of courses that are related to the qualification;

    - those contacted to complete the qualification;

    - those who decide to do the qualification; and

- then at what stage the participants who are carrying out the qualification are at in the enrolment and completion process, for example the administrative forms they have filled and the requirements of the qualification they have met at a point in time.

- Implement process changes to the enrolments process such as:

  - signing and dating the review of the enrolment applications to provide a trail of who carried out the review and the timeliness of this process;

  - using a passport, birth certificate or other appropriate means of identification to confirm the domestic status of the participant and therefore eligibility for funding for the qualification;

  - ensuring copies of originals are certified by an appropriate staff member at SnA; and

  - putting a process in place to monitor the amount of EFTS funding claimed per participant and ensure it does not exceed the approved amount of 0.4167 EFTS.

- Always ensure that SnA, TEC and NZQA completion records accurately agree and are reported on a timely basis.

1.12. SnA management have explained to us that they have already made a number of these improvements including:

- Updating STEO to ensure unit standard fees are up to date, which will be updated on an annual basis going forward;

- Making changes to the enrolment process, including implementing a new "Policy and Procedure Document." This includes:

  - completing and checking the enrolment forms prior to the course commencement;

  - using a passport or birth certificate that also verifies the participants active NSI to confirm the participants identity; and

  - having a staff member certify that they have sighted the original verification documents.

- Introduced a tracking document checklist for each participant to track and monitor the completion of participants on courses over the qualification time period, which includes:

  - verifying identification details;

  - details of assessment packs including moderation details and a log book (Training and Workplace Record Book) date and verification details;

  - sign off that only 50 credits have been applied for through TEC to ensure the funding claimed does not exceed the approved 0.4167 amount per participant; and

  - sign off that the NZQA record for the participant has been obtained up front and details of the units that have been uploaded once achieved.

2. Introduction

Background

2.1   SnA is a Tertiary Education Provider as defined in the Education Act and has been a registered PTE since 2002. Under SnA's website, their vision is "*to be the most professional, friendly and easy to deal with provider that our customers view as their partner in achieving their desired safety culture.*"   From discussions with 9(2)(a) of the OIA (Director), SnA is a unique PTE. It provides courses to people currently working in industry in order to provide opportunities for them to upskill, and also helps ensure the companies and individuals meet the industries health and safety regulatory requirements.

2.2   In April 2009 Occupational Safety Management ("OSM") was purchased by SnA from Aoraki Polytech. From discussions with 9(2)(a) of the OIA, the reason for the purchase was to increase SnA's presence in the South Island as well as gaining additional capability to teach and assess unit standards of interest to industry. OSM attracted TEC funding and SnA took this over from the purchase date in April 2009. Although all the courses were taught under the SnA brand from the participant's perspective, some unit standards were delivered and TEC funding was submitted under OSM.

2.3   SnA made an application to NZQA to merge the two companies in December 2012, which was approved four months later in April 2013. We have been advised by SnA that OSM is now a shell company for financial purposes. The reasoning for the merger was so all the delivery and assessment, and funding could be carried out under SnA. SnA applied for programme approval under OSM for the Level 3 and Level 4 Occupational Health and Safety National Certificates. As the company merger was going ahead, SnA was advised by NZQA to withdrawn these applications and apply under SnA for the Level 3 only (as it was decided to no longer apply for funding for Level 4).

2.4   SnA confirmed that TEC was informed of this process. Some of the domain accreditation required for the Level 3 came under OSM's consent to assess and it took NZQA until late August 2013 to merge the consent to assess and have it available for SnA to fully complete its programme approval for the Level 3 qualification. This was finally approved in September 2013.

2.5   At this point, SnA wanted to correctly change the return data submitted to TEC from OSM to SnA. Since 2010, the function of compiling and completing the SDR (student data) returns had been contracted out to Integrated Education Software ("IES"), prior to this Aoraki Polytech completed these. As the merger had taken place part way through the year, there were issues with merging the data, with participants enrolled twice and an incorrect funding code being used. This resulted in SnA being deemed to over deliver for 2013 and 2014 and penalised. The SDR's were resubmitted and issues with the double up of participants were resolved.   The process was very time consuming for IES and SnA to ensure they got it right . In the end, they had to withdraw all the participants from OSM and re-enter them under SnA.

2.6   In the Confirmation of Investment Plan Funding letter dated 20 December 2013 to [9(2)(a) of the OIA] (Director) from Dr Grant Klinkum (General Manager, Tertiary Investment), SNA was funded for SAC funding during 2014 of $232,099 (excluding GST) from the TEC (Appendix A of the letter).

2.7   TEC has asked Deloitte to undertake a focused review of one selected programme at SnA. Details of this programme are in the table below:

Programme[1]	Date Programme Approved by NZQA[2]	Level[1]	Credits	EFTS in SDR Return 2014[3]	EFTS 2014 Allocation in the 2014 Investment Plan	Sub-contractor[4]
National Certificate in Occupational Health and Safety (Workplace Safety) (Level 3)	12 September 2013	3	50 credits	38	38	None

[1] Based on the Course Outline provided to us by SNA

[2] Sourced from the Grant of application for Programme Approval letter from NZQA dated 12 September 2013 signed by [9(2)(a) of th] (Manager, Service Delivery)

[3] Sourced from the return information submitted by SnA to TEC for funding purposes

[4] Sourced from Discussions with TEC and SnA have confirmed that there are no subcontractor relationships for these programmes

Scope of this Report

2.8   TEC has engaged Deloitte to undertake a focused review of one selected programme at SnA to establish if the teaching delivery adheres to that approved by the NZQA in order to be funded by TEC.   This includes a review of the processes and practices and underlying documentation to investigate whether, from 2012 – 2014, the programme:

- is taught in accordance with TEC's funding and NZQA's programme approval requirements;

- complies with the teaching hours in the Programme Document (or SnA Course Outline) and entered into STEO;

- has evidence of sufficient underlying enrolment and assessment records; and

- has evidence of accurate reporting of completions of unit standards and qualifications to TEC and NZQA.

Limitation of this Report

2.9 The terms of this engagement and the scope of the work you have asked us to undertake are different from an audit or a review engagement, and the assurances associated with these 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.

2.10 The financial and other information contained in this report has been provided by SnA, TEC, NZQA and various SnA participants. Our review was based on enquiries, analytical review procedures, interviews and the exercise of judgement. There is, therefore, an unavoidable risk that some material misstatements may remain undiscovered.

Key Sources of Information

Type	Details
Documents	• National Certificate in Occupational Health and Safety (Workplace Safety) Level 3 Course Outline • STEO data under SnA and OSM from TEC • R0482 Programme Details Document from SnA and NZQA • Dataset submitted by SnA and OSM to TEC for of enrolments for funding purposes as well as the qualification and course completion data from 2011 - 2014. This was obtained from TEC • Programme monitoring, evaluation and review document
Staff SnA	• 9(2)(a) of the OIA (Director) • 9(2)(a) of the OIA (Quality Manager) • 9(2)(a) of the OIA (Administrator) • 9(2)(a) of the OIA (Integrated Education Software) • 2 course tutors
Other	• A total of 10 participants were interviewed across the selected programme • Graeme Cahalane (Manager, Monitoring and Crown Ownership, TEC) • s 9(2)(a) of the OIA (Senior Advisor, Monitoring and Crown Ownership, TEC) • 9(2)(a) of the OIA (Risk Case Analyst, Risk Management) • 9(2)(a) of the OIA (Team Leader Approvals and Accreditation, Quality Assurance Division)

3. Compliance with NZQA Approval and TEC Funding Requirements

3.1   In this section we set out our findings on whether, from 2012 – 2014, the programmes:

- are taught in accordance with TEC's funding and NZQA's programme approval requirements; and

- comply with the teaching hours in the Programme Document (or SnA Course Outline) and entered into STEO.

Programme Alignment with Approval and Funding Requirements

3.2   We set out below the required hours under the Course Outline and the hours submitted by SnA into STEO, the TEC database. We have carried out the following procedures:

- identified any differences between the Course Outline hours and the hours submitted into STEO (red below);

- if we have identified a difference between the Course Outline and STEO, we have then traced this change through to the discussion and approval in accordance with SnA policies; and

- obtained any Course Outlines that NZQA hold, as well as any approval of change documents. We compared these to the current Course Outline at SnA to check whether there were any unapproved changes in the Course Outline that were required to go through NZQA for approval.

Programme	Date Programme Approved by NZQA[2]	Course Outline (SnA) Hours[1]	NZQA R0482 Hours[3]	STEO (TEC) Hours[4]
National Certificate in Occupational Health and Safety (Workplace Safety) (Level 3)	12 September 2013	Teaching: 53 Work Experience: N/a Self-directed: N/a TOTAL HOURS: 500	Teaching: 40 Work Experience: 520 Self-directed: 440 TOTAL HOURS: 1000	Teaching: 40 Work Experience: 520 Self-directed: 440 TOTAL HOURS: 1000

[1] Based on the Course Outline provided to us by SnA. The learning hours are not explicitly stated. Therefore, we have interpreted the teaching hours as 53 based on the example qualification with 7 days of courses (7 days * 7.5 hours per day is 53 teaching hours). We have assumed the total learning hours are 500, based on 50 credits required to complete the qualification (from our experience this is usually worked out as 10 learning hours per credit)

[2] Sourced from the Grant of application for Programme Approval letter from NZQA dated 12 September 2013 signed by 9(2)(a) of th (Manager, Service Delivery)

[3] Sourced from the R0482 Programme Details Document provided to us by NZQA and SnA. We have interpreted the total learning hours as 25 total programme hours multiplied by 40 weeks total length. And the split as 1 teaching hour per week over the 40 weeks total length, and the work experience and SDL split is the remaining 960 hours multiplied by the ratio of weekly hours in the R0482 (13/24 hours for work experience, and 11/24 hours for SDL)

[4] Sourced from the return information submitted into STEO by SnA to TEC for funding purposes.

Reconciling STEO (TEC), R0482 (NZQA) and the Course Outline

3.3   We have provided explanations in the table above of the total learning hours and the split of teaching, work experience and SDL.

3.4   The R0482 Programme Details Document explicitly states a total of 500 total "study" hours. We are not clear what "study hours" refers to. However, the total learning hours is 1,000 when you calculate it based on the total length and average hours per week stated in the document. We note that this is inconsistent with the 500 study hours figure.

3.5   The STEO total learning hours is calculated based on the 25 learning hours a week multiplied by the 40 teaching weeks that was submitted by SnA. The value of 1,000 hours is high for a 50 credit qualification.

3.6   We note that SnA management have explained to us that the total of 1,000 total learning hours was never a requirement and this has always been a 50 credit programme with 500 total learning hours.

3.7   We have raised a recommendation that SnA explicitly states the total learning hours and hour split in the Course Outline (or other appropriate document) and then ensures that this is consistent with STEO and NZQA documentation. SnA management has advised that they will update STEO to reflect the 500 total learning hours, which is in their view the correct figure.

Approval of the Qualification

3.8   We have not been able to source the original approval documents through NZQA. However, we have been able to obtain an "Application to ITP Quality" created by Aoraki Polytech from TEC. This document is undated; however the associated approval letter from ITP Quality is dated 23 January 2007. We understand that at this time Aoraki Polytech was an owner of OSM. This document indicates that ITP Quality approved the qualification, not NZQA. Our understanding is that this was before 31 December 2010 at the time when NZQA delegated the authority for

the approval and accreditation of polytechnics and institute of technology courses to the Association of Polytechnics in New Zealand ("APNZ") and it's Polytech Programmes Committee ("NZPPC") (later called "ITP Quality"). From 1 January 2011, the quality assurance services were provided by NZQA. The programme was approved pre-2011 during this time and therefore NZQA do not hold these original documents.

3.9 As some of the domain accreditation required for the Level 3 came under OSM's consent to assess, SnA wanted to merge SnA and OSM and submitted the Application in December 2012, which was approved in April 2013. In August 2013 NZQA merged the consent to assess and had it available for SnA to fully complete its programme approval for the Level 3. This was approved under NZQA in September 2013.

3.10 We have reviewed at a high level the "Application to ITP Quality" created by Aoraki Polytech provided to us by TEC. There is evidence that there may have been some differences between what was approved initially and what is being currently delivered. For example, it refers to "project work" and for assessments "negotiation of hand-in dates with the tutors," which is different to how we currently understand the delivery. The detail is missing on required learning hours, unit standard descriptions and the structure and proposed schedule.

3.11 Therefore, given the lack of documentation we are unclear on what the delivery actually looked like before the purchase of OSM by SnA in April 2009. Furthermore, we have not carried out any interviews that relate to this far back in time.

3.12 We discussed with management at SnA what the programme looked like before it was approved by NZQA in 2013. They confirmed that since they took the qualification and TEC funding over from April 2009, there has not been significant changes in terms of the delivery of the teaching component on the individual courses from what they are currently doing. There has been some additional processes and requirements added to receive the qualification such as participants signing off the work experience hours in the "Training and Workplace Record Book." However, overall the delivery has been reasonably consistent.

Approval of Changes of Learning Hours and Programme Changes

3.13 We have obtained from TEC the original STEO information originally submitted and approved 1/01/2008 through OSM. This looks different from the one updated by SnA from 1/02/2013, which is detailed above. It has a total of 504 learning hours over 14 teaching weeks, with 280 being teaching and 224 SDL. There is no work experience hours, which is inconsistent with what is described in the "Application to ITP Quality" submitted through Aoraki Polytech. Work experience hours may have fit into the teaching hour component of delivery. Given the lack of detail in the documentation or any guidance from OSM, Aoraki or ITP Quality, it is difficult for us to work out what should have been delivered. Furthermore, this information must have originally been submitted by personnel at OSM/Aoraki, not by SnA. This is an area that we could potentially do further analysis and interviews on if TEC requires.

3.14 Management has confirmed that there have been no significant changes in the way they deliver the programme since they took it over in 2009 and it is consistent with the programme approval in 2013, including the teaching and learning hours delivered (40 teaching hours).

3.15 SnA has a process in place to review and approve course changes under the "Programme Monitoring, Evaluation and Review" Document (undated). There is a "changes to existing

courses" section that refers to the process and definitions for Type 1 and Type 2 changes that are identical to the NZQA definitions provided on the NZQA website, Type 2 changes requiring NZQA approval. There is no specific mention of changes in learning hours within the policy; however the NZQA guidelines are not explicit in stating whether this change would be Type 1 or Type 2. It is our view that changes to learning hours, including changes to teaching, SDL and workplace hours need to be included within the Guidelines by NZQA so TEO's are able to obtain clarification on this point, given this is an important basis for meeting their funding requirements by TEC.

3.16 The SnA Programme Monitoring, Evaluation and Review Document also discusses that the changes to unit standards are tracked monthly through a spreadsheet maintained by the National Training Manager. Units expiring are replaced in accordance with changes to NZQA approved courses. The management team approves and signs off any revisions or changes to the programme. We were not provided with the spreadsheet, however 9(2)(a) of the OIA (Quality Manager) advised that there have been no changes to the qualification apart from expiring and replacing unit standards, as guided by NZQA. We have not performed any more work in this area at this stage.

Teaching, Work Experience and Self-directed Learning Hours

Teaching Hours

3.17 We have been advised by TEC that an important part of the funding provided to SnA is based on the total learning hours delivered to the participant (1,200 per year for a full time course). In our approach we focus on the teaching hour's component of learning hours to give a percentage of delivery, given the stronger evidence base of timetables in conjunction with tutor interviews.

3.18 In this case, our interpretation of the TEC and NZQA approved teaching hours is quite low at 40 out of a total of 1000 learning hours currently stated in STEO. Given that the requirements of the qualification are to carry out 5 – 7 days of onsite courses (37.5 – 52.5), the teaching hours delivered will generally meet the delivery funded by TEC and approved by NZQA in 2013.

Work Experience and Self Directed Learning Hours

3.19 There is a high requirement for work experience and SDL hours compared to teaching hours to achieve the qualification. Our interpretation of this is that there are 520 and 440 hours required respectively, however we have noted that this is high for a 50 credit qualification and that SnA's view is that 500 learning hours has always been what is required in practice.

3.20 Through discussions with 9(2)(a) of the OIA (Director) and 9(2)(a) of the OIA (Quality Manager), these hours are met through the participant's employment. This situation is unique to SnA as all the participants are working in industry full time and are applying the practical skills they learn on the courses every day. The two types of hours overlap and cannot be easily distinguished in practice. From discussions with 9(2)(a) of the, it was agreed with NZQA when the programme was

being approved in 2013 that the work experience and SDL hours would be met through the participant's employment and on the job application of skills. We have received advice on this point from NZQA who clarified that it is reasonable to expect that you would not need to distinguish between the two given it is work place based learning.

3.21 From 2013, in order to achieve the qualification, the participants have been required to complete a "Training and Workplace Record Book." This states the qualification period, their company and position, average hours worked per week, and lists the roles and industries where health and safety knowledge and skills have been applied. The participant is then required to sign that they have completed the stated learning objectives needed to be achieved in the work place. This includes relevant detail stated by SnA on how the objectives are to be met, and the relevant work experience hours for each different area. For example, one participant, who is a Health and Safety Coordinator at 9(2)(a) of the OIA , works an average of 45 hours per week and has carried out four different health and safety roles within the meat industry. They have signed off that they have done 170 work experience hours related to hazard identification, 40 related to permit receivers, 60 related to permit issuers, 180 related to confined space and gas detection and 180 related to height safety advanced. This is a total of 630 work experience hours. This is lower than the work experience and SDL requirement combined in STEO (960 hours). However, it is 170 hours higher than the 460 learning hours we have interpreted as being set out in the Course Outline.

3.22 We found in our enrolment testing of samples relating to 2013 and 2014 that these were usually completed and we could sight evidence of a signed record book by the participant. However, we found that all selections would have had lower combined work place and SDL hours when comparing to the combined hours in STEO (960 hours). There were some minor exceptions, where comparing to the combined work place and SDL hours of 460 in the Course Outline in 4 out of 19 selections. We also found 3 out of 19 selections where the log book was not appropriately signed off.

3.23 If the 960 hours were the correct hours to apply in this case, which are based off STEO, it is likely that the work experience would still be met by the participant given they are generally in full time work. However, the documentation supporting this should be consistent with the hours entered into STEO.

3.24 We noted that for some unit standards there is also a requirement for more specific work place application of skills. For example, in the "issuing worksite specific work permits" unit standard the participant is required to complete two permits within the teaching part of the course. Then for some companies, the participant must then fill out a permit within a defined time period, and get this verified by the work coordinator. Once this is completed, it is sent to Administration so the participant can get credited with the unit standard.

3.25 From discussions with tutors and participants, the teaching and assessment requirements are generally completed through the courses over the 5 – 7 days and there is not any significant pre-work or homework involved. There is no study in your own time doing assignments or assessments that normally occurs in a TEO qualification.

3.26 What was approved by NZQA for the work experience and SDL hours is unclear from the documentation. There is no documentation kept by NZQA from when the programme was originally approved through OSM pre 2013. However, the NZQA R0482 Programme Details Document relating to when the programme was approved in 2013 discusses an entry requirement of it "*being open to people who have been employed for a minimum of one month full time in associated industries before each block or course module equating to at least 35*

hours per week" and assessment methods of "*theory, practical simulation, on the job attestations.*"

3.27   The Course Outline discusses that there is a requirement that attendees apply their learning in a work environment around the particular subject areas, and a log detailing the time involved in work place application of skills is provided for the programme. It also states there is an element of self-assessment including "*work place attestations*" and "*task related log book completed and verified.*"

3.28   Currently, as explained above, this is met by SnA through the Training and Work Place record book, where the participant signs off they have completed the stated learning objectives and total hours, and through unit standards where (some of them) have additional work place application.

3.29   Given the high level of SDL and work experience hours required to achieve the qualification, we recommend that SnA receive guidance from NZQA and TEC on whether the sign off of the programme learning objectives and hour requirements by the participant is enough evidence to satisfy them that the learning has taken place. In other cases, we have received advice that a more detailed work book over the qualification duration, which demonstrates more participant initiative, is necessary. This includes the student outlining how they have met the learning objectives and giving more detail of learning activities in contrast to a high level sign off. This would then be reviewed by an appropriate person at SnA to ensure this is up to the appropriate standard.

Participant Interviews

3.30   We interviewed a sample of participants to find out their perspective of the delivery of the programmes. We have summarised the findings and comments below.

Number Interviewed and Tried to Contact	• A sample of 10 participants (4 from 2014, 3 from 2013, and 3 from 2012) were interviewed over the phone • We attempted to contact 18 participants. These were randomly selected to be interviewed from a list provided by SnA of 400 participants from 2011 - 2014, with 251 of the 400 participants having some contact details
Industry and Work Place Background	• All participants were employed over a range of industries including refrigeration, dairy, telecommunications, construction and water treatment • 4 out of 10 participants specifically mentioned that it was a requirement of Fonterra in order to work on their sites

Enjoyment and Quality of Learning and SnA	• 8 out of 10 participants had very positive comments in relation to the learning on the courses. The comments from the remaining 2 out of 10 indicated they moderately benefited from the courses
	• Relevant quotes included:
	    Tutors were "professional", "showed commitment to delivering the course material correctly" and "were great, informative and knowledgeable about the material"
	    Would "highly recommend the course to anyone looking to complete the units" and "excellent course…good value for money"
	    "Absolutely fantastic, communicated well and excellent delivery, good relaxed attitude…some people were asked to leave because they didn't meet the criteria for the course"

How they were Recruited and Enrolled into the Courses	• In all cases through the company they were employed by or contracted to, given it was a requirement for them or on the particular sites they work at

How they were Recruited and Enrolled into the Qualification	• 2 participants were enrolled in the qualification up front before the courses started • 1 participant said he was enrolled in the qualification upfront as a requirement for the job position, but the companies HR department dealt with all the paper work and enrolled him, having no personal involvement with the process • 1 participant was aware of the qualification before they started the courses, but enrolled during the courses • 4 of the participants were enrolled by the employer in the required courses, then were contacted by SnA and enrolled after the course completion • 2 participants seemed unaware of the qualification, and 1 was surprised to receive it
Teaching Comments (Days and Number of courses)	• 2014 participants said 3 – 4 courses that were 1 – 2 days long • 2013 and 2012 participants had trouble recalling what they did to complete the qualification
Key Work Place Comments	• 7 participants mentioned having to do some additional work specific to the courses in the work place. For example either a declaration saying they met the work experience requirements and complete examples of permits • 3 participants thought there was no additional requirements outside the work experience hours required as part of regular employment
Key Self-Directed Study Comments	• 9 participants specifically mentioned applying what they had learnt on their course in their employment on a day to day basis • 1 participant mentioned some pre-work they did as part of their courses
Assessment Comments	• All participants discussed a theory and practical element as part of their assessments

3.31 Overall, the participant's told us that they benefited from learning provided to them from SnA on the courses.

3.32 The participants were all enrolled into the individual courses by the company up front. However, the timing of enrolment into the qualification was varied, with 4 of the 10 being enrolled subsequent to completing the courses.

3.33 2 of the 10 participants seemed unaware of the qualification aspect.

3.34 The teaching hours were consistent with our expectations, generally being 3 – 4 courses that were 1 – 2 days long. This would give roughly 40 teaching hours required to achieve the qualification under the NZQA and STEO requirements.

3.35 Apart from the work experience required as part of the participant's normal employment, there were some additional requirements in the work place for some participants. This was either signing off a declaration saying they had completed the work experience requirement, or for some unit standards completing a permit for example. This is consistent with what SnA management have told us.

3.36 The SDL study component was met through applying what they had learnt on the courses in their employment on a day to day basis. There was generally no pre-work (apart from one exception) or homework required as part of the courses.

4. Verification of Participant Existence and Data

4.1   In this section we set out our findings on whether, from 2012 – 2014, the programme:

- has evidence of sufficient underlying enrolment and assessment records; and

- has evidence of accurate reporting of completions of unit standards and qualifications to TEC and NZQA.

4.2   We randomly selected 29 participant samples from the SDR data. This originally included 10 participants from 2014, 10 from 2013 and 10 from 2012.   1 participant sample we selected from 2014 was a duplicate in another year, reducing the number to 9 selections from 2014.

4.3   For each sample we reviewed the underlying information. The following summarises the process involved to verify the existence of participants and reporting of completions:

- we sighted enrolment application forms for each participant that included signed and dated hardcopy enrolment application forms. We also confirmed whether or not the forms had been appropriately approved by SnA;

- we sighted appropriate supporting information (e.g. birth certificate or passport) that had been provided by the participant to support their application and to confirm their eligibility to enrol in the programme;

- we reviewed the participant details in their enrolment application forms to see if the NSN number and timing of enrolment agreed with the details provided to TEC in the SDR by SnA;

- we sighted any evidence of work experience or SDL study present on the participants file;

- we reviewed evidence of assessment records for the participants; and

- we checked whether the completed qualification had been reported to TEC and NZQA.

We have set out the following summary table of our findings. These findings are expanded upon further below.

Participant Enrolments and Supporting Information

The Process

4.4 From discussions with `9(2)(a) of the OIA` (Director) and `9(2)(a) of the OIA` (Administrator) the process firstly involves the participants being enrolled in the individual 1 – 2 day courses, generally through the employer. This is through either:

- the company contacting SnA to enrol their employees and the company sending a list of names and details through. SnA will then enrol the participants in the course, and go to the company premises to carry out the course. This will only include those companies' employees.

- the company or individual will get in contact SnA wanting to participate in a course openly offered. SnA will then take the details of the participant from the company or individual. The participant will then be one of up to twelve from a range of companies and industries participating in the course. This could be at SnA premises or industry premises SnA has organised.

4.5 An individual participant may then be enrolled in a qualification. This is a manual process carried out by the Administrators. Generally, they will individually identify participants that have done some of the courses already and then call or approach the participant to say they have almost completed or have already completed the requirements for the qualification. At that point the participant will enrol in the qualification and fill in the associated paper work.

4.6 In some rarer cases, the participant will be enrolled in the qualification upfront, before participating in any of the SnA courses.

4.7 Once a tutor has finished a participant's assessment for an individual course, they will pass it to `9(2)(a) of the OIA` (Administrator) so they can input this into the SnA system and monitor which courses and unit standards have been achieved by the participant.

4.8 Once the enrolment form is signed and processed this is sent to IES to process the information through the SDR, along with a print out of the system saying which courses and unit standards have been completed by the participant. The participant will have been enrolled in at least five unit standards before it is sent to IES. We have confirmed with IES that they do not process the participant into the SDR if they have not submitted an enrolment form at that point or previously. This enrolment data in the SDR is what the TEC funding is then based.

4.9 Once the participant has achieved the courses and/or qualification, the completions are reported to TEC (via IES) and NZQA by `9(2)(a) of the OIA` (Administrator). These are submitted on an ad hoc basis as the completed assessments are handed in. The certificate of qualification completion is then issued to the individual directly or via the company.

4.10 This is a highly manual process. Therefore we have raised an improvement recommendation that SnA put a formal process in place to track and monitor:

- participants completion of courses that are related to the qualification;

- those contacted to complete the qualification;

- those who decide to do the qualification; and

- then at what stage the participants who are carrying out the qualification are at in the enrolment and completion process, for example the administrative forms they have filled and the requirements of the qualification they have met at a point in time.

What the enrolment information is telling us

4.11   We have provided a summary table below with the following findings on enrolments:

- comparing when the participant had signed the enrolment form for the qualification to the time period the participant attended the TEC funded courses at SnA. This was from a system print out provided to us by SnA of the courses and unit standards;

- the teaching days of the TEC funded courses. This splits out the participants that had previously carried out unit standards elsewhere; and

- the duration over which the participant carried out the TEC funded courses.

Total participants (NSN's) in the SDR	Number of samples	Time enrolled in the qualification compared to when the participant completed in the courses	Teaching days of TEC funded courses	Duration over which the participant carried out the TEC funded courses
293	29	6 enrolled after 15 enrolled during 8 enrolled before **Shows timing of enrolment was mixed compared to when the participant completed the courses**	23 took 4 – 11 days (full qualification through SnA) 6 took 1-3 days (had achieved some unit standards elsewhere) **Shows the number of teaching days each participant completed was mixed, with the majority taking between 4 – 11 days**	For those that completed the full qualification with SnA, they took a range of 4 days – 14 months to complete **Shows the duration over which the participant carried out the courses was mixed, over a range of 4 days – 14 months**

4.12   The evidence from the samples above demonstrates the mix between each participant in regard to the timing of enrolment, teaching days and duration over which the participant carried out the courses.

Does the Timing of Enrolment mean we need to consider Recognised Prior Learning?

4.13   The 2014 Confirmation of Investment Plan Funding letter dated 20 December 2013 and signed by Dr Grant Klinkum (General Manager, Tertiary Investment) Appendix B: Plan Funding Conditions,   states "*SAC 11/14: TEO not to claim funding for recognised prior learning.*"

4.14   We have noted through the participant interviews and the enrolment information that a participant could enrol in the qualification at any stage compared to when they complete the courses. This could be before they start, during the course, or subsequent to completing the

courses. This is consistent with our understanding given our discussions of the processes with management at SnA.

4.15   Therefore the question is, if a participant completes some or all of the teaching through the courses and unit standards first, and then is contacted to complete the qualification after that point, is this RPL? Or on the other hand, as there is no difference in the delivery and offering by SnA if a participant enrols in the qualification before or at the end of the courses and unit standards, is this merely a timing issue?

4.16   We have looked to the NZQA and TEC definitions for some guidance. The NZQA description of prior learning is "*an important principle of the Directory of Assessment Standards is that skills, knowledge and understanding <u>gained outside formal education or training</u> will be recognised…People who already have skills and knowledge can be assessed immediately, by presenting evidence of prior performance or completing assessment tasks. Completion of a course may not be required.*" The NZQA description of a credit transfer is that "*it is common for tertiary learners to move from one place of learning to another or one course to another. <u>Credit transfer is a process whereby credit already achieved for one qualification is recognised towards a new qualification</u>. This may occur on a case-by-case basis between providers/qualifications developers and individuals or as a structured agreement between providers.*" Under these definitions, the completion of courses and unit standards before qualification enrolment could be considered a credit transfer, although the definition does make reference to other providers rather than within a provider.

4.17   SnA management have commented to us that their definition is consistent with NZQA's. This is reflected in their "Pre-Course Information" given to participants, distinguishing between cross crediting, a credit transfer and RPL. The Pre-Course Information states that SnA do not to accept RPL (under NZQA's definition).

4.18   The TEC definition of RPL is wider than this, and looks at RPL from a funding perspective it states "*recognised prior learning (RPL), also known as 'approved prior learning,' <u>relates to previous study</u>, or experience, relevant to study <u>a student later wishes</u> to undertake.*" In a large number of cases, the participant does not intend to complete the qualification and also does not enrol in the qualification until after they have completed some or the entire teaching and learning part of the qualification. We recommend that TEC consider whether or not those who enrol in the qualification after completing some or all of the units are effectively being funded for RPL. We could carry out further work to understand the extent of this if required by TEC.

4.19   SnA have explained to us that they have addressed this through their new "Policy and Procedure Document" for enrolments, which we have sighted. This requires all enrolments into the qualification to be completed on or prior to the date of the first course being undertaken. Therefore, the timing issue will be rectified going forward.

What is the cost to the participant (or company) to complete the courses?

4.20 Another matter that could be considered relevant to the RPL issue is the cost to the participant or company to complete the courses, and whether this has this gone through the proper approval process with TEC. Given TEC's interest lies in funding of TEO's, if the participant or company is paying the same commercial rates to complete the courses contributing to the qualification compared to those that do not enrol in the qualification, what additional teaching and work are SnA actually doing to receive the funding for qualifications? Have these payments by participants and companies been declared and approved?

4.21 We discussed the pricing for the courses with 9(2)(a) of the OIA (Director). The process used to qualify the majority of participants historically has meant they have been charged the standard rate for the course, usually being a per person rate of $245 for a one day public course. There are multiple unit standards that are applied to these courses (as one course is made up of multiple unit standards) however they do not charge participants (if they are enrolled in the qualification) for additional unit standards applied to the course.. Normally this cost is $18 per unit standard. Extra costs SnA incur such as overheads and administration time are also not charged to the participants completing the qualification. SnA has also worked with companies to plan their forward training and SnA apply special rates for these up front. There is also no standard pricing for the qualification participants in these cases and the rate is dependent on the number of participants and courses and is priced accordingly at the time.

4.22 From the pricing list, if a typical participant was to complete the whole qualification through SnA, the cost would be $1,370 (excluding GST) (includes hazard identification, permit receiver and issuer courses, confined space and gas detection and height safety courses). This amount would vary slightly depending on the courses taken by the participant. The total funding per participant from TEC would be $2,573 ($6,174 per EFTS (excluding GST) in the 2014 Investment Plan multiplied by 0.4167 approved EFTS level in STEO).

4.23 From our understanding based on the management, tutor and participant interviews, there appears to be no additional teaching required for those participants receiving the qualification. However, additional work required by SnA (for the students enrolling in the qualification) includes administration time and overheads in processing the enrolments and completions. There is also the "Training and Workplace Record Book" that is required to be signed off by the participant declaring that they have completed the total work experience hours required. This is then filed with the participant records. Essentially, for those students enrolled in the qualification after completing the courses, SnA is receiving funding when they have already incurred most of the teaching costs.

4.24 In the 2014 Confirmation of Investment Plan Funding letter dated 20 December 2013 and signed by Dr Grant Klinkum (General Manager, Tertiary Investment) Appendix B: Plan Funding Conditions, indicates that the TEO must supply information and report to the TEC, and it also must provide the TEC with information about the highest fee charged to a participant, the usual fee charged to a participant, and any discounted fees charged to a participant.

4.25 We discussed the process for declaring student fees with TEC. The TEO enters the individual unit standard fees into STEO when the qualification is approved, and should update this annually to provide transparency over the fee movement and also to ensure the TEO does not exceed the "annual maximum fee movement." From the data provided by TEC, SnA entered this information for 4 out of 24 courses in STEO in 2013; the remaining 20 have a nil value. SnA are unsure of the reason to why it was entered in this way.

4.26 Based on the information we have received to date from TEC and SnA, it is unlikely that SnA followed the correct process for disclosing the fee charges to TEC at the time the programme was approved in 2013. However, s 9(2)(a) of the OIA (Quality Manager) has now correctly updated the course fee information into STEO.

4.27 We recommend that SnA ensure that the unit standard fees are updated in STEO going forward on an annual basis.

Supporting Documentation

4.28 In each sample we sighted a scanned hard copy of the enrolment application form that was completed, signed and dated by the applicant.

4.29 This was then stamped by SnA to show it had been reviewed, however it had not been signed or dated by the reviewer. We noted one exception relating to 2012 where there was no evidence of a stamp or review.

4.30 In the majority of cases we were able to find supporting documentation to support the validity of the enrolment, for example a NZ drivers licence. We noted one exception relating in 2012 where there was no evidence of supporting documentation. We also noted four instances where the copy on the file was not certified at SnA to state that they had sighted the original documentation.

4.31 All samples except two had the NZ drivers licence as the form of supporting documentation. While this supports the validity of the enrolment, it does not confirm if the participant had domestic status for TEC funding purposes.

4.32 For each sample, the enrolment data in the SDR submitted to TEC matched the underlying NSN number in the enrolment records and was also submitted within one year either side of the enrolment form signing date. The EFTS claimed per participant by SnA depended on the number of courses and unit standards done by the participant completing the qualification. The approved EFTS allowed to be claimed in STEO is 0.4167 given it is a 50 credit course, which equates to $2,573 (excluding GST) per participant. We found in a large number of the samples, more funding than this had been claimed per participant as they had done more than 50 credits of courses and unit standards. We extrapolated this information over the total participants from the SDR return data provided by TEC in relation to the qualification from 2008. We found 19% of participants had total EFTS claimed of funding over 0.42 EFTS (50 credits), and 5% was greater than 0.5 EFTS (60 credits). We do not view this as significant; however we have raised a recommendation that SnA ensures the funding claimed per participant is not higher than that approved of 0.4167.

4.33 In relation to the assessment records, the NZQA "PTE enrolment and academic records rules" section 6.1 (a) and (d) state that *"accurate academic records that must be kept, and kept up to date, by PTE's for participants enrolled in education and training at a PTE are…records of individual participant assessment and examination results that include the name of the participant, the date of achievement and the relevant grade, which are to be kept as a permanent record*" and "*records of achievement of awards or qualifications by the participants, which are to be kept as a permanent record.*" Therefore, records of achievement must be kept, but there is actually no NZQA requirement for SnA to keep the assessment records

given its Category 1 status. Regardless of this, SnA were still able to provide us with sufficient evidence of assessment records requested for the 9 samples selected during 2014.

4.34   9(2)(a) of the OIA (Director) explained that SnA did not keep the assessment records for 2013 and 2012 as it is impractical to do so give the large number of participants in the courses.

4.35   We carried out a high level review of these assessment records, including checking there was evidence present for each participant in our samples and carried out a high level review to check we were comfortable with the authenticity.

4.36   We note that we are not qualified to assess the quality of the learning in relation to the assessment process; therefore this is not covered as part of our review.

4.37   Similarly with attendance records, the NZQA "PTE enrolment and academic records rules" section 6.1 (c) states that *"accurate academic records must be kept, and kept up to date, by PTE's for participants enrolled in education and training at a PTE are…records of participant attendance, which are to be kept for at least the duration of the participants enrolment."* Therefore, attendance records before the duration of the participant's enrolment are not required to be kept given its Category 1 status. SnA provided us with print outs from the SnA system of the participants and the courses they attended that were funded by TEC, this included the unit standards they completed, as evidence of attendance of the samples from 2012 - 2014. This not the ideal source of evidence of attendance given these are print outs from the system and not physically signed by the participant. However, given we have sighted proof of assessment records for the courses in 2014; this sufficiently covers proof of attendance for this particular year.

4.38   Therefore, we have raised improvement recommendations that SnA implement process changes to the enrolments process such as:

- signing and dating the review of the enrolment applications to provide a trail of who carried out the review and the timeliness of this process;

- using a passport, birth certificate or other appropriate means of identification to confirm the domestic status of the participant and therefore eligible for funding for the qualification;

- ensuring copies of originals are certified by an appropriate staff member at SnA; and

- putting a process in place to monitor the amount of EFTS funding claimed per participant and ensure it does not exceed the approved amount of 0.4167 EFTS.

Reporting of Completions

4.39   For each sample we selected, we compared the unit standards reported under the Course Outline to what had actually been reported in the NZQA records. From this information, we could determine whether the individual had enough credits to complete the qualification. We then checked the evidence at the date of the review of a completion certificate for the participant.

4.40   Qualification and course completion data are required to be reported to TEC as part of the SDR. We checked that the qualification had been accurately reported as complete to TEC (or

incomplete depending on whether a participant had finished the qualification). We also compared the number of courses (unit standards) reported to TEC to those reported to NZQA and then the courses completed in the SnA system record.

4.41   We have set out in the below table a summary of our findings:

| Number of samples	• 29
Did the participant have the right number of credits on the NZQA records achieved a certificate?	• 26 correctly achieved a certificate • 2 correctly did no achieve a certificate • 1 exception did not have evidence of a certificate on file, but completed the qualification on TEC and NZQA records **Only minor exceptions noted**
Were the qualifications completed through SnA accurately reported to TEC?	• 22 were reported accurately to TEC • 1 exception where a participant completed the certificate, but we could not find them in the TEC data • 6 relating to 2014 have not yet been reported, but are not required to be reported until 2015 **Only minor exceptions noted**
Were the number of unit standards reported as completed through the SnA record provided accurately reported to TEC?	• 20 were accurately reported to TEC • 4 are higher (SnA record is higher than TEC record) • 5 exceptions are lower (TEC record is higher than SnA record) **The majority of records agree. We followed up on one exception where the TEC record was higher than the SnA record provided to us on site, and we found that we were not provided with all the print outs during the site visit and the courses could actually be reconciled. Therefore, some of the other exceptions could also be explained in the same way.**
Does the number of unit standards reported to TEC agree to those reported to NZQA?	• 16 reported to TEC agree to the NZQA records • 2 had higher credits reported to NZQA, however this was reasonable as there was unit standards completed elsewhere have been counted toward the qualification • 7 had higher credits with NZQA that have been completed elsewhere, but enough had been completed through SnA to completed the qualification solely through them • 4 did not have the unit standards reported, however the differences were minor. For one of these exceptions, the qualification had not yet been completed **Only minor exceptions noted**

4.42   We have noted minor exceptions with reporting of completions, not any significant issues. We recommend SnA always ensure the SnA, TEC and NZQA records accurately agree and are reported on a timely basis.

## Qualification and Course Completion

4.43   From the qualification completion data provided to us by TEC we looked into the history of qualification completions compared to enrolments over time.

4.44   We also looked at the proportion of participants enrolling in 12 or more unit standards at SnA over time. The Course Outline provided to us by SnA showed a typical participant completing the qualification at SnA and the number of unit standards required to complete the 50 credits, which was about 12. This number will vary slightly depending on the courses the participant

carries out. Therefore, the graph should only be used as an indication and more analysis would be required to draw any conclusions.

Percentage of Enrolments that have Completed the Qualification
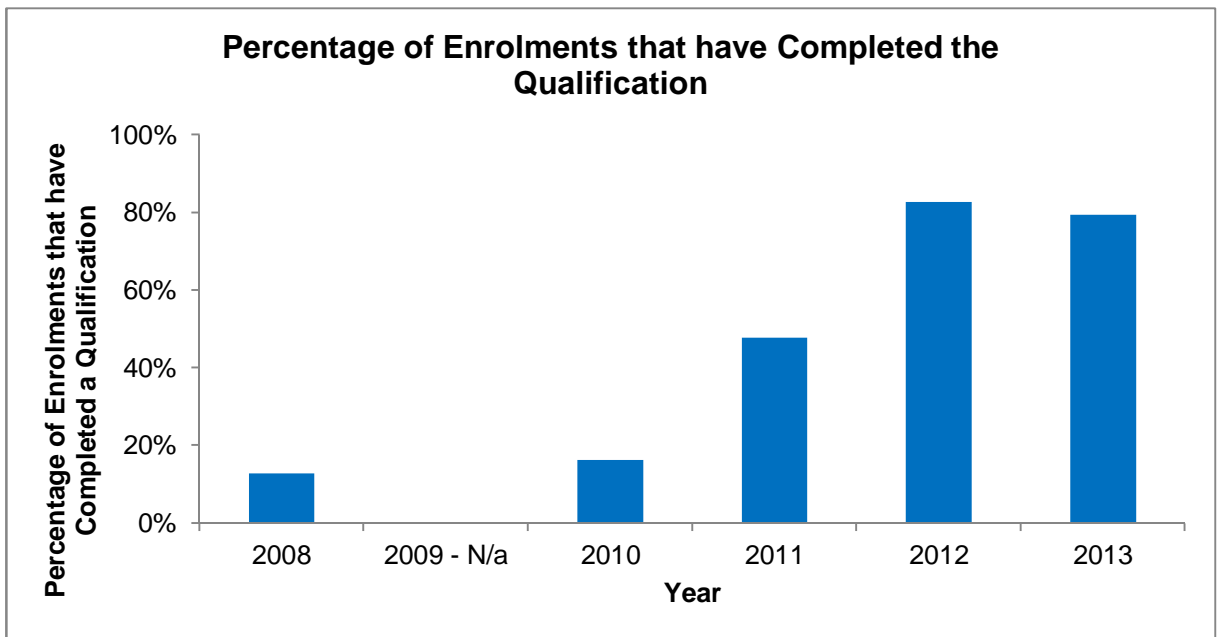
Graph 1: Shows the number of enrolments (NSN's) where funding was claimed compared to the number of NSN's that were reported as completing the qualification. Since 2008, there is increasing proportions that are completing the qualification.

Percentage of Enrolments in 12 or More Unit Standards or Less than 12 Unit Standards toward the Qualification by Year
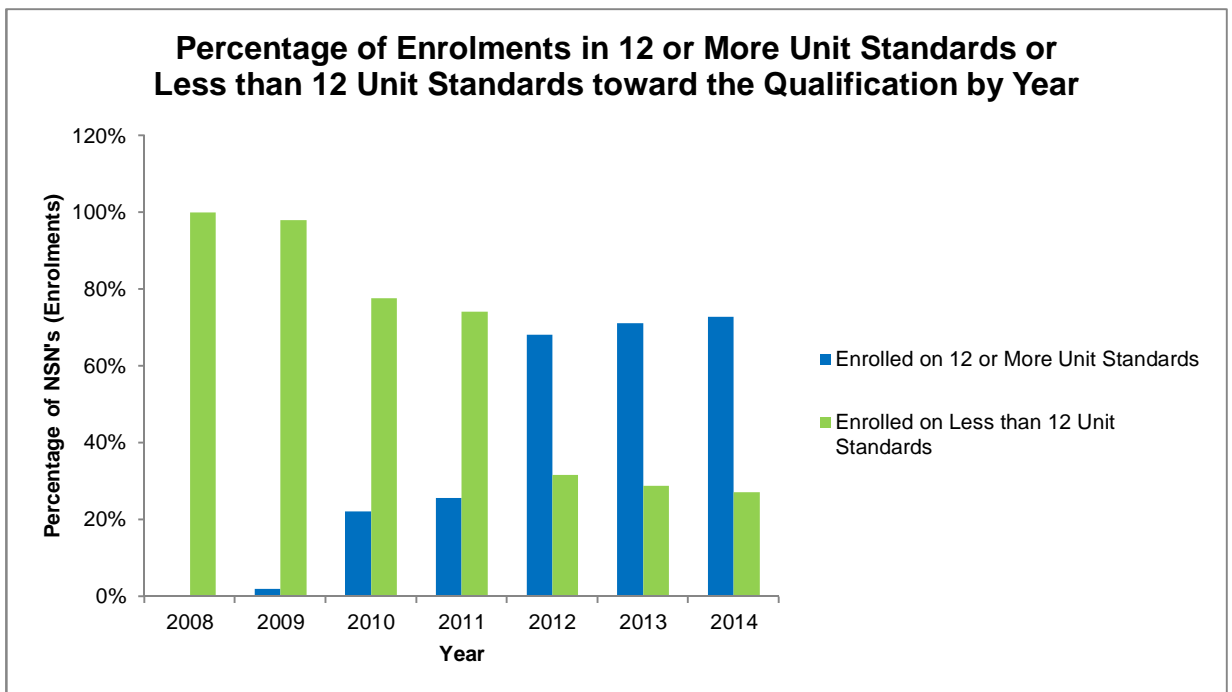
Graph 2: Shows the proportion of enrolments (NSN's) that enrolled in 12 or more unit standards by year. Since 2008, there was an increasing proportion of enrolments completing the full qualification with SnA.

4.45   The graphs indicate an improving picture of qualification completions and the number of participants completing the unit standards contributing to the full qualification.

4.46   From reviewing the underlying data in the earlier years (2008 – 2011) there was a significant number of participants for whom funding was claimed for a low number of unit standards and for participants that did not ultimately complete the qualification. Therefore there is a risk of TEC funding short courses rather than the full qualification over this time. However, this issue appears to have improved since SnA took over OSM in April 2009.

4.47   Our samples included some participants that completed less than 12 unit standards. These were generally explained through the participant completing the required unit standards elsewhere before they attended courses at SnA. Therefore, we are comfortable that in recent years (2012 – 2014) the majority of participants funded by TEC are completing the full qualification.