



TEC review overview: Activate Training Centre Ltd

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 potential 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 identified, or a complaint

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

Activate Training Centre

Activate Training Centre (ATC), formerly known as the Apostolic Training Centres, is a Private Training Establishment (PTE) operating in Auckland, Hamilton, Pukekohe and Christchurch. ATC offers courses in early childhood education, Christian ministry, music, counselling, leadership, occupational health and safety, and computing. It receives Student Achievement Component (SAC) and Youth Guarantee (YG) funding from the TEC.

Rationale for initiating the review

ATC was identified for review based on routine analysis of the December 2015 [single data return \(SDR\)](#). In July 2016, we engaged KPMG to undertake a review of ATC.

The review looked into five programmes:

- › Certificate in Mechanical Engineering (Level 2)
- › Diploma in Contemporary Music (Level 5)
- › National Certificate Early Childhood Education (Level 3)
- › Diploma in Leadership (Level 5)
- › Occupational Health and Safety (Level 1)

Findings of the review and actions

Findings	Actions taken
<p>Records</p> <ul style="list-style-type: none"> Minor inaccuracies in educational performance indicator (EPI) reporting and information submitted to the TEC in relation to learning hours. 	<ul style="list-style-type: none"> We have discussed with ATC the importance of ensuring its records are accurate and information submitted to the TEC aligns with NZQA programme approvals.
<p>Delivery</p> <ul style="list-style-type: none"> Differences between actual and approved teaching weeks in one programme. 	<ul style="list-style-type: none"> The difference between actual and approved teaching weeks has been offset by ATC delivering more teaching hours per week over the course of the programme. The TEC is satisfied that the appropriate teaching hours have been delivered, but has advised ATC to ensure that actual delivery aligns with approval documentation.

Next Steps

This review has been completed. We are continuing to engage with ATC 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



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cutting through complexity

Activate Training Centre (formerly known as Apostolic Training Centres)

Report to the

Tertiary Education Commission
Te Amorangi Mātauranga Matua

30 November 2016

kpmg.co.nz



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Inherent Limitations

This report has been prepared in accordance with our CSO dated 17 July 2016. The services provided under our engagement letter ('Services') have not been undertaken in accordance with any auditing, review or assurance standards. The term "Audit/Review" used in this report does not relate to an Audit/Review as defined under professional assurance standards.

The information presented in this report is based on that made available to us in the course of our work by the Tertiary Education Commission (TEC) and Apostolic Training Centre (ATC). We have indicated within this report the sources of the information provided. Unless otherwise stated in this report, we have relied upon the truth, accuracy and completeness of any information provided or made available to us in connection with the Services without independently verifying it.

No warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by, ATC management and personnel / stakeholders] consulted as part of the process.

Third Party Reliance

Other than our responsibility to the TEC, neither KPMG nor any member or employee of KPMG undertakes responsibility arising in any way from reliance placed by a third party on this report. Any reliance placed is that party's sole responsibility.

Our report was prepared solely in accordance with the specific terms set out in CSO dated 17 July 2016 between ourselves and the TEC and for no other purpose.

KPMG expressly disclaims any and all liability for any loss or damage of whatever kind to any person acting on information contained in this report, other than the TEC. Additionally, we reserve the right but not the obligation to update our report or to revise the information contained therein because of events and transactions occurring subsequent to the date of this report.

1. Executive Summary

1.1 Background

The Tertiary Education Commission (TEC) carries out audits, reviews, and investigations of tertiary education organisations (TEOs), including private training establishments (PTEs), as part of its monitoring of the Government's \$2.8 billion investment in tertiary education each year

Activate Training Centre (ATC) is a registered PTE and was previously known as Apostolic Training Centres before changing its name to the Activate Training Centre in July 2016.

ATC has a wide range of course accreditations which include early childhood education, Christian ministry, music, counselling, leadership, occupational health and safety and computing.

ATC receives both Student Achievement Component (SAC) and Youth Guarantee Funding from the Tertiary Education Commission (TEC). It provides programmes for students with this funding through its Vision College and Train Me divisions across four different sites in Auckland, Hamilton, Pukekohe and Christchurch.

KPMG has undertaken an independent review of the Activate Training Centre (ATC) on behalf of the TEC.

Throughout this review, ATC management and staff were open, cooperative, and provided us with access to documentation as and when requested.

1.2 Objectives and Approach

Objectives

The objectives of this review were to check:

- students actually enrolled and attended the programmes
- programmes were taught in accordance with and comply with the learning hours and weeks entered into STEO and therefore meet the TEC funding requirements
- students awarded a qualification were assessed and there was evidence of programme delivery
- ATC's internal quality assurance and control processes (in relation to programme delivery) are robust and fit for purpose
- any sub-contracting arrangements in place to deliver programmes on behalf of the TEO.

Approach

In undertaking this review, KPMG:

- selected a sample of five programmes to review, covering sites and funding types
- selected a sample of ten students from each of those five programmes where possible
- conducted on-site interviews with senior staff involved in college management, tutors and students (at least five per programme if possible) to assess staffing and sub-contracting arrangements
- reviewed student enrolment and academic records to ascertain processes and practices are valid and authentic
- assessed programme delivery and assessment methodology practices for validity and appropriateness
- discussed findings with ATC and the TEC
- produced a full report, which provides an evidence base that will inform the extent of any potential buyer funding recovery and, if necessary, can be made available to the appropriate authorities who may wish to pursue further investigations.

For the purposes of this review we selected the following five programmes, to review in detail. These programmes represented coverage of the different funding types ATC receives and the teaching locations. The details are captured in Table 1 below.

Qualification	Level	Credits	Duration (Teaching Weeks)	TEC funding type	EFTS Delivered 2015	Funding 2015
Certificate in Mechanical Engineering	2	66	22	YG	8.07	\$115,485
				SAC	19.83	\$269,712
Diploma in Contemporary Music	5	120	36	SAC	18.89	\$113,625
National Certificate Early Childhood Education	3	63	20	YG	26.72	\$288,625
Diploma in Leadership	5	120	36	SAC	7.55	\$45,450
Occupational Health & Safety	1	40	14	YG	21.70	\$234,420
Total Funding Reviewed						\$1,067,317
Total Funding Allocated						\$5,091,872
Percentage of Funding						20.96%

Table 1: Reviewed Programme Details

1.3 Overall Assessment

KPMG identified a number of minor issues in the course of this review. Based on our findings, we believe that ATC has provided the number of learning hours for all five programmes when compared to NZQA approval letters and for four of five programmes when compared to STEO. TEC should consider if it is appropriate to recover funding for the remaining programme and should consider what action should be taken in response to discrepancies between STEO and NZQA approval documents.”

1.4 Key Findings

Differences between actual teaching weeks and approved teaching weeks

The actual number of teaching weeks delivered for the Certificate in Mechanical Engineering was one week short of the NZQA approved teaching weeks in 2014.

However, we consider that the required number of teaching hours was delivered.

NZQA approved teaching hours do not match STEO for two qualifications

We identified discrepancies between NZQA approval letters and the information ATC entered into STEO. This related to two programmes of study – the National Certificate in Early Childhood Education and the Diploma in Contemporary Music.

The discrepancies include the total number of study hours as well as the teaching hours and self-directed study hours.

Incomplete reporting of qualification completions for Mechanical Engineering

ATC introduced a new Student Management System (SMS) in 2016. This system did not capture all qualification completions for the Certificate in Mechanical Engineering in 2015. A total of 15 course completions were not reported in the SDR.

Incomplete Attendance Records

Students were not always marked as absent or present in the ATC attendance system.

ATC staff use a system to record and monitor attendance. They log each student’s attendance to allow the organisation to monitor attendance records of students and follow up where they fall below 80%.

All student records sampled for review indicated that those students for whom ATC had received funding from the TEC had met required attendance thresholds.

Incomplete Enrolment Records

Three of the fifty enrolment files that were considered did not contain complete information.

2. Detailed Findings

2.1 Differences between actual teaching weeks and approved teaching weeks

One of the five programmes contained discrepancies between the total number of teaching weeks, per NZQA programme approval letters, and the actual teaching weeks ATC delivered. No issues were found with the other four programmes.

We inspected documentation ATC provided including:

- attendance records
- enrolment information
- annual course plans
- the SDR.

We also discussed the programme structure with the students and the teachers to gain an understanding of the hours students attended and the hours they were expected to attend classes.

We compared the actual teaching weeks delivered for the five qualifications against the NZQA-approved teaching weeks for those courses. We found that the Certificate in Mechanical Engineering was one week short of the approved numbers in 2014.

The total required study hours for the Certificate in Mechanical Engineering is 660. This is based on 25 teaching hours and 5 self-directed study hours per week over a 22 week period. ATC taught the Certificate in Mechanical Engineering over a 21 week period. To meet the required number of teaching hours across the shorter, 21 week period, would require the students to complete 26.43 hours per week of teaching hours and 5 hours per week of self-directed study.

Based on discussion with the course tutor and attending students, we allowed 10% additional teaching hours to account for teaching hours provided in addition to the scheduled hours. This includes tutorials and preparation taking place outside of regular scheduled classes with a tutor present. This figure allows for two to three such classes of one hour duration per week. This would mean the students would complete 27.5 teaching hours and 5 self-directed hours per week over 21 weeks to achieve a total of 682.5 hours, meaning the total number of teaching hours were met for this course.

2.2 NZQA approved teaching hours do not match STEO for two qualifications

We identified discrepancies between NZQA approval letters and the information ATC entered into STEO. This related to two programmes of study – the National Certificate in Early Childhood Education and the Diploma in Contemporary Music.

The qualification information ATC enters into STEO should align with the NZQA approval letters. We inspected the approval letters from NZQA and matched those to information in STEO. ATC should seek approval from NZQA to make changes to its course approvals so these reflect actual delivery. STEO should also be updated to align with these changes.

Table 2 captures the differences we identified between NZQA approval letters and the information in STEO.

Programme	Total Study Hours		Total Teaching weeks		Teaching Hours per week		Self-directed Study Hours per week		Total hours per week	
	NZQA	STEO	NZQA	STEO	NZQA	STEO	NZQA	STEO	NZQA	STEO
National Certificate in Early Childhood Education (Level 3)	570	600	19	20	25	20	5	10	30	30
Diploma in Contemporary Music (Level 5)	1224	1440	36	36	16	20	18	20	34	40

Table 2: NZQA approval letter VS STEO

2.3 Incomplete reporting of qualification completions for Mechanical Engineering

ATC introduced a new Student Management System (SMS) in 2016. Due to issues during the implementation phase, not all qualification completions for the Certificate in Mechanical Engineering in 2015 were captured.

As a result, ATC under-reported the number of passed qualification completions by 15.

ATC has specific course completion targets, agreed to by the TEC. This under-reporting has a negative impact on qualification completion records for ATC. At the time this report was drafted ATC was in discussion with the TEC to address this issue.

Table 3 below captures the details relating to the number of students who received the qualifications and the number who were reported as having passed.

Total number of students	Total number of students who actually passed	Percentage of students who actually passed	Total number of students reported as passing	Percentage of students reported as passing
149	87	58%	72	48%

Table 3: Under-reported completions

2.4 Incomplete Attendance Records

Student attendances and absences were not always recorded in ATC’s attendance system.

ATC staff use a system to record attendance allowing close monitoring of the attendance of all students and follow up on any absences. ATC has an expectation that students will attend 80% of all classes. Where they are not meeting this target, staff will intervene to help get the student on track to attend class and complete the course.

Students are logged as either present or absent for each of the classes they are expected to attend. Where they are not marked as present or absent, the attendance report will have a blank space for that student against that date. We were not able to confirm the student’s attendance or absence.

KPMG reviewed the attendance report for the period and programmes under review. Of the sample of 50 students, 19 had blank spaces against their names – meaning complete data was not available for those students. The students had been enrolled and attendance was recorded for classes. However, attendance was not recorded for every class the student would have been expected to attend. ATC attributed this missing attendance data to an ‘optional’ attendance session, or where the student had previously been withdrawn but remained in the system. KPMG believes this is accurate based on assessment of the students’ records including the dates per withdrawal forms.

All records sampled for review indicated that those students had met the attendance thresholds to receive the TEC funding.

2.5 Incomplete Enrolment Records

Of the 50 student enrolment records reviewed, 3 were identified as having issues relating to the completeness of enrolment forms:

- Two student enrolment forms did not have a study end date.
- One student enrolment form did not have a study start date or end date.

Table 4 below summarises the result of enrolment testing:

Enrolments and supporting docs	EFTS reconcile in SMS and TEC	Evidence of Assessment Records	Completions and Standards reported
X 3 of 50	✓ No issues	✓ No issues	✓ No issues

Table 4: Enrolment testing

For the sample of 50 students, we obtained and reviewed the information ATC retained for each student. This included checking:

- the enrolment application form for each student on file was appropriately approved and signed
- the students had provided appropriate supporting information (e.g. birth certificate, passport) to support their application
- the students' details in their enrolment application forms reconciled with the details in the SDR
- the qualification completions were reported to NZQA where required
- evidence of assessment records.

3. Observations

3.1 Actual delivery of Teaching Hours

A key part of the funding TEC provides to PTEs is based on the learning hours delivered to each student. Learning hours consist of teaching hours and self-directed hours. As noted above, NZQA approves these hours per qualification before they are entered into STEO.

We applied the following NZQA definitions in the course of this review:

- Directed hours (teaching hours): Direct contact time with teachers and trainers including undertaking practical tasks.
- Self-directed hours: Time spent studying and doing assignments.
- Learning hours: Directed hours, self-directed hours and time spent in assessment.

The qualifications ATC teaches require varying amounts of teaching hours and self-directed hours depending on the nature and level of the qualification.

For the sample of students selected for review, we inspected attendance registers, class programmes, enrolment information and assessment records. This enabled us to determine whether ATC was delivering the number of teaching hours that are required for each of the qualifications. We also used this information to assess whether ATC had received funding for any student who had attended for less than 10% of the course or one month, whichever is the lesser, per the condition of TEC funding. We identified no such instances.

Attendance is monitored at ATC through a system that requires tutors to log students as either present or absent for each class in which they are enrolled. The tutors are able to generate reports from this student management system to monitor attendance.

We based our assessment of hours against the NZQA approved total hours and the STEO approved total hours per the qualifications outlined in Table 5 below. With the exception of the Diploma in Contemporary Music, hours taught for each programme exceeded what had been entered into STEO. Hours for all five programmes exceeded what was included in the NZQA approval letters..

In coming to this conclusion, we reviewed, compared and considered the following:

- Enrolment letters sent to students stating dates of classes and expected attendance
- Attendance records capturing the days students attended and the days on which classes were actually delivered
- Annual class schedules for each of the courses reviewed, capturing the days and weeks classes were due to take place
- Programme outlines, capturing the details of each qualification

- Responses from students including the hours they attended and the hours they knew they were expected to attend, as well as the amount of self-directed study they completed in their own time. Students' responses regarding hours aligned to the hours per the course outlines, schedules and other documentation inspected. They also aligned to the hours as described by the tutors.
- Responses from tutors around the hours of classes delivered per the schedule and any additional classes or related activities.

Table 5 below captures the hours as approved by NZQA in the approval letters, the hours entered into STEO by ATC and the hours we assessed as having been made available to students. KPMG found that apart from the Diploma in Contemporary Music, hours taught for each programme exceeded what had been entered into STEO. Hours for all five programmes exceeded what was included in the NZQA approval letters.

Programme	Total Study Hours			Teaching Weeks			Teaching Hours per week			Self-directed Study			Total Hours per week			
	NZQA	STEO	KPMG	NZQA	STEO	KPMG	NZQA	STEO	KPMG	NZQA	STEO	KPMG	NZQA	STEO	KPMG Total	KPMG % vs STEO
Occupational Health & Safety (Level 1)	420	420	455	14	14	14	25	25	27.5	5	5	5	30	30	32.5	108.33
Mechanical Engineering (Level 2)	660	660	682.5	22	22	21	25	25	27.5	5	5	5	30	30	32.5	108.33
Early Childhood Education (Level 3)	570	600	650	19	20	20	25	20	27.5	5	10	5	30	30	32.5	108.33
Diploma in Christian Leadership (Full Time)	1440	1440	1498	36	36	36	16	16	17.6	24	24	24	40	40	41.6	104
Diploma in Contemporary Music (Level 5)	1224	1440	1282	36	36	36	16	20	17.6	18	20	18	34	40	35.6	89.00

Table 5: NZQA approved teaching hours vs STEO vs KPMG assessment

3.2 Student Interviews

We interviewed 10 students selected from the five qualifications reviewed. Respondents provided us with perspectives on:

- hours of attendance – including the teaching hours and self-directed learning hours
- class sizes

- delivery of course material
- their general feelings about their study at ATC.

The students were all positive about their experience in learning at ATC.

They were all made aware of what was expected of them regarding attendance and completion of course work, and that they would be contacted if they missed classes.

The students' responses aligned to those of the tutors. Their description of the teaching and self-directed learning hours was consistent with the supporting documentation we reviewed and with the outline contained in ATC course programmes.

3.3 Moderation

ATC undertakes extensive moderation.

We reviewed documents covering the pre and post moderation of the five programmes. This included ATC-developed templates for use in pre and post moderation. These require the moderator to assess the grade the college granted, and perform their own assessments of the students' work to develop a conclusion on the original assessment. They are required to comment on whether they feel the assessment was fair and valid, and whether the instructions given to the students were clear.

Moderation is performed across all of ATC's assessments.

Appendix - 1 Key Sources of Information

Type	Details
Documents	<ul style="list-style-type: none"> • NZQA Programme Details documents for the selected courses • NZQA Approval and Accreditation Letters for the selected courses, included the course and qualifications details forms (NZQA Programme Approval Letter) • Information from STEO for ATC's qualifications • ATC enrolment records • NZQA records of achievement • ATC Investment planning letters
ATC Staff	<ul style="list-style-type: none"> • Chris Hubbard (Chief Executive) • Section 9(2)(a) (Data Analyst) • Programme tutors: <ul style="list-style-type: none"> – Section 9(2)(a) – Section 9(2)(a) – Section 9(2)(a) – Section 9(2)(a)
Students	<ul style="list-style-type: none"> • A total of 10 students were interviewed across the selected programmes
TEC	<ul style="list-style-type: none"> • Section 9(2)(a) • Section 9(2)(a)

Table 6: Sources of Information

Appendix 2 - Background to ATC

ATC's website (<http://www.atc.org.nz>) describes its focus as a "charitable education company that is passionate about seeing lives changed through learning and enabling people to reach their potential. Founded in 1984, ATC New Zealand has developed significant experience and success in the education sector and now has extensive training facilities in multiple locations around New Zealand".

The TEC provides funding to ATC through Youth Guarantee (YG) and Student Achievement Component (SAC) funding.

This funding is calculated based on EFTS value, which is based on the qualifications in which eligible students have enrolled. A student is required to complete 10 percent of the qualification in which the student is enrolled for ATC to be eligible to claim funding for that student.

NZQA approves each of these qualifications for a specific duration and number of credits. This also includes specifications for the number of teaching hours and the number of self-directed learning hours students are expected to complete. ATC runs classes from Monday to Friday at various locations around New Zealand. The actual class timings and expected attendance vary depending on the programme of work being completed.

Table 7 shows the allocated funding for 2014 and 2015 and the actual ATC delivery for those years.

Funding Type	2014		2015	
	Allocation	Delivery	Allocation	Delivery
Student Achievement Component Levels 3 and above	\$2,446,882	\$2,566,024	\$2,446,882	\$2,421,115
Student Achievement Component Levels 1 and 2	\$738,624	\$730,109	\$326,304	\$269,712
Youth Guarantee	\$2,318,686	\$2,169,572	\$2,318,686	\$2,321,642
Total	\$5,504,192	\$5,465,705	\$5,091,872	\$5,012,469

Table 7: Funding details