

7 September 2015

Taratahi media backgrounder

The Tertiary Education Commission (TEC) invests \$2.7 billion each year in a range of tertiary education organisations (TEOs). The amount invested in each TEO is agreed through an *Investment Plan*, which forms the basis of a funding commitment. Each TEO is required to meet their commitments by delivering the teaching specified in their *Investment Plan*, and by meeting annual performance indicators.

This is a high-trust, high-accountability model in which the TEC relies on TEOs having effective management and governance, and behaving in an ethical and professional manner. TEC and NZQA actively oversee this through measures to track performance, adherence to funding conditions and quality assurance requirements.

In August 2014 the TEC received a complaint alleging that Taratahi had inappropriately enrolled tutors in an entry-level course. The tutors already held similar or higher-level qualifications, and some were teaching the course. The TEC alerted Taratahi, which then carried out an internal review in September. Taratahi then told the TEC it had found several possible breaches of the conditions of its funding.

In October 2014 the TEC engaged Deloitte to carry out an independent investigation, which essentially confirmed both the complaint and Taratahi's own findings.

The Deloitte investigation found that from 2009-2014 Taratahi breached funding conditions in several ways, most obviously by enrolling staff in an entry-level programme, and in a significant mismatch between the teaching hours delivered in the Certificate in General Farm Skills and the TEC funding claimed by Taratahi for this programme.

The TEC undertakes a regular audit programme of TEOs. The Taratahi breaches were not detected by TEC's standard monitoring and data analysis, which is intended to ensure the accuracy of the data submitted to the TEC and does not examine whether the programmes comply with the learning hours approved for funding purposes.

The TEC monitors the sector in several ways: through audits, data analysis, risk management (eg complaints) and by working with other agencies such as the New Zealand Qualifications Authority (NZQA), Studylink and the Ministry of Social Development.

In December 2014 the TEC and New Zealand Qualifications Authority (NZQA) commissioned an independent review of their respective monitoring frameworks, given a number of recent instances like Taratahi.

The *Deloitte Monitoring Review*, made public in July 2015, confirmed that both agencies had the principal elements expected of a comprehensive monitoring framework. It made some suggestions for improvement, such as a joint approach to audit, which are in the process of

being implemented. The report also noted that neither agency was equipped to detect potential fraud.

Taratahi has long played an important part in training people to work in agriculture, and its graduates are well-regarded by the primary sector. NZQA has no concerns about the quality of the assessments at Taratahi, nor about the value of the qualifications students gained.

The TEC's investigation and recovery relates solely to the funding Taratahi claimed for the students achieving those qualifications.

The TEC, when it detects and verifies such practices, seeks repayment of the difference between the original funding, and the amount of under-delivery. The TEC is mandated to monitor and manage the performance of TEOs, as well as to fund them.

ENDS

For information on the Deloitte monitoring framework review see

<http://www.tec.govt.nz/Documents/Reports%20and%20other%20documents/Deloitte-Review-of-TEO-Monitoring-Framework-Report.pdf>