



TEC investigation: College of Natural Health and Homeopathy

What is the College of Natural Health and Homeopathy?

The College of Natural Health and Homeopathy (CNHH) is a private training establishment (PTE) operating in Auckland, Tauranga and Christchurch. It is the only TEC-funded PTE providing education and training in homeopathy in New Zealand. This year, CNHH was allocated Student Achievement Component (SAC) funding of \$683,296 from the Tertiary Education Commission (TEC). [Access funding allocations for 2015 – 2017 here](#)

Why we initiated the investigation

In 2016, CNHH received notification of a scheduled TEC audit. Following this notification, CNHH conducted an internal self-review that identified they had incorrectly claimed funding from the TEC. CNHH reported these issues to us. Our subsequent audit validated these issues, and recommended an investigation by an external party. We engaged KPMG to conduct an investigation of all TEC-funded courses CNHH delivered in 2010 – 2015. These courses were: Diploma of Homeopathy (Level 7) and Diploma in Homeopathy (Animal Health) (Level 7).

What we found and what we have now done

Findings	Actions taken
<p>Records</p> <ul style="list-style-type: none"> › Enrolment dates and course completions not accurately reported to the TEC using the single data return (SDR). › Minor differences between NZQA approvals, information submitted to the TEC and actual delivery of teaching hours. 	<ul style="list-style-type: none"> › We have discussed with CNHH the importance of: <ul style="list-style-type: none"> › submitting accurate SDR data › aligning NZQA approval documentation with both the information submitted to the TEC and actual delivery.
<p>Delivery</p> <ul style="list-style-type: none"> › Funding provided to CNHH for a sub-contracting arrangement was not approved by the TEC. › CNHH had a Licensing Agreement in place with the International College of Homeopathy (ICH), which had not been approved by the TEC. CNHH claimed SAC funding for students enrolled at ICH and did not pass this funding on to them. › CNHH had claimed funding for Recognition of Prior Learning (RPL), which the TEC does not fund. 	<ul style="list-style-type: none"> › CNHH has repaid \$420,426.54*(GST exclusive) to the TEC, consisting of: <ul style="list-style-type: none"> › \$339,111.75 of funding for the unauthorised sub-contracting arrangement with ICH › \$81,314.79 of funding claimed for RPL.

* This figure takes into account a 20% service fee the TEC has allowed CNHH to retain, similar to TEOs who have authorised subcontracting arrangements.

Our next steps

We have now completed this investigation and are continuing to engage with CNHH as part of our standard monitoring processes.

About our monitoring functions

The Tertiary Education Commission invests approximately \$2.9 billion every year into tertiary education and regularly monitors approximately 700 tertiary education organisations (TEOs) to ensure they are performing and meeting their funding agreements.

As the Government's key investment provider for tertiary education, our monitoring helps ensure TEOs are equipped to deliver services so New Zealanders can get the knowledge and skills they need for lifelong success. Tertiary education is a substantial commitment of time and resources for learners, taxpayers, and government, and they deserve full value for their investment.

We take a flexible and graduated approach to monitoring, working with TEOs to assist where necessary and making sure that when intervention is required, both the TEC and the TEO only need to invest as much time and effort as is necessary in the circumstances.

By using the extensive information and data we have available from across the education sector, we take a smarter approach to monitoring. This means we can identify issues early, provide relevant and timely support, and respond appropriately.

Our monitoring work goes beyond traditional compliance to working collaboratively with TEOs, informing and educating TEOs on their obligations, and helping them perform to their absolute best.



cutting through complexity

College of Natural Health and Homeopathy

Report to the Tertiary Education
Commission
Te Amorangi Mātauranga Matua

17 March 2017



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Inherent Limitations

This report has been prepared in accordance with our CSO dated 6 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 The College of Natural Health and Homeopathy (CNHH). 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, CNHH 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 the CSO dated 6 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

Bay of Plenty College of Homeopathy trading as College of Natural Health and Homeopathy (CNHH) was registered as a private training establishment (PTE) in 1998 and receives funding from the Tertiary Education Commission (TEC).

In 2015, CNHH appointed a new Governance and Compliance Advisor and a Chief Operations Officer. Later in 2015, CNHH received notification of a scheduled TEC audit. Following this notification, CNHH conducted an internal self-review that identified issues in the way CNHH was being managed. CNHH reported these issues to TEC.

The subsequent TEC audit validated these issues, and recommended an independent investigation. TEC engaged KPMG to conduct this independent investigation of all the TEC-funded courses CNHH delivered over the period 2010 to 2015.

Our investigation of CNHH and review of its two TEC-funded diplomas identified and verified a number of significant issues, covering both diplomas, which require TEC action to recover funding. These issues have been attributed to poor administrative practices by the previous management of CNHH. The most significant of these include:

- Funding provided to CNHH for a sub-contracting arrangement not approved by TEC.
- Funding received when Recognition of Prior Learning (RPL) had been granted, in contravention of TEC policy, which does not fund RPL.
- Enrolment dates and course completions not accurately reported to TEC via the Single Data Return (SDR).
- Teaching hours provided did not meet the definition of teaching hours. (CNHH have stated they disagree with this given that in November 2016 an NZQA Level 7 diploma monitoring visit raised no issue with the delivery hours or methods).

Our investigation also found poor administrative practice in relation to enrolments. All of the 50 student enrolment records we inspected did not contain all necessary information such as enrolment start and end dates.

The students and tutors who were interviewed were generally positive about their experiences with CNHH. Students' responses relating to the amount of time that was required to complete their study varied, but overall the necessary learning hours have been provided. The tutors described participating in monthly team meetings, which included moderation. CNHH also engaged a Homeopathy expert who helps with CNHH's assessments on a six-monthly basis.

2. Introduction

2.1 Background

The TEC carries out audits, reviews, and investigations of tertiary education organisations (TEOs) as part of its monitoring of the Government's \$2.8 billion investment in tertiary education each year.

CNHH is the only PTE providing education and training in homeopathy in New Zealand. All Australian and New Zealand homeopathy education registrations are governed by the Australian College of Natural Medicine.

CNHH is accredited to deliver full-time courses taught on location at three sites – Auckland, Tauranga and Christchurch. Students can also study by distance learning with the programmes being available online.

Learners study to complete e-diplomas, which are NZQA-accredited and TEC-approved. The diplomas taught at CNHH that receive Student Achievement Component (SAC) funding from the TEC are:

- PC9811 Diploma of Homeopathy (432 credits).
- PC9176 Diploma of Homeopathy (Animal Health) (424 credits).

CNHH also teaches the following courses, which do not receive funding from the TEC:

- Homeopathy Foundation Course for Retailers
- Bachelor of Complementary Medicine
- Foundation Course in Complementary Medicine
- Foundation course in Homeopathy
- Foundation course in Animal Homeopathy

Until June 2015, CNHH licensed delivery of its courses to the International College of Homeopathy Limited (ICH). In June 2015, CNHH notified and terminated the licensing agreement with ICH on the advice of NZQA. A legal dispute was raised in 2016, but was subsequently resolved.

In 2015, CNHH appointed a new Governance and Compliance Advisor and a Chief Operations Officer. Later in 2015, CNHH received notification of a scheduled TEC audit. Following this notification, CNHH conducted an internal self-review that identified issues in the way CNHH was being managed. The review identified the following issues:

- Funding incorrectly claimed for course enrolments that were granted Recognition of Prior Learning (RPL) (the TEC does not fund RPL).
- Funding claimed for sub-contracted domestic students.
- Inconsistencies in Single Data Return (SDR) enrolment dates.

- Invalid course completions.

CNHH reported these issues to the TEC. The subsequent TEC audit validated these issues, and recommended an independent investigation. TEC engaged KPMG to conduct this independent investigation of all the TEC-funded courses CNHH delivered over the period 2010 to 2015.

Throughout this investigation, CNHH management and staff were open, cooperative, and provided us with access to documentation as and when requested. They have acknowledged the issues identified, and indicated that they are prepared to return the TEC funding received in error.

2.2 Objectives and Approach

Objectives

The focus of the investigation was to check:

- 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 were actually enrolled and attended the programmes.
- Students awarded a qualification were assessed and there was evidence of programme delivery.
- CNHH programme delivery, internal quality assurance and control processes are robust and fit for purpose.
- Sub-contracting arrangements were in place to deliver programmes on behalf of CNHH.
- Other supporting documents (e.g. timetables, programme documents, student files) were available to support the analysis and findings of the CNHH internal review.

Approach

In undertaking this investigation we:

- Conducted on-site interviews with senior staff involved in the decision-making processes, tutors and students (13) to assess staffing and sub-contracting arrangements.
- Reviewed student enrolment and academic records to ascertain that processes and practices are valid and authentic.
- Assessed programme delivery and assessment methodology practices for validity and appropriateness.
- Discussed findings with CNHH management and the TEC.
- Produced a full report, which provides an evidence base that will inform the extent of any buyer funding recovery and, if necessary, can be made available to the appropriate authorities who may wish to pursue further investigations.

2.3 Overall Assessment

Our investigation of CNHH and review of its two TEC-funded diplomas identified and verified a number of significant issues, covering both diplomas, which require TEC action to recover funding. These issues were a result of the previous management of CNHH not following good practice in the administration of CNHH. The most significant of these include:

- Funding provided to CNHH for a licensing agreement not approved by TEC.
- Funding claimed when Recognition of Prior Learning (RPL) had been granted, in contravention of TEC policy, which does not fund RPL.
- Enrolment dates and course completions not accurately reported to the TEC via the Single Data Return (SDR).
- Teaching hours provided did not meet the definition of teaching hours.

3. Detailed Findings

3.1 Funding and payments between CNHH and its sub-contractor ICH

Previously, CNHH had a Licence Agreement (the Agreement) in place with the International College of Homeopathy (ICH). The Agreement licensed ICH to deliver curricula and courses developed by CNHH.

NZQA approved a sub-contracting arrangement in 2012 with the previous owners of CNHH. The approval was effective at the beginning of 2013. Before 2012, NZQA did not have a formal agreement process for approving such sub-contracting arrangements including the one between CNHH and ICH. Using SDR, CNHH reported the delivery of courses to domestic students at the NZQA-approved ICH delivery site throughout the period under investigation.

While subcontracting had been approved, the TEC was not aware of the Agreement. Consequently, this agreement was not TEC-approved.

The Agreement was in place for the investigation period, 2010 until 4 June 2015, when CNHH notified ICH that it was terminating the Agreement. The termination was effective from 31 July 2015. Students already enrolled at ICH at the time the Agreement was terminated completed their studies over a specified teach-out period.

Under the Agreement, domestic students were permitted to be enrolled at ICH¹. These students enrolled directly at ICH, with their administrative documents being forwarded to CNHH for processing and filing, and an enrolment fee (separate from the actual course fee) was paid to CNHH by ICH. ICH charged the domestic students the same course fees as CNHH would have charged them.²

Teaching of CNHH's curricula was delivered by ICH.

CNHH claimed SAC funding from TEC for these students enrolled at ICH in the same way it claimed SAC funding for students enrolling at CNHH. The funding CNHH received was not passed on to ICH.

Based on CNHH data, the total TEC funding CNHH claimed and received for students enrolling at ICH for the period 2010 – 2015, was **\$423,889.68** (GST exclusive).

CNHH believes that it is entitled to 20% of this amount as a contract service fee. There is no contract service fee specified in the Agreement with ICH. CNHH believes the contract service fee would cover the cost of managing areas such as assessing and moderating students' work, in addition to the other fees specified in the Agreement.

¹ Licence Agreement, cl 6.16

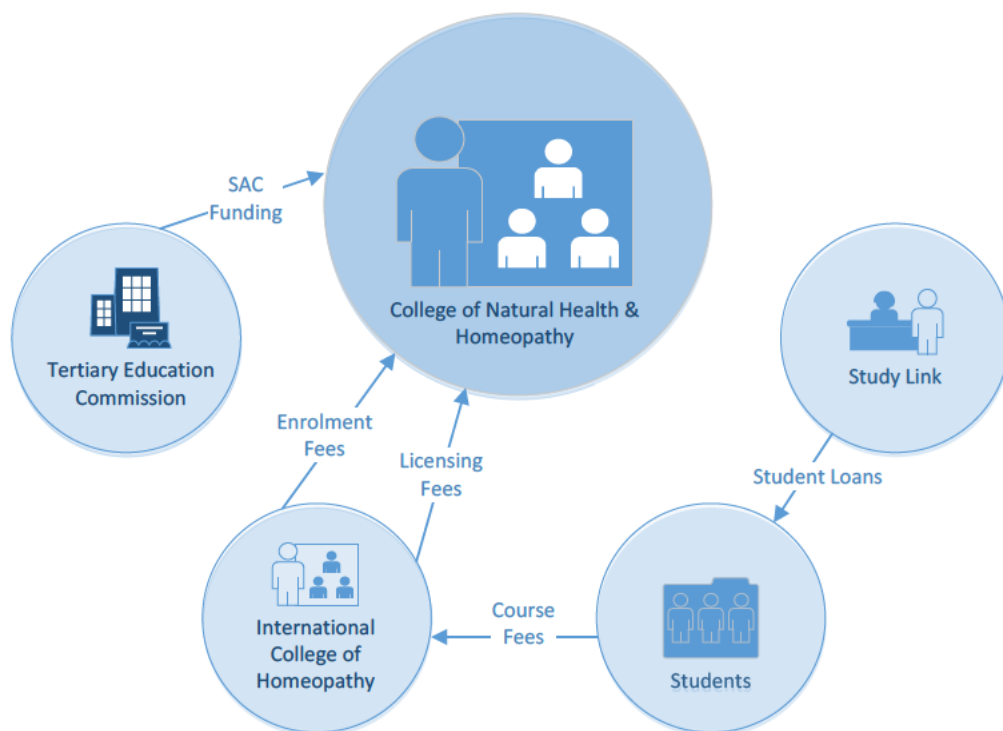
² Licence Agreement, cl 6.18

A 20% contract service fee observed for each year between 2010 and 2015 would total **\$84,777.94**. This would offset the total funding claimed to **\$339,111.74** (GST exclusive).

In addition, CNHH also received “The Fee”³ from ICH that comprised and annual:

- licensing fee of \$11,000 (incl. GST)
- enrolment fee per domestic student from ICH: \$300 (GST inclusive) up to 30 April 2014, which increased to \$450 (GST inclusive) after 30 April 2014.

The diagram below captures the movements of fees and funding, for which ICH provided the teaching and classes, between CNHH and the related parties.



³ Licence Agreement, cl 4.1

Table 1 displays a breakdown of the funding received by CNHH between 2010 and 2015:

Year	EFTS Delivery by Subcontract	TEC funding received by CNHH (GST exclusive)
2010	6.75	\$31,142.74
2011	15.45	\$75,329.56
2012	15.93	\$86,818.77
2013	19.93	\$114,165.91
2014	11.73	\$81,624.78
2015	5.00	\$34,807.91
Total	74.82	\$423,889.68

Table 1: Payments related to sub-contracted students

3.2 Funding claimed from the TEC for Recognition of Prior Learning

CNHH claimed funding for enrolling students into programmes where those students had received approved recognition of prior learning (RPL). This was in contravention of TEC policy: the TEC does not fund RPL. This meant that CNHH received the TEC funding even though the students were exempt from completing the particular course work and CNHH did not deliver this course material to these students.

Courses CNHH delivered were not disaggregated into individual modules until 2013. ██████ explained this was an administrative shortcoming in the configuration of CNHH’s courses. CNHH would claim full course funding from the TEC for students granted RPL, as the aggregated course configuration prevented it from claiming individual units from the year’s course. Therefore, it was unable to omit the specific modules for which students were granted RPL.

Students were required to pass all 10 modules in order to pass the year’s study. Before 2013, if a student failed to complete 1 of the 10 modules within the year’s course, CNHH was not able to fail that module separately due to the aggregated format of the course. CNHH stated that students were given the opportunity to re-sit a failed assessment, and were provided with support and guidance on specific areas for improvement. Students who took the opportunity to re-sit both successfully completed their year’s study and were reported as such, or they failed and were reported as failing a single course enrolment.

CNHH would fail students who did not submit an assessment for a unit. If offers of extensions and additional learning support were not accepted, CNHH would record the student as withdrawn from the course. All students have per-module grades held on an academic transcript within their student folder for future reference. Withdrawn students would not be awarded any qualification.

CNHH's courses were disaggregated in 2013, meaning the courses were broken down into individual modules. This would have enabled CNHH to exempt only the specific modules for which a student was being granted RPL, bringing them in line with TEC policy. However, the CNHH practice of claiming funding for modules where students had been granted RPL continued through 2015.

In 2014 the Medical Science papers were reclassified from funding category A1 (Vocational Training for Industry) to C1 (Health Sciences), which altered the value per EFTS, and therefore the amount CNHH claimed from TEC.

Table 2 presents a summary of the funding CNHH received for RPL. It presents the courses that students with approved RPL were exempted from, and the amount CNHH claimed, based on the value per EFTS for the category of course. All values exclude GST. Full details are included as Appendix 1, which presents detailed figures based on total funding claimed against RPL per course per year.

Year	Course(s) exempted	\$ by Course	Totals (GST exclusive)
2010	<ul style="list-style-type: none"> Medical Science 	\$11,724	\$11,724
2011	<ul style="list-style-type: none"> Medical Science Medical Science Urinary 	\$15,244 \$218	\$15,462
2012	<ul style="list-style-type: none"> Medical Science Cultural Medical Science Body Professional Communication 	\$11,438 \$653 \$218 \$871	\$13,179
2013	<ul style="list-style-type: none"> Medical Science Cultural Professional Communication 	\$9,560 \$229 \$458	\$10,247
2014	<ul style="list-style-type: none"> Medical Science Cultural Professional Communication Repertory 	\$16,611 \$481 \$722 \$241	\$18,054
2015	<ul style="list-style-type: none"> Medical Science Unit 9, 10 Medical Science Cultural Professional Communication 	\$11,705 \$369 \$962 \$241	\$12,648
Total 2010-2015			\$81,314

Table 2: Funding Received for RPL

3.3 Courses incorrectly reported in the SDR as completed

For the investigation period, CNHH would report assessments as complete at the date it sent assessment packages to students. Best practice would recommend that the assessment should be reported as complete when the students submit their work and marking has been

completed. The current Chief Operating Officer advised that this method of reporting was the result of poor administrative practices implemented by the previous management of CNHH.

This meant that there would be a time delay between when a student completed an assessment and sent it back to CNHH to be marked, and when it was recorded as complete. The delay could be longer if the student failed to successfully complete the assessment, was granted an extension, or did not complete it for other reasons, such as withdrawal from the course.

Although this would not affect the funding received, it could inflate the course completion rate. Course completion rates are a performance metric for all TEC-funded PTEs. Section 9(2)(a) stated she was aware that the rules were that less than 70% course completion could result in CNHH losing funding.

We were provided with CNHH source data that compared the outcomes reported in the SDR with the actual outcomes in CNHH’s system. CNHH tracking of reported outcomes versus actuals only contained 2012-2015 data, and 2012 data was not captured in full.

We analysed the 2012-2015 data to determine the frequency of different miscoding. For example, an incorrectly coded course has the SDR outcome recorded as 2 (Complete), while the CNHH Internal Completion Code has recorded 3 (Unsuccessful Completion).

CNHH used the TEC Course Completion Codes⁴ list for tracking. CNHH also utilised a ‘C’ for current students (which would cover codes 0 and 1), an ‘E’ for exempt, and a ‘?’ where the code could not be matched.

Table 3 summarises the number of courses within both Diplomas that were coded incorrectly:

Year	Total Courses Coded	Incorrectly coded courses	Percentage
2012*	155	11	7
2013	1446	113	8
2014	1926	234	12
2015	1634	124	8
Total	5161	482	9

Table 3: Attending and Blended course completion, 2012-15 SDR reporting vs CNHH tracking

Of the 482 incorrectly coded course completions CNHH reported to TEC, 438 were coded as “successful course completions”, but an analysis of CNHH’s internal records shows that only 20 (4.5%) were actually “complete” and a further 114 (26%) were “yet to complete”. These 482 course completions related to 173 students. This affected approximately 7% of total courses for the period 2012 – 2015 and would result in an inflated course completion figure.

⁴ <http://www.tec.govt.nz/Resource-Centre/Software-tools/Data-Accuracy-Report-guidance/Course-Enrolments-without-a-Completion/> (25/10/16, 10:30)

Table 4 further breaks down the miscoding by frequencies:

Year	TEC reported value	Total as reported to TEC	CNHH Internal Records						
			Yet to be complete	Complete	Unsuccessful Completion	Withdrawn	Current	Exempt due to RPL	Inconclusive
2012	2 = Successful Completion	10	5		2	1			2
	3 = Unsuccessful Completion	1		1					
2013	0 = Yet to Complete	2		2					
	1 = Yet to Complete	2				2			
	2 = Successful Completion	96	22		6	23		45	
	4 = Did not complete	13	6	7					
2014	1 = Yet to Complete	6				6			
	2 = Successful Completion	211	13		12	69		117	
	4 = Did not complete	17	10	7					
2015	0 = Yet to Complete	2		2					
	2 = Successful Completion	121	58		7	10		45	1
	4 = Did not complete	1		1					
Total		482	114	20	27	111	0	207	3

Table 4: Breakdown of miscoding by frequency

3.4 Enrolment dates reported in the SDR are not accurate

Rather than using actual enrolment dates, the practice of CNHH previously was to enrol students into the SDR with start and finish dates that contain blanket date ranges for all

students, often starting in late January/early February each year and finishing in late December.

We compared enrolment and finish dates reported in the SDR with CNHH’s best estimates of start and finish dates. On average, ‘Attending⁵’ students’ enrolment dates varied by 37 days, while ‘Blended⁶’ students’ enrolment dates varied by 40 days. Section 9(2)(a) explained they used standard start and finish dates for efficiency because of the small intake numbers. They used the same dates for the separate sites in Auckland, Tauranga and Christchurch for SDR purposes, although the sites would start at slightly different times. This means the information reported in the SDR did not always reflect the actual date when a student was enrolled.

Many of the student enrolment files inspected contained actual enrolment start and finish dates that were not the same as those reported in the SDR. In some instances, no dates were recorded on enrolment forms. One explanation provided by Section 9(2)(a) for this was that many students would apply for courses online. Their course application form was used as an enrolment form which the student completed, who may not have been aware of their study dates at the time of enrolment.

We compared start and finish dates recorded on enrolment forms and from student responses with dates reported to the TEC in the SDR. Frequently, the dates did not line up with what was reported in the SDR. However, the time taken by students to complete their study was often within the same year, with teaching delivered over the same or similar timeframes. A number of enrolment end dates were, however, reported to the TEC as being in the following year in conflict with supporting information. For “Attending” students this was the case in 5 out of 237 enrolments and for “Blended” students this was case in 36 out of 95 enrolments.

Table 5 captures instances where enrolment end dates were reported to the TEC as being in the following year to the actual date, conflicting with supporting information.

Variance between reported dates and CNHH estimates	Number of 'Attending' students enrolment end dates pushed into following year	Number of 'Blended' students enrolment end dates pushed into following year
<0-30 days	5	9
31-60	0	2
60+	0	24

Table 5: 2012-15 ‘Attending’ and ‘Blended’ students’ enrolment dates pushed into following year

Where enrolment dates are incorrectly reported as ending in a year later than when study actually ended, it can have the following different effects:

⁵ Attending students are those who, in general, attend the classes in person.

⁶ Blended students are those who view recordings of the classes.

- Where the enrolment results in a non-completion, it shifts the non-completion into a later year, artificially inflating the course completion EPI for the earlier year.
- Where the enrolment results in a completion, it shifts the completion into a later year, artificially inflating the course completion EPI for the later year.
- TEC funding may be received corresponding to a different period than it otherwise would have been.

Table 6 provides a summary of all incorrectly reported dates across all levels of variance (in days) between SDR reported enrolment dates, and CNHH’s best estimates.

Variance between reported dates and CNHH estimates	Number of 'Attending' students	Number of 'Blended' students
<0-30 days	135	44
31-60	10	10
60+	91	38

Table 6: 2012-15 'Attending' and 'Blended' students' enrolment date variance

3.5 All teaching hours provided do not fit the NZQA definition of teaching hours

We believe the hours provided across the four delivery components CNHH classifies as “teaching hours” were provided as claimed by CNHH. However, we do not believe they all constitute “teaching hours” per the NZQA definition applied.

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.

CNHH uses a 'Blended' delivery method for teaching course material. The Blended method combines face-to-face classroom lectures (or recordings of these lectures for distance students), clinical training, and pre-recorded lectures of face-to-face teaching. CNHH understands this equates to NZQA requirements for face-to-face teaching hours.

CNHH used this practice, given the need of distance learners to engage in education. NZQA approved the qualifications for DVD and Blended learning delivery methods.

CNHH have indicated that New Zealand internet capability, particularly in rural areas, informed their decision to use asynchronous delivery methods and continue to use this method over synchronous delivery, until such time as internet capabilities improve.

The NZQA approvals indicate the breakdown and total hours are different between the two Diplomas. However, CNHH has stated that the Animal Diploma is taught as a replica of the Human Diploma. The core teaching is the same in terms of content and duration, with Human specifics replaced with Animal. As such, the hour breakdown of how CNHH actually delivers the content is the same for both Diplomas.

CNHH explained that the total delivery of the teaching hours is made up of the following components:

- *Lectures:* These occur one weekend each month over the 10 months of the programme each year. Each lecture totals 7.5 hours. These lectures are filmed and made available to Blended students. In assessing these, we discussed the frequency and length with students. Their responses supported the documents and other information we reviewed. We also reviewed class plans and a sample of recorded lectures, found them to be in line with the programmes, and hours outlined by CNHH and students.

TEC may wish to consider whether it agrees that the viewing of recorded lectures is an equivalent of teaching hours.

- *Clinical Practice: (Years 2, 3 and 4 only):* This is specific clinical training conducted onsite at the CNHH sites at pre-set times. They are 7.5 hour classes. CNHH generally hosts three per year. These are filmed and made available to Blended students. Students are expected to complete 75 hours of clinical training over the course of their 4-year diplomas. These do not include homework and assignments that result from the training. Clinical Practice only happens in Years 2-4 of the Diplomas. In assessing these hours, we discussed the frequency and length with students. Their responses supported the documentation and other information we reviewed.

We reviewed class plans and a sample of recorded lectures, and found them to be line with the programmes and hours outlined by CNHH and students.

- *Assessed Case-Taking: (Years 3 and 4 only)* Students arrange this outside of CNHH, sourcing clients and conducting a full Consultation. They produce a full write-up profiling the client, their issues and working through which remedies would best suit. They prescribe the remedy (which the supervisor vets prior to prescription) and after one month conduct a follow-up with the client. A registered homeopath supervises this whole process and completes an assessment-style report that is submitted to CNHH. Students are expected to complete five cases in Years 3 and 4 of their studies.

In assessing this, we reviewed examples of the information provided to CNHH by assessors and the template used to provide the information for a sample of students. These included analysis as per the requirements and CNHH description. Hours are not specifically recorded. Based on the analysis in Table 7, we can assume 7.1 hours per week for Assessed Case Taking. This would equate to approximately 113 hours for each case. This seems reasonable based on the information reviewed by KPMG. Discussions with students also supported this.

As described, assessed case-taking fits better with the definition of self-directed learning than with teaching hours. We would expect that these hours would be recorded in STEO as either self-directed learning or work experience.

- *Assessments and Tutor-Supported Home Studies:* This is homework and other assessments completed by students in their own time. Students spoken to by KPMG reported they required minimal input from tutors. In assessing this, we reviewed assignment guidelines outlining the work required to be completed. This work is completed at home by the students. Tutors are only involved in providing the work to students. However, the students are able to contact the tutors when/if they require assistance.

Based on conversations with students compared against assessment guidelines, the hours claimed appear to be reasonable. However, students stated that they rarely required additional assistance from tutors in completing this work. Tutors also stated that students did not contact them often.

We do not believe Assessments and Tutor Supported Home Studies meet the NZQA definition of teaching hours. Teaching hours are described as: *“Direct contact time with teachers and trainers including undertaking practical tasks”*. Working on assessments at home does not involve direct contact time.

CNHH disagrees with this assessment. They have stated the following in response:

“NZQA has audited CNHH and in two previous EERs and a Level 7 Diploma Monitoring Visit has never identified that CNHH delivery method or definition of what CNHH constitutes teaching hours is incorrect.”

“CNHH believes it was meeting the terms of the programme accreditation, as demonstrated in terms of the learning hours analysis provided at the time of the audit. Further, as detailed above, several audits, monitoring and NZQA EER visits have not questioned this implementation. In a meeting with NZQA in February 2016, CNHH sought to clarify the definition of learning hours as it proceeded to develop the post TRoQ Diploma. This definition aligned with the current practice teacher directed learning that the College has already adopted.

Based on these factors, CNHH disputes the KPMG finding and believes this matter needs to be redirected to NZQA as the programme delivery experts.”

Tables 8 and 9 below outline the NZQA approved hours, the hours as entered into STEO, hours as claimed by CNHH and our assessment of the delivery of those hours for the Diploma in Homeopathy (Table 7) and Diploma in Homeopathy (Animal) (Table 8). CNHH has stated that these hours are representative and would not necessarily be identical for every student.

KPMG agrees that the hours captured in these tables represent the hours provided to students. However, per the above, we do not agree that all the aspects of delivery that CNHH categorises as teaching hours meet the definition of teaching hours.

	Hours entered in STEO	Hours Approved by NZQA	Hours per week claimed by CNHH				
Delivery			Delivery	Year 1	Year 2	Year 3	Year 4
Teaching Hours Per Week	17	17	Lectures	3.75	3.75	3.75	3.75
			Clinical Practice	n/a	2.5	2.5	2.5
			Assessments and Tutor-Supported Home Studies	15	15	8	8
Work Experience Hours per Week	0	0	Assessed Case-Taking	0	0	7.1	7.1
Total Teaching Hours Per Week	17	17	Total Teaching Hours Per week	18.75	21.25	21.35	21.35
Total Self-Directed Hours per week	10	10	Total Self-Directed Hours per week	6.65	6.65	6.65	6.65
Total Hours Per Week	27	27	TOTAL	25.4	27.9	28	28
			Percentage delivered against STEO	94%	103%	103%	103%

Table 7: CNHH Teaching Week breakdown for Diploma in Homeopathy

	Hours entered in STEO	Hours Approved by NZQA	Hours per week claimed by CNHH				
Delivery			Delivery	Year 1	Year 2	Year 3	Year 4
Teaching Hours Per Week	3.7	14	Lectures	3.75	3.75	3.75	3.75
			Clinical Practice	n/a	2.5	2.5	2.5
			Assessments and Tutor-Supported Home Studies	15	15	8	8
Work Experience Hours per Week	10.3	0	Assessed Case-Taking	0	0	7.1	7.1
Total Teaching Hours Per Week	14	14	Total Teaching Hours Per week	18.75	21.25	21.35	21.35
Total Self-Directed Hours per week	12.5	12.5	Total Self-Directed Hours per week	6.15	6.15	6.15	6.15
Total Hours Per Week	26.5	26.5	TOTAL	24.9	27.4	27.5	27.5
			Percentage delivered against STEO	93%	103%	103%	103%

Table 8: CNHH Teaching Week breakdown for Diploma in Homeopathy (Animal)

Moodle (an online assessment tool) was rolled out in 2013 and has improved CNHH's ability to standardise the amount of time taken to complete work. However, roll-out across students was slow and did not capture much of the student assessment for the period under investigation.

CNHH has stated that one of the issues its governance group identified in early 2016 was the need to review the original programme approval in light of NZQA's Targeted Review of Qualifications (TRoQ). Accordingly, members of the CNHH management team met with the NZQA **Section 9(2)(a)** on 29 February 2016.

This discussion centred on CNHH identifying the need to re-develop both Diplomas to ensure the programme structures continue to meet the needs of post-TRoQ stakeholders. CNHH was redeveloping the two Diplomas and envisaged submission for Approval/Accreditation by November 2016.

3.6 NZQA approved teaching hours for Diploma of Homeopathy (Animal Health) do not match STEO

We identified discrepancies between NZQA approval letters and the information CNHH entered into STEO. For the Diploma in Homeopathy (Animal), the NZQA Programme Approval letter approved 14 teaching hours per week, while the breakdown of hours recorded in STEO records 10.3 hours per week of work experience and 3.7 hours of teaching. CNHH's explanation provided for work experience was historical practice of administrative course structuring. This is a significant difference given that the TEC does not view the work experience hours as teaching hours, but CNHH does. CNHH should apply for approval from NZQA for the hours it has entered into STEO and that it is teaching in accordance with those hours. The make-up and structure of courses has an impact on the TEC's funding decisions.

We inspected documentation CNHH provided to confirm that NZQA had approved the qualifications CNHH delivers. We validated that qualifications are accurately entered into STEO. NZQA approval letters and the information in STEO should match.

Table 9 captures the comparison between NZQA approval letters and the information in STEO. We have also included KPMG's assessment of the hours per the two tables above. Because the hours of delivery differ over the four years of the Diplomas, we have averaged the total across the four years for the purpose of our assessment in this table.

Qualification	Area	NZQA Programme Approval Letter	STEO	KPMG Assessment of hours	Percentage of hours vs STEO per KPMG assessment
Diploma in Homeopathy	Teaching Weeks	40	40	40	100%
	Teaching Hours per week:	17	17	5.625	33%
	Work Experience Hours per week:	0	0	11.5	n/a
	Self-Directed Hours per week:	10	10	9.7	97%
	Total Hours per week:	27	27	26.825	99%
	Total Hours per year:	1080	1080	1073	99%
Diploma in Homeopathy (Animal)	Teaching Weeks	40	40	40	100%
	Teaching Hours per week	14	3.7	5.625	152%
	Work Experience Hours per week	0	10.3	11.5	112%
	Self-Directed Hours per week	12.5	12.5	9.7	78%
	Total Hours per week	26.5	26.5	26.825	101%
	Total Hours per year	1060	1060	1073	101%

Table 9: STEO vs NZQA approval vs KPMG Assessment

3.7 Incompleteness of enrolment records

We selected a sample of 50 students from both the Diploma of Homeopathy and the Diploma of Animal Homeopathy courses (10 from each year 2010-15), and reviewed the information CNHH had on file for each student. This included checking:

- The enrolment application form for each student retained on file, was appropriately approved and signed.
- The students had provided the appropriate supporting information (e.g. birth certificate, passport) to support their application.
- The students' details in their enrolment application forms reconciled with the details reported to the TEC.
- The qualification completions reported to NZQA (including Recognition of Prior Learning and supporting documentation).
- Evidence of assessment records for all students.

We encountered issues with all of the 50 student enrolment records we inspected. The majority of issues identified relate to the issues already outlined in our findings above. These include student enrolment dates being entered into STEO that do not match actual enrolment

dates, RPL being granted but not advised to TEC, and course completions being reported to TEC inaccurately. In addition, the following issues existed across a number of the 50 student records:

- no enrolment dates on enrolment documentation
- incomplete information including enrolment forms
- enrolment files that could not be located

These issues made consistent verification of all of the information listed above difficult for a number of students. Where complete enrolment forms and files were not available, we used other information to determine dates of enrolment and study including correspondence with students and assessment records.

We also found that for a student where RPL was granted, none of the supporting evidence that is required to be kept on file to support RPL was included in the student record. We consider this one instance to be a minor record-keeping issue.

3.8 Students enrolled at CNHH, but not reported in the SDR

Between 2010 and 2011 CNHH enrolled six students who completed their qualifications but were not included in the SDR. We checked enrolment files to verify these students and their attendance.

As a result of not being included in the SDR, CNHH did not receive funding for these students.

4. Observations

4.1 Student and Tutor Interviews

We interviewed 13 students selected from the courses CNHH offers. Their responses provided us with their perspective on:

- Hours of attendance (including the teaching hours and self-directed learning hours)
- Class sizes
- Delivery of course material
- Their experiences during their time studying at CNHH

The students were generally positive about their experiences learning at CNHH. They indicated that the face-to-face lectures over a weekend once a month were valuable, and the DVDs and training materials were effective.

While provided with a specific tutor assigned to their class, most students said they did not need to contact the tutor frequently for support. They generally held positive views about the courses being well-structured, the flexible method of teaching delivery, and robust assessments.

There were mixed responses related to the amount of time required to complete study. Some students found they had to invest more time than others to complete the work according to timelines.

We spoke with five tutors – a number of them had been previous students of CNHH. They indicated they did not receive frequent requests for help from students outside of the monthly face-to-face weekend classes. They were enthusiastic about CNHH and felt it served a need for the community. They indicated that students were generally motivated.

They also described participating in monthly team meetings with other tutors where moderation was a standing topic for discussion.

4.2 Moderation

CNHH practises both internal and external moderation.

Internally, the tutors have monthly team meetings where moderation is discussed. Moderation records were extensive. Until termination of the license agreement, CNHH staff would also moderate ICH assessments.

Externally, CNHH engages a Homeopathy expert whose extensive experience helps with CNHH's assessments on a six-monthly basis.

Appendix 1 Details of Funding Received for RPL

Year	Courses(s) exempted	Individual EFTS exemptions	Course	Funding claimed	Total (EFTS)	Totals (\$)
2010	• Medical Science (MS)	0.1833	All MS	\$975.71	2.2	\$11,724
		0.1669	All MS	\$888.41		
		0.1669	All MS	\$888.41		
		0.1669	All MS	\$888.41		
		0.1669	All MS	\$888.41		
		0.1669	All MS	\$888.41		
		0.1669	All MS	\$888.41		
		0.1669	All MS	\$888.41		
		0.1669	All MS	\$888.41		
		0.1669	All MS	\$888.41		
		0.1833	All MS	\$975.71		
		0.1669	All MS	\$888.41		
		0.1669	All MS	\$888.41		
2011	• MS • Medical Science Urinary (MS Urinary)	0.3833	All MS	\$2,085.54	2.84	\$15,462
		0.1669	All MS	\$908.10		
		0.9	All MS	\$4,896.90		
		0.1669	All MS	\$908.10		
		0.1669	All MS	\$908.10		
		0.1669	All MS	\$908.10		
		0.1669	All MS	\$908.10		
		0.1669	All MS	\$908.10		
		0.1669	All MS	\$908.10		
		0.1833	All MS	\$997.34		
		0.1669	All MS	\$908.10		
0.04	MS Urinary	\$217.64				
2012	• MS • Cultural • Medical Science Body (MS Body)	0.0666	All MS	\$362.37		
		0.1833	All MS	\$997.34		
		0.1833	All MS	\$997.34		
		0.1669	All MS	\$908.10		
		0.1669	All MS	\$908.10		
		0.1669	All MS	\$908.10		

Year	Courses(s) exempted	Individual EFTS exemptions	Course	Funding claimed	Total (EFTS)	Totals (\$)
	<ul style="list-style-type: none"> Professional Communication (Prof Com) 	0.1669	All MS	\$908.10	2.42	\$13,179
		0.1669	All MS	\$908.10		
		0.1669	All MS	\$908.10		
		0.1669	All MS	\$908.10		
		0.1669	All MS	\$908.10		
		0.1669	All MS	\$908.10		
		0.04	Cultural	\$217.64		
		0.04	Cultural	\$217.64		
		0.04	MS Body Def	\$217.64		
		0.04	Prof Com	\$217.64		
		0.04	Prof Com	\$217.64		
		0.04	Prof Com	\$217.64		
		0.04	Prof Com	\$217.64		
		0.1669	All MS	\$908.10		
		0.04	Cultural	\$217.64		
2013	<ul style="list-style-type: none"> MS Cultural Prof Com 	0.1669	All MS	\$956.00	1.79	\$10,247
		0.1669	All MS	\$956.00		
		0.1669	All MS	\$956.00		
		0.1669	All MS	\$956.00		
		0.1669	All MS	\$956.00		
		0.1669	All MS	\$956.00		
		0.1669	All MS	\$956.00		
		0.1669	All MS	\$956.00		
		0.1669	All MS	\$956.00		
		0.1669	All MS	\$956.00		
		0.1669	Cultural	\$229.12		
		0.04	Prof Com	\$229.12		
		0.04	Prof Com	\$229.12		
2014	<ul style="list-style-type: none"> MS Cultural Prof Com Repertory 	0.1667	All MS	\$1,843.70	1.74	\$18,054
		0.1669	All MS	\$1,845.91		
		0.1669	All MS	\$1,845.91		
		0.1669	All MS	\$1,845.91		

Year	Courses(s) exempted	Individual EFTS exemptions	Course	Funding claimed	Total (EFTS)	Totals (\$)
		0.1669	All MS	\$1,845.91		
		0.1669	All MS	\$1,845.91		
		0.1669	All MS	\$1,845.91		
		0.1669	All MS	\$1,845.91		
		0.1669	All MS	\$1,845.91		
		0.04	Cultural	\$240.56		
		0.04	Cultural	\$240.56		
		0.04	Prof Com	\$240.56		
		0.04	Prof Com	\$240.56		
		0.04	Prof Com	\$240.56		
		0.04	Repertory	\$240.56		
2015	<ul style="list-style-type: none"> • MS • Cultural • Prof Com • MS Units 9 + 10 	0.1669	All MS	\$1,845.91	1.24	\$12,648
		0.1669	All MS	\$1,845.91		
		0.1669	All MS	\$1,845.91		
		0.1669	All MS	\$1,845.91		
		0.1669	All MS	\$1,845.91		
		0.1669	All MS	\$1,845.91		
		0.04	Cultural	\$240.56		
		0.04	Cultural	\$240.56		
		0.04	Cultural	\$240.56		
		0.04	Cultural	\$240.56		
		0.04	Prof Com	\$240.56		
		0.0334	Unit 9+10	\$369		
Total 2010-2015					12.23	\$81,314

Table 10: Funding Received for RPL (all figures exclude GST)

Appendix 2 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) Licensing Agreement between CNHH and ICH Information from STEO for CNHH's qualifications CNHH enrolment records NZQA records of achievement CNHH's Investment planning letters
CNHH Staff	<ul style="list-style-type: none"> Section 9(2)(a) Steven Castle (Chief Operating Officer/Corporate Services Manager) Section 9(2)(a) Five Programme tutors
Others	<ul style="list-style-type: none"> 13 students were interviewed across the selected programmes Section 9(2)(a)

Table 11: Key Sources of Information

Appendix 3 Further Background to CNHH

CNHH's website (<http://www.cnhh.ac.nz>) describes its focus as "providing quality homeopathic education since 1989". The students who study at CNHH are generally passionate about homeopathy, complementary medicine and other forms of alternative healthcare.

The TEC provides funding to CNHH through Student Achievement Component (SAC) funding.

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.

The total credit and duration of the programmes CNHH taught and received SAC funding for from 2010 to 2015 are captured in table 12:

Qualification	Level	Credits	Duration (Weeks)
Diploma of Homeopathy	7	432	160
Diploma of Homeopathy (Animal Health)	7	424	160

Table 12: Programme Details