

Te Whare Wananga O  
Awanuiarangi  
Investigation  
Tertiary Education  
Commission

**Confidential**

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# 1. Executive Summary

- 1.1. In March 2014, the New Zealand Qualifications Authority (“NZQA”) and the Tertiary Education Commission (“TEC”) jointly commenced an investigation at Te Whare Wananga O Awanuiarangi (“TWWOA” or “the Wananga”). The investigation originated from an anonymous complaint that was made to NZQA concerning a variety of matters. At the conclusion of the preliminary investigation it was determined that further work was still required, with a particular focus on changes to the National Certificate in Maori Tourism, a course that TWWOA was running and being funded for.
- 1.2. Deloitte Forensic was engaged to undertake further aspects of a review designed to:
  - Establish, post the change to running courses concurrently, the number of teaching weeks and hours actually delivered by TWWOA, in relation to the National Certificates in Maori Tourism (levels 3 and 4) (“Hei Manaaki”);
  - Establish when any change in the length of the National Certificates in Māori Tourism programmes was made (to assist TEC quantify any potential funding recovery);
  - Determine whether similar course changes have been made to other programmes delivered by TWWOA and funded by TEC; and
  - Determine whether there is any evidence to suggest that individuals associated with TWWOA have intentionally made any misrepresentations to TEC or NZQA relating to the programmes funded by TEC and what the financial implications of those actions would be.
- 1.3. From 2006 to 2009, the Hei Manaaki programme was a course owned in equal shares by TWWOA and Te Mata Maori Ltd. Students completed the level 3 course over an 18 week period and then many went on to complete a further 18 weeks for level 4.
- 1.4. In 2009, the Wananga purchased Te Mata Maori Limited’s share of the intellectual property to the course and began making changes to the course delivery. Some of the level 3 and level 4 courses began being delivered at the same time over one 18 week period. Others were delivered with an overlap between the two courses.
- 1.5. We found that TWWOA did not go through the appropriate approval process in regard to both the conjoint delivery aspect in 2009 and then unit standard changes in 2011.
- 1.6. The actual delivery of the Hei Manaaki programme is provided by a number of subcontractors, based at various locations around New Zealand. Their contracts with TWWOA set out the start and end date for the delivery of each level (three and four).
- 1.7. We located and reviewed a large number of contracts from 2009 to 2014. Almost all of the contracts set out a delivery timeframe of eighteen weeks and teaching time of 72 hours for each level over the eighteen week period. This is comprised of weekly three hour tutorials and three

lots of six hour workshops. It is these contracted hours that were monitored by the TWWOA

- 1.8. As part of the investigation we interviewed seven contractors who delivered the Hei Manaaki programme. We also reviewed teaching plans and other documentation that has been submitted by the contractors in relation to their teaching hours.
- 1.9. We identified that there is variation in the delivery of the programme between contractors and even between cohorts<sup>1</sup> delivered by the same contractor. This is due to reasons such as different industry groups being involved, the competency level of the students, as well as the variation in the age and life experience of the students. The majority of the contractors we interviewed do not have any awareness of the contact hours, direct learning hours and self-directed learning hours that are required by NZQA. They aim to meet their contracted hours (as a minimum) and also meet their other contract requirement of ensuring an 85% pass rate. Additional hours may need to be delivered by the contractor to ensure they meet this pass rate target.
- 1.10. Our analysis of the contact hours actually provided by TWWOA is set out in Section 5 of this Report. The average hours calculated was 183 hours (with a possible range across the cohorts of 121 to 297 hours) per 18 week period, covering both level 3 and level 4. In addition, there was commonly time spent on noho marae sessions and home visits.
- 1.11. The original TWWOA 2006 NZQA approved Programme Document sets out what the hourly components should be. We have compared this to the data TWWOA input in 2006 into "STEO," the national database administered by TEC that allows them to monitor the programmes delivered to TEO's. Ultimately this data affects the funding levels provided. This data included the teaching hours, self-directed learning hours and teaching weeks.

Course	Hours in the TWWOA Approved Programme Document	Hours submitted by TWWOA into STEO in 2006 <sup>2</sup>
<b>Level 3</b>	171 contact	
	<u>155</u> directed	
	326 total (contact and directed)	323 teaching
	<u>274</u> self-directed	<u>270</u> self-directed
	600 total	593 total
<b>Level 4</b>	217 contact	
	<u>150</u> directed	
	367 (contact and directed)	369 teaching
	<u>243</u> self-directed	<u>234</u> self-directed
	610 total	603 total
<b>Total (level 3 &amp; 4)</b>	<b>1,210</b>	<b>1,196</b>

<sup>1</sup> "Cohort" is the term applied by the Wananga to describe the delivery of the course by one particular contractor. It is effectively one class of students completing the course together.

<sup>2</sup>This also compares to the NZQA R0482 Programme Details Document that includes what the hourly components should be in relation to NZQA records. This includes 324 teaching hours and 270 self-directed hours at level 3 (total 594), and 378 teaching and 234 self-directed at level 4 (612 total). This gives total hours of 1,206.

- 1.12. Our review showed that the subcontractors delivering the programme usually provide a higher level of teaching hours for the two levels than the 144 hours that is set out in their contract with TWWOA. However, it is our view that the total hours delivered fall well short of the 1,200 programme hours required as the basis of TEC's funding.
- 1.13. The average total contact hours that we calculated for the Hei Manaaki programme was 183 hours per student, which is only 47% of the total 388 contact hours funded by TEC under the approved TWWOA Programme Document for level 3 and level 4. It is equivalent to the contact hours that are required for level 3 of the programme only.
- 1.14. Based on the evidence we have seen to date and the direction set out in the TEC SAC (Student Achievement Component) rules, we have concluded that the range of percentages that most appropriately reflects the actual delivery by the contractors is between 47% and 62%<sup>2</sup>. The first percentage (47%) is based on the delivery of contact hours only. The second percentage (62%) is based on the contact hours for only the contact hour portion of the total learning hours and uses a different overlap method for the directed and self-directed portion of the learning hours (refer further details in paragraph 7.20). In our opinion there is a more reliable and robust evidence base for the contact hour portion of the total learning hours through timetables and interviews. The more subjective part of the calculations relates to the delivery of the directed and self-directed hours because there is simply no evidence retained by TWWOA to support these hours. We have put in a range of assumption options to demonstrate how TEC could treat this part of the calculation.
- 1.15. Based on tutor interviews and timetables, we concluded that a reasonable assumption to apply is that the volume of contact hours delivered can also be applied to directed and self-directed hours. That said we accept that due to a lack of evidence it may actually be either higher or lower than 47% contact hours level. Applying instead the overlap method to the directed and self-directed hours is another reasonable, but alternative, approach to take particularly as it appears to us be consistent with the funding rules.
- 1.16. However using this method inherently introduces a further assumption that the only factor contributing to the hours not being fulfilled is the condensing of the course. That is, it calculates 100% delivery of directed and self-directed hours in those courses that have no overlap. Based on the interviews we have conducted, we have concluded that it is unlikely that the full requirement of 822 directed and self-directed learning hours were consistently achieved.
- 1.17. During the investigation two contractors were identified who appeared to have a significant shortfall in the number of weeks and teaching hours delivered. Accordingly, TWWOA engaged us to separately investigate these issues.
- 1.18. There has been no evidence of any significant monitoring or oversight within the School of Undergraduate Studies, or by the Academic Registry, [REDACTED] or the sub-contractor activities at the time to ensure the correct delivery of the teaching hours for the Hei Manaaki Programme. In our view, it is this lack of oversight that is the underlying reason that the shortfall in teaching hours has been able to continue since 2009.

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<sup>2</sup> This calculation is explained in Section 7 of this Report.

- 1.19. We have also examined other TWWOA courses to assess whether any of these issues were occurring in other programmes. This included the largest eight courses, excluding the Hei Manaaki programme (based on the number of EFTS). We reviewed the TWWOA Programme Document for each course and the R0482 NZQA Programme Document where available and compared the hour requirements in each. We then checked this back to course timetables in order to establish whether or not this was what was actually being taught. No significant exceptions or issues came to our attention as part of this high level review. Therefore, there was no indication that the problems found are systemic or wider than just the Hei Manaaki Programme.
- 1.20. We must emphasise that establishing the actual teaching weeks and hours delivered by TWWOA, in relation to Hei Manaaki, is not straightforward, due to the diversity in delivery by the subcontractors, the lack of oversight by TWWOA and a lack of supporting evidence.
- 1.21. Our findings above are based on certain assumptions, which is necessary given the limited documentation retained by TWWOA. These assumptions are clearly set out in the body of this report. If any are subsequently found to be inaccurate or not valid we reserve the right to amend our opinion and calculations.
- 1.22. We are reliant on the information that has been submitted to us by the various subcontractors and [REDACTED]  
[REDACTED]  
[REDACTED].
- 1.23. If TEC consider it is appropriate to request a return of funding from TWWOA, we recommend that the calculations set out in this report are used as a basis for discussion to progress this. We have not been instructed, nor do we form any view, on TWWOA's ability to repay any overfunding, should this be established.
- 1.24. We are also aware that TWWOA are putting in place a number of new processes to address the control and process weaknesses that they have identified in relation to this course. In our view this is a positive approach. In this regard we also recommend that TEC supports the Wananga and requests feedback on progress as they work to improve the programme.



## 2. Introduction

### Background

- 2.1 In March 2014, the New Zealand Qualifications Authority (“NZQA”) and the Tertiary Education Commission (“TEC”) commenced an investigation at Te Whare Wananga O Awanuiarangi (“TWWOA” or “the Wananga”). The investigation originated from an anonymous complaint that was made to NZQA regarding a variety of issues. At the conclusion of the investigation it was determined that further work was required for one issue in particular, focusing on changes to the National Certificate in Maori Tourism (“Hei Manaaki”). The majority of the other issues made in the anonymous complaint were deemed unfounded by NZQA.
- 2.2 The Wananga delivers both level 3 and level 4 of the National Certificate in Maori Tourism and receives funding from TEC of 0.5 Equivalent Fulltime Students (“EFTS”) for each student that enrolls in each level. TWWOA began providing the course in 2006.
- 2.3 In 2006, only the level 3 programme was delivered over an 18 week period. In 2007, students were able to continue their study in an 18 week level 4 course and since this time the Hei Manaaki programme has been delivered by the Wananga at both levels.
- 2.4 We found from the data submitted to TEC, a total of 3,804 students (based on NSN numbers) have been funded by TEC to complete at least one level of the programme. The total funding received by TWWOA for Hei Manaaki between 2006 and 2014 is \$19.98 million (excluding GST).
- 2.5 Since 2009, there has been an overlap in the delivery of level 3 and level 4 with many sub-contractors delivering both level 3 and level 4 concurrently. TEC is concerned that it appears that not only is this change in delivery not approved, but also the number of teaching hours delivered does not appear to meet TEC’s requirements.

### Scope of the Engagement

- 2.6 You have engaged us to undertake a review that will:
- Establish, post the change to running courses concurrently, the actual teaching weeks and hours delivered by TWWOA, in relation to the National Certificates in Maori Tourism (levels 3 and 4) (“Hei Manaaki”);
  - Establish when any change in the length of the National Certificates in Māori Tourism programmes was made (to assist you to quantify any funding recovery);
  - Determine whether similar changes have been made to other programmes both delivered by TWWOA and funded by you; and



- Determine whether there is any evidence to suggest that TWWOA has intentionally made any misrepresentations to TEC (or NZQA relating to the programmes funded by TEC and the financial implications of those actions.

## Limitation of this Report

- 2.7 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. The financial and other information contained in this report have been provided by TWWOA, TEC, NZQA and various TWWOA sub-contractors and students. 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	<ul style="list-style-type: none"> <li>• TWWOA Programme Document for Hei Manaaki approved in 2006, and the other programme documents provided for the top eight courses by EFTS</li> <li>• Dataset submitted by TWWOA to TEC for funding purposes from 2006 – 2014 for the top ten courses by EFTS. This was obtained from TEC</li> <li>• R0482 NZQA Programme Details Document (Level 3 and Level 4)</li> <li>• Report of External Evaluation and Review 2012 (NZQA)</li> <li>• TWWOA Self Assessment Report Hei Maanaki 2011</li> <li>• TWWOA Programme Modification Policy 2010</li> <li>• Minutes of Academic Board Meetings provided by TWWOA</li> <li>• Emails from [REDACTED] email account</li> <li>• Timetables provided by TWWOA through the contractors and sourced through emails</li> </ul>
Staff TWWOA	<ul style="list-style-type: none"> <li>• [REDACTED]</li> <li>• [REDACTED]</li> <li>• [REDACTED]</li> <li>• [REDACTED]</li> <li>• [REDACTED]</li> <li>• [REDACTED]</li> <li>• [REDACTED]</li> </ul>
Other	<ul style="list-style-type: none"> <li>• [REDACTED] (Senior Risk Case Analyst, NZQA)</li> <li>• [REDACTED] (Manager Approvals Accreditation, NZQA)</li> <li>• Graeme Cahalane (Manager, Monitoring and Crown Ownership, TEC)</li> <li>• Hei Manaaki students</li> <li>• [REDACTED] (Independent Contractor, assisting TWWOA with their own investigations)</li> </ul>
Interviews with Contractors	<ul style="list-style-type: none"> <li>• [REDACTED]</li> <li>• [REDACTED]</li> <li>• [REDACTED]</li> <li>• [REDACTED]</li> <li>• [REDACTED]</li> <li>• [REDACTED]</li> </ul>

## 3. Timeline

- 3.1. We have set out a summary of the key events to illustrate how the delivery of the Hei Manaaki Programme evolved over time. Much of this information is based on the return information submitted by TWWOA to TEC for funding purposes.

Year	Event
2006	The first level 3 course was offered in July 2006, in conjunction with Te Mata Maori Ltd.
2007	The first level 4 course was offered in February 2007.
2008	The level 3 and level 4 courses continued to be delivered separately.
2009	TWWOA purchased the remaining 50% of the Hei Manaaki course intellectual property from Te Mata Maori Limited.  Some of the level 3 and level 4 courses started to partially overlap and some of the other courses were delivered completely together (July and August 2009). The number of students being enrolled in a conjoint course increased from this point on.
2010	The overlaps continued at a similar level to 2009.
2011	The unit standards changed. The level 3 course changed in the number of unit standards from 16 to 11 units from February 2011, and level 4 from 7 to 4 units from April 2011.
2012	An EER Report was released by NZQA giving "excellent" and "good ratings" from their visit in late 2011.
2013	The number of overlapping or conjoint courses continued to increase. Hei Manaaki was delivered as part of the four day Te Matatini festival in February 2013.
2014	NZQA received an anonymous complaint about the programme in March 2014.  NZQA and TEC visited TWWOA and found a number of issues with the programme in March 2014.

Figure 1: Summary of key events of the Hei Manaaki Programme

### 2006 - 2008

- 3.2. The first level 3 course started on 29 July 2006 through distance delivery and the first level 4 course started on 10 February 2007 in Whakatane.
- 3.3. At this stage the two levels were delivered separately, over two consecutive 18 week teaching programmes.

## 2009

- 3.4. In 2009, TWWOA purchased the remaining 50% of the course intellectual property in relation to the Hei Manaaki Certificate Programme (National Certificate in Maori Tourism levels 3 and 4) from Te Mata Maori Limited [REDACTED]
- 3.5. From 2009 the level 3 and level 4 courses began to overlap. We have identified that the first partial overlap of courses occurred during July and August 2009, and the first complete overlap in August 2009. It is also further demonstrated in the below high level analysis that the overlap of the courses started in 2009, and the proportion of students in a conjoint course increased from that point in time.

Year	Total Unique Students Enrolled	Total Students with Overlapping Courses	Average Overlap (Weeks) (Note 1)
2006	98	0	0.00
2007	103	0	0.00
2008	179	0	0.00
2009	439	201	6.38
2010	649	353	6.61
2011	638	544	10.94
2012	747	658	11.50
2013	736	715	15.86
2014	215	202	16.33

**Figure 2: High level EFTS overlap data**

Note 1: The average overlap was calculated as the difference in weeks between the start date of the level 4 course and finish date of the level 3 course.

- 3.6. We have removed 18 outlier students from the above analysis as they were enrolled in multiple courses that distorted the average result. This more specifically includes 7 students where more than 1 EFTS had been recognised, 2 students enrolled in a level 3 course only where more than 0.5 EFTS were recognised, and 9 students that had carried out a level 4 course before the level 3 course.

## 2010 - 2012

- 3.7. The unit standards changed from February 2011. The number was reduced in the level 3 course from 16 to 11 unit standards in February 2011, and level 4 from 7 to 4 in April 2011.
- 3.8. At the end of 2011, NZQA visited TWWOA to perform an External Evaluation and Review ("EER"). A focus area of this was the Hei Manaaki Programme. Overall, this review concluded that NZQA was *"highly confident"* in TWWOA's educational performance and *"confident"* in self-assessment.

## 2013 – 2014

- 3.9. The programme further evolved from 2013, to being delivered completely conjointly in the majority of cases. This can be seen in **Figure 2** where the overlap is now almost 18 weeks, the full course length for each level.
- 3.10. NZQA received an anonymous complaint, on 7 March 2014, which involved the Hei Manaaki Programme. Some of the relevant complaint details included:
  - that participants in the Te Matatini Festival, who only performed 3 to 7 days volunteer work, had received the level 3 and 4 qualifications; and
  - people who had only attended 2 to 3 classes, and had not submitted any assignments, also achieved the qualifications.
- 3.11. Between 24 and 26 March 2014, NZQA and TEC visited the Whakatane TWWOA site to undertake a preliminary investigation into the substance of the complaint. Some of the findings of NZQA, included in a letter dated 10 April 2014 to Graham Smith (CEO TWWOA), were that:
  - The delivery fell well short of the teaching weeks and hours specified in the programme approval documents;
  - TWWOA had not advised TEC or NZQA of changes to the two programmes since they were originally approved in 2006;
  - There was insufficient evidence that individual learners have met their learning outcomes; and
  - The sub-contracting arrangements for tutors had not been approved by NZQA or TEC.
- 3.12. These findings then lead to our appointment to investigate the specific concerns further.

## 4. Approval Process for the Programme Changes

- 4.1 We have summarised in more detail below the events and approval processes that lead to the conjoint delivery of the level 3 and level 4 Hei Manaaki Programme in 2009 and the changes to the unit standards that occurred in 2011. We have also highlighted the findings from the External Evaluation Review carried out by NZQA.

### Conjoint Delivery

- 4.2 When we examined the 2009 data we observed from our analysis that the level 3 and level 4 courses started to overlap in terms of their delivery. There were a significant numbers of emails from [REDACTED] around July 2009 in relation to this.
- 4.3 We observed in an email dated 8 July 2009 [REDACTED] that [REDACTED] had planned to deliver the programme conjointly, specifically stating which courses should be delivered in this way.
- 4.4 Another email dated 9 July 2009 from [REDACTED] to the [REDACTED] [REDACTED] stated *"with the conjoint delivery of level 3 and level 4 there is now much interest [sic] in a Diploma so I hope NZQA can accommodate us here as next year will be a prime opportunity to begin this."*
- 4.5 On 28 July 2009 there was an email trail (**Appendix A**), involving [REDACTED] [REDACTED], who were made aware of the intention to offer the course conjointly. The first email was from the Student Registry Office to [REDACTED] stating they had received enrolments for the conjoint programmes and asking whether this can go ahead. An email was then sent by [REDACTED] stating that *"the running of Hei Manaaki levels 3 & 4 at the same time with the same student is not acceptable,"* and [REDACTED] then requested feedback from [REDACTED] on the issue. The final emails are from [REDACTED] stating that [REDACTED] had told [REDACTED] team to *"hold off from processing any of these OTE/enrolments for now, until we have confirmation from yourselves ([REDACTED]) of the decision"* and the next email is from [REDACTED] stating *"students should not complete a pre-requisite paper at the same time as the course they are trying to get into. How has this occurred?"*
- 4.6 There is then an email from [REDACTED] on 29 July 2009 confirming to [REDACTED] [REDACTED] the level 3 and level 4 courses *"cannot be offered conjointly. We will need advice and evidence from NZQA as to whether or not this is possible. Can you follow this up please?"* (**Appendix A**).

- 4.7 A further email has now become the subject of further discussion between NZQA and TWWOA, as TWWOA has expressed a view that in hindsight this is evidence of NZQA approval to offer the level 3 and level 4 programmes conjointly. This email is between [REDACTED] and [REDACTED] at NZQA and is also dated 29 July 2009. It occurred when [REDACTED] at NZQA responded to [REDACTED] about whether or not it was permissible to run the programmes conjointly. The email stated *"it is permissible for you to run the level 3 and level 4 programmes together, assessing against the standards for either level as they are delivered through your course of study...people may commence training and assessment towards this qualification without having been awarded that National Certificate Tourism Maori (level 3). However, they will not be awarded this qualification until they have been awarded the National Certificate Tourism Maori level 3. So as long as the results for both qualifications are submitted together, or the level 3 results before the level 4, it will go through ok."*
- 4.8 This email was then forwarded on by [REDACTED] to [REDACTED] saying I *"hope this settles any confusion with the delivery of the two programmes."* (Appendix A). According to TWWOA this was apparently taken as approval that they could go ahead with offering the programme conjointly. NZQA do not accept this is what was intended as discussed further below.
- 4.9 Around this same time NZQA outlined two types of changes, that could be made to courses or qualifications that were accredited by them, which were "Category 1" and "Category 2" changes. We have obtained the Criteria, Requirements and Guidelines for Course Approval and Accreditation close to this time dated August 2010 from NZQA. They have confirmed to us that the previous version has the same content (Appendix A).
- 4.10 Any Category 1 (now Type 1) changes were relatively minor compared to Category 2 changes (or Type 2) and did not need prior approval from NZQA at the time. These changes related to one or more components within a programme such as learning outcomes (but not the overall outcomes of the qualification), purpose of a component, teaching resources, level of a component (while retaining the overall level of a qualification) and quantitative assessment changes. We could not find any requirements that these changes must be submitted to NZQA. We note that the Requirements and Guidelines states (in bold) *"check with TEC if you are uncertain whether confirmation of the change is required from NZQA for funding approval."* We have confirmed with NZQA that this was a key document that was publically available to all Tertiary Education Organisations ("TEO").
- 4.11 Category 2 (or Type 2) changes were required to be evaluated by NZQA and are more significant changes at the qualification level. This includes the length of the course, addition or deletion of compulsory components, qualitative changes to assessment, credit value and level of the course and changes to the scope of the accreditation. Also included is the documentation required to be provided to NZQA for a Category 2 change such as full details of the changes, rationale for the changes, internal and external consultation and support for the changes, resourcing and staffing.
- 4.12 TWWOA has acknowledged in their letter to NZQA dated 1 May 2014 that a *"Category 2 change has occurred and due to extenuating circumstances we did not advise NZQA of the changing in the end date of the programme... We understand the decision to change the end date and deliver the course concurrently was made by [REDACTED] [REDACTED] From our initial review we have found this change was not put through the internal processes including academic Board for approval."*



- 4.13 There is also some discussion as to whether the email mentioned above from NZQA constitutes formal approval for the course change. NZQA have specifically stated in a letter to the TWWOA dated 18 June 2014 that NZQA considers that in their view it was unlikely that TWWOA interpreted this email as formal approval to run the programmes concurrently with reduced weeks of study. They note that the email came from the Maori Qualifications Services team and not from the Quality Assurance Division responsible for formal approval, and also that a change of such significance should have gone through an internal approval process with TWWOA's Academic Board that would have triggered an application to NZQA. This is consistent with the approval and documentation required to NZQA under the Criteria, Requirements and Guidelines for Course Approval and Accreditation 2010.

## TWWOA Responsibilities in Respect of TEC

- 4.14 TWWOA must follow the requirements of the Education Act 1989 as a tertiary education provider. In accordance with Section 159L the Minister determines the design funding mechanism. The most recent SAC funding mechanism (for 2013-2014) issued by the Minister outlines *"a condition that if the results of an audit, reporting or statistical returns, or a performance-linked funding assessment, show that the amount of a payment of funding provided to a TEO under this funding mechanism was greater than it should have been, then the amount of the over-funding is treated as a debt due"* and *"a condition that if TEC considers on reasonable grounds that a TEO has received funding that it was not entitled to receive, then the amount of funding received in excess of that TEO's funding entitlement is treated as a debt due to the Crown."*
- 4.15 Section 159YC(1) of the Education Act also states that the TEO must supply to TEC from time to time, as required by TEC, any information TEC requires. TEC's website requires a TEO to supply information to TEC before TEC approves a qualification for funding and states under the rules that if a TEO seeks to make a significant change to a qualification it must supply information to TEC before making that change. This is because, as rule SAC003 states, all significant changes to qualifications, including a change in the number of teaching weeks or learning hours, require funding approval from the TEC if the TEO seeks continued funding. However, we have reviewed the Funding Agreement for 2013 and 2014 dated 13 December 2012 and not all of the appropriate SAC funding rules in the website have been explicitly mentioned, including this particular rule.
- 4.16 [REDACTED]  
[REDACTED] We recommend TEC carry out a detailed review of TWWOA's legal obligations in regard to notifying them of programme changes and their requirements to meet the NZQA rules and standards in the funding conditions.

## Unit Standards

- 4.17 The unit standards in the Hei Manaaki Programme changed from the beginning of 2011 as observed from the information submitted to TEC.
- 4.18 We located an email sent on 7 July 2010, before the changes were brought to the Academic Committee, from [REDACTED] to [REDACTED]. This stated that [REDACTED] was *"considering replacing some*





## External Evaluation and Review

- 4.24 At the end of 2011, NZQA visited TWWOA to perform an External Evaluation and Review ("EER"). Overall, NZQA concluded that they were *"highly confident"* in TWWOA's educational performance and *"confident"* in self-assessment. The Hei Manaaki Programme received an *"excellent"* rating for educational performance and another *"excellent"* rating for capability in the self-assessment. From our review of the documents provided by NZQA and from our discussions with them, the EER process is outcomes focused and does not necessarily look into the hours delivered. The good outcomes are consistent with the excellent student and tutor feedback on the courses, and the high achievement rates of the programme at the time. We have carried out a further review of this aspect in **Appendix C**.
- 4.25 We are aware that the unit standard changes as well as the contractor arrangements were drawn to NZQA's attention during the EER process. However, this was either not identified by NZQA at this time or the findings on this matter were not communicated back to TWWOA.

## Conclusions

- 4.26 From the evidence sighted above, it appears to us that at the time, TWWOA had not gone through the appropriate approval process with NZQA in regard to both the conjoint delivery aspect and the unit standard changes. There were also a large number of people aware of the changes being made such as [REDACTED], yet the changes were still not communicated to NZQA as required.
- 4.27 Since late 2013, TWWOA has been aware of the issues with the Academic Registry and processes are being put in place to ensure these issues do not occur going forward. Part of this includes a new Academic Registrar being appointed in May 2014 to start in mid-August, and an Academic Registry function review.

## 5. What Teaching Hours were Actually Delivered?

- 5.1 The delivery of the Hei Manaaki programme is provided by a number of subcontractors who are based at various sites around the country.
- 5.2 Determining the number of teaching hours delivered was not straightforward. We identified that there is variation in the delivery of the programme between contractors and even between cohorts delivered by the same contractor. Our investigation was therefore focussed on analysis of data provided by TEC, review of contracts, review of evidence submitted by the contractors and interviews with some of the contractors and [REDACTED].
- 5.3 In this section, we set out our findings on what teaching hours were actually delivered.

### Programme Document

- 5.4 The programme document that was submitted to NZQA in 2006 includes a delivery schedule for each level. It shows that of the 600 programme hours for each level, 171 are contact hours for level 3 and 217 are contact hours for level 4 (388 in total). In addition, there is a requirement for directed learning hours of 155 hours level 3 and 150 hours level 4 (305 in total). The total contact and directed hours required under the programme document is 693 hours. There is also a requirement for self-directed hours.
- 5.5 This compares to the total teaching hours of 693 and self-directed hours of 504 over level 3 and level 4 over 18 weeks entered into STEO by TWWOA in 2006. It also compares to the NZQA R0482 Programme Details Document (**Appendix D**) that sets out that the total teaching hours for level 3 and level 4 is 702 teaching hours and 504 self-directed study hours over 18 weeks.
- 5.6 The programme document that is held by TWWOA (and is available on their intranet) has a footer saying "NZQA/TEC version" – 14 December 2005". However, it has been updated to reflect unit standard changes that were approved by the Academic Board in February 2011. The first five pages of the document have a different footer that says "NZQA/TEC version – 06 July 2011". This document shows that of the 600 programme hours for each level, 104 are contact hours for level 3 and 100 are contact hours for level 4. The remaining hours are self-directed learning.
- 5.7 It appears that, at some point, the wrong 2005 version of the programme document has been used by TWWOA to make changes and has erroneously become their reference document. The documentation error was only discovered during the current investigation and we would have expected that the Academic Registry at the time to have undertaken processes that may have led to this error being discovered and reflected earlier. NZQA has always retained the 2006 document.

5.8 TWWOA was also required to submit the hours information into “STEO” at TEC in 2006. When we referred this to TWWOA, we were advised that [REDACTED] who entered this information recalls that [REDACTED] copied it from the two page NZQA programme summary document and did not refer this on to the school or [REDACTED] (as [REDACTED] did not think [REDACTED] was required to). We were also advised that in 2006 TWWOA did not have an Academic Registry and had a significant forced organisational change from a restructure, resulting in loss of critical and capable staff. TWWOA considers this contributed to a lack of knowledge in the remaining staff on NZQA processes and procedures.

## Contracts

5.9 The contracts set out the start and end date for the delivery of each level (3 and 4). In some cases, the contracted weeks overlap for level 3 and 4 and in some cases the contracted delivery of the two levels is concurrent. We obtained copies of several contracts dated between 2009 and 2014 (**Appendix E**).

5.10 The teaching services that are set out in the 2009 contracts are as follows:

- i. *Provide a safe and supportive teaching and learning environment for taura at all times;*
- ii. *Provide support for individual taura inside and outside the learning environment to enable them to fully participate in the programme;*
- iii. *Work with industry in terms of workplace assessments/video recorded evidence when and where necessary; and*
- iv. *To ensure an 85% pass rate of the total number of students enrolled.*

5.11 This 2009 contract sets out that it is the contractor’s responsibility to recruit the students and also to “teach all units as outlined in the programme”. The contractors are also required to maintain individual student files, provide weekly progress reports, provide an 18 week calendar and ensure all assessments are filed and recorded. There is no detail on the 2009 contracts of the number of teaching hours to be delivered.

5.12 The 2010 contracts are very similar to 2009. There is an additional teaching service recorded, being “Provide 1 three (3) hour tutorial per area per week plus one full-day workshop at the commencement of each module”. There is no further clarification as to how many workshops are required in total. It is also not clear what is meant by “per area”. Some of the contractors deliver to more than one site, so the requirement may be for 1 tutorial at each site a week or it may be for 1 tutorial for each level per week. If the requirement was for one three hour tutorial per week and three six hour workshops to be repeated for each level, the total contracted teaching hours for each of the 18 week courses was 72 hours<sup>3</sup>. However, if there was overlap of the courses without an increase in the weekly teaching hours, then this total would be less.

5.13 We were not provided with any 2011 contracts, however the 2012 contracts appear to set out the same number of teaching hours as the 2010 ones. There were some differences in the 2012 contracts that we sighted. One of the contracts stated “Provide 1 three (3) hour tutorial per site per week plus one full-day workshop at the commencement of each module per level of

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<sup>3</sup> 3 hours x 18 weeks plus 6 hours x 3 workshops = 72 hours

*programme unless otherwise negotiated.*" Another 2012 contract said instead, "Provide a minimum of 1 three (3) hour tutorial per area per week, plus one full-day workshop at the commencement of each module. Conjoint delivery must follow this schedule – separate classes must be held per level of programme (1x level 3 class plus 1x level 4 class per week) Conjoint delivery must be approved first." This second 2012 contract provides more detail but it is still not clear how many workshops are required to be delivered.

- 5.14 This wording is then carried through to the 2013 and 2014 contracts. The only other reference in the contracts to the teaching hours is in the schedule of fees. In some cases, the contract includes a payment for classroom hire. In earlier contracts the schedule simply shows the total to pay, but from some 2013 contracts there is some detail that refers to 3 hours per week for each level and 3 full day workshops for each level. However, the contracts are not consistent and others appear to be for 3 x 6 hour workshops for both levels rather than for each one.
- 5.15 The contractor's fee was ██████ per student per week (plus GST) in 2009 and 2010. The 2012 to 2014 contracts record a rate of ██████ per student per week (plus GST).
- 5.16 The funding from TEC per EFTS for each unit increased over time. Each of the courses has always comprised 0.5 of an EFTS, that is, a student enrolled in both level 3 and level 4 would comprise one full EFTS. From the data obtained from TEC, in 2010, the TEC funding level for each EFTS attending Hei Manaaki was approximately \$5,685.33 for level 3 and level 4. By 2014 this had increased to approximately \$6,014.60 per EFTS.
- 5.17 Although the contracts are not clear as to exactly what the teaching hours are for each course, they are consistent in that they only refer to weekly three hour tutorials and full day workshops at the commencement of each module.
- 5.18 Therefore, even if it is assumed that three full day workshops were required for each of the courses, the total contracted programme hours do not exceed 72 hours for each 18 week course being delivered, or 144 hours for each EFTS. This represents only 37% of (or 244 hours less than) the total contact hours of 388 that is set out in the programme document.

## Evidence from Contractors

- 5.19 TWWOA determined that they required evidence from contractors regarding the hours being taught. They sent an email to each contractor requesting that they provide any evidence, along with a signed declaration of their teaching hours (**Appendix F**). TWWOA shared the contractor responses that they received with us.
- 5.20 The material that was provided to us illustrated the variation in delivery between contractors. Some contractors appeared to deliver teaching hours that were reasonably consistent with their contracted hours, a few appeared to be below the contracted hours and others provided home visits and other additional hours over and above the contract.
- 5.21 We reviewed 17 timetables that included contact hours from tutors that were sourced from the signed declarations or through our email review. There were originally 19 timetables; however we excluded 2 in relation to two contractors where we had concerns in relation to the significantly shortened delivery (refer further reasons set out from Section 7). We then used the timetable hours to extrapolate across 82 cohorts (including both level 3 and level 4 per cohort) using the listing provided by TWWOA. When we did not have a timetable for a particular cohort,

we assumed that the contractor's delivery was consistent with other cohorts that had delivered. Where there was not any timetable available for a contractor because they did not provide it, we used the contracted hours figure of 144. From this we calculated an average of 135 contact hours per student taught, which closely compares to the 144 contracted hours figure.

- 5.22 There are also additional contact hours identified through the timetables and interviews with contractors. We calculated an overall average of 48 hours per student. This was the average additional time per student found through timetables provided and interviews with a total of 8 tutors extrapolated across 82 cohorts. Where we had no evidence of these hours for a particular contractor for a cohort, we instead used the average additional hours of 50 (across the 8 tutors). The additional hour's information was over an 18 week period; therefore we extrapolated the additional hours out further where the cohort was longer than 18 weeks over both levels. For example, if the course ran consecutively (one level after the other) we doubled the additional hours because there would, in theory, potentially be twice as much time to carry out these activities (for example as home visits).
- 5.23 The additional hours across the 8 timetables and tutors included:
- Home visits that the contractors made to a student relating to additional time required to help their learning.
  - Additional noho marae, site visits and tutorial time (over and above the time tabled tutorials). One tutor confirmed, for example, they spent six weekends with their students at the marae which we have included as contact time.
  - Contractors who made themselves available at a set time at the marae for a student to come and see them for help. We have adjusted this number to take into account the likely time per student.
  - A flat 5 contact hours per student for additional emailing, discussing issues or phoning students.
  - An additional 18 hours per student (1 hour per student per week) for industry cohorts where the tutor was working with students on a day to day basis.
- 5.24 We have calculated the average additional hours on a per student basis. For example, the average number of home visits per student per cohort. This is based on the latest New Zealand Qualifications Framework dated November 2013 that states "*the credit value relates to the amount of learning in the qualification. In determining the amount of learning in a qualification, a qualification developer estimates how long it would typically take a person to achieve the stated outcomes in the context specified and to demonstrate that achievement through assessment. This determines the credit value for a qualification.*" We note that the funding from TEC is also on a per student ("EFTS") basis. We have also verbally confirmed with NZQA that this is the right basis to use.
- 5.25 It is possible that the evidence obtained for the additional hours may be overstated, given that it is generally based on interviews with the tutors rather than documented evidence or further interviews with students. The contracted hours that the contractors generally work to are 144 hours over level 3 and level 4, which more or less matches the timetabled hours. However, the majority of the tutors we have talked to are adamant that they deliver over and above the contract hours and they are not paid for these additional hours.



- 5.26 The total average contact hours per student for each tutor is 183 (135 plus 48), which is 39 hours above the contracted hours per student. However this is still only 47% of the total 388 contact hours required under the originally approved Programme Document.
- 5.27 We were not able to establish the directed hours given the disparity between the definitions provided and set out in the table below and the lack of clarity as to whether or not they meet the NZQA requirements. We are aware that the tutors direct students to fill out a workbook and also direct discussion groups and extra tutorials. There is also an industry component to a large number of the cohorts. However, it is not feasible to quantify and obtain evidential support for the actual hours spent on these activities.
- 5.28 We have also not assessed the self-directed hours, so we cannot compare the total programme learning hours to the requirement for 600 hours at each level set out in the programme document.
- 5.29 We found no evidence that the contractors were aware of the teaching hour levels that are set out in the programme document, or the separate requirements for directed hours and self-directed hours. Rather, they are focussed on fulfilling at least their contracted hours with TWWOA.
- 5.30 We asked [REDACTED] to explain for us [REDACTED] definition of directed learning and we have also identified a definition in an email sent to some of the Hei Manaaki tutors. We also discussed with the TWWOA executive, including [REDACTED], what their interpretation of contact hours and directed learning hours is. These interpretations are set out in the table below.
- 5.31 We found that there is an inconsistency in the teaching hour definitions being applied by NZQA and TWWOA. The following table sets out the variations:

Term	Definition	Source
<b>Contact hours</b>		
TWWOA ([REDACTED])	<i>These are direct teaching hours where the lecturers have made themselves available to the students</i>	Response to our direct request June 2014
<b>Directed Learning</b>		
TWWOA ([REDACTED])	<i>Referred us back to the Programme Document and stated that self-initiated learning activities where the students on their own or as a collective group work together on, maybe directly linked to assignments</i>	Response to our direct request June 2014
TWWOA Programme Document	<i>Taura will be encouraged to identify areas of learning, and develop strategies to undertake self-initiated learning on their own in small study groups. The development of directed learning strategies will provide a platform for</i>	Approved in 2006



	<i>lifelong learning and assist kaiako in the development of independent research</i>	
NZQA	<i>Learning that is directed by tutors. Methods could include, classes, tutorials, workshops, working through workbooks, online/web delivered content</i>  <i>Direct contact time with teachers and trainers</i>	Letter from Dr Karen Poutasi to Professor Graham Smith, 18 June 2014  <a href="http://www.nzqa.govt.nz/studying-in-new-zealand/nzqf/understand-nz-quals/">http://www.nzqa.govt.nz/studying-in-new-zealand/nzqf/understand-nz-quals/</a>
██████████	<i>Anything that the students are directed to do by the tutor including homework, research and video assessments</i>  <i>Anything that you have directed students to do, i.e. researching tourism, industry visits, wananga, workplace videos</i>	Our discussion with ██████████ on 29 May 2014  Email to some Hei Manaaki tutors, 02 May 2014
<b>Self-directed Learning</b>		
TWWOA (██████████)	<i>Time the student requires gaining an understanding of the programme content, i.e. further research into content from lectures etc.</i>	Response to our direct request June 2014
NZQA	<i>Learning that independently contributes to the achievement of the programme outcomes. Methods could include research, preparation for tutorials/classes/workshops, practising techniques.</i>	Letter from Dr Karen Poutasi to Professor Graham Smith, dated 18 June 2014
██████████	<i>Anything the students do over and above what they are directed to do</i>	Our discussion with ██████████ on 29 May 2014

5.32 There is an obvious divergence between the interpretations of what comprises directed learning, and as a consequence there is disagreement between TWWOA and NZQA as to whether or not the appropriate learning hours are being delivered.

5.33 For example, in the TWWOA submission to NZQA of 1 May 2014, there is a delivery schedule for a sample Hei Manaaki cohort. TWWOA have submitted that the contact hours for this cohort are 416. NZQA has responded that they can only identify 82 mandatory contact hours<sup>4</sup>. NZQA has not accepted that learning where attendance is optional or is a replacement for mandatory hours should be included.

<sup>4</sup> Letter from K Poutasi to G Smith, 18 June 2014

- 5.34 This disparity in definitions combined with a lack of evidence has made it extremely difficult to assess what teaching hours are being delivered in the programme.
- 5.35 Furthermore we have serious concerns about the validity and reliability of the information provided by the contractors. [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]
- 5.36 [REDACTED]  
[REDACTED]  
[REDACTED]. The cohorts of these sub-contractors have not been included in our calculation of "average contact hours".
- 5.37 Notwithstanding these comments, the replies by the contractors are the only evidence that we have and as such we have relied upon it. If further investigation was undertaken, we would recommend interviews with a representative sample of students from each cohort.

## Industry Hours

- 5.38 Industry hours relate to self-directed learning hours for the Hei Manaaki Programme being taught to cohorts where students work in an industry group. For example, it is used to teach staff at the Copthorne Hotel in Northland.
- 5.39 The 2006 NZQA Approved Programme Document programme delivery and learning modes sections do not directly mention industry hours. However we consider that a reasonable approach to take is that some industry hours may be counted toward the self-directed hour component under some circumstances.
- 5.40 We have discussed this with NZQA, TEC and [REDACTED]  
[REDACTED]. In our view the industry hours would have to be directly attributable to achieving the learning outcomes. It is unlikely that, for industry cohorts, you would automatically count all the hours worked in a day toward the programme requirements. The student would have to be directly practicing the activity being taught in the course. This would vary between individual to individual depending on their role in industry.
- 5.41 NZQA guidance on workplace learning expects that there is reporting on the learning that takes place in a workplace. One way of doing this is a log book or diary; other ways are attestations or evaluations made by workplace supervisors in relation to meeting learning objectives within the programme. None of this has been carried out currently by the students.
- 5.42 We would also expect to see students providing some evidence of the learning that has occurred during this time and that this has been assessed in order to contribute to the award of the qualification (i.e. there needs to be evidence of the distinction between a learning experience and employment per se).
- 5.43 From a reasonableness perspective, there are 517 self-directed hours (274 hours for level 3 and 243 for level 4) required out of a total of 1,210 hours in the NZQA approved 2006 Programme Document. When a programme has been delivered conjointly, on average 29 self-

directed hours per week would be required of the student for a compressed 18 week programme. This would mean each student completing the full learning hour requirement is carrying out an average of 67 hours (29 self-directed hours + 21 contact hours + 17 directed hours = 67 total learning hours) of total learning a week directly related to the course, on top of their other commitments, or as part of their industry related work.

- 5.44 If instead 100% of the industry hours were to be recognised (given the students work in industry and the direct correlation of the hours to the course) further questions need to be answered and investigated. For example, how have TWWOA made the industry/non-industry distinction? Are all the students in the industry cohorts working at least 29 hours a week (517 required self-directed hours/18 weeks), on top of meeting the required 21 contact hours (388 required contact hours/18 weeks) and 17 directed learning hours (305 required directed hours/18 weeks) per week. This is outside the scope of the current investigation and has not, to date, been completed.

# 6. Review of the Data Submitted to TEC

6.1 In this section we comment on the review and analysis that we conducted of the data set provided to us by TEC. This includes validation of the underlying data as well as an analytics review to search for anomalies or exceptions. This is based on the information submitted by TWWOA for funding purposes from 2006 – 2014. It included the top ten courses based on the number of Equivalent Full Time Students (“EFTS”), including the level 3 and level 4 cohorts in the Hei Manaaki Programme.

## Underlying Data Validation

6.2 In order to rely on the TEC data, we performed various checks. We randomly selected a sample of 62 students out of 3,804 for the Hei Manaaki Programme across a range of level 3 cohorts, with different locations and timing. The majority of these students were also involved in a level 4 cohort, which we also traced back to supporting documentation. This includes the students signed enrolment form(s) that included verifying that the start and finish dates of the course agreed the data, as well as looking at appropriate identification documents (e.g. birth certificate), an offer of placement, and agreeing this information back to Artena (the Student Management System).

6.3 Our key findings from review were :

- We saw further examples of overlapping of enrolments from 2009 and changes in unit standards from 2011. We noted that, over time, the enrolment patterns evolved to one enrolment form covering both programmes. The one enrolment form features from 2009 enrolments but there are variations with two enrolment forms also sighted. This suggests there have been variations in the enrolment process.
- 55 records of the 62 samples tested were able to be located. Of the 7 records missing one was from 2007, 3 from 2010, 2 from 2011 and 1 from 2013.
- The Student Management System (Artena) was checked with the Administration Manager and the start and end dates were confirmed for 61 of the 62 records. The only record where there was a discrepancy related to a 2014 enrolment where the end date differed by a small margin.
- There were a large number of examples where the offer of placement letters post-dated the first date of attendance or where no offer of placement was recorded.
- In some cases, the first enrolment was missing in the level 3 course which normally attaches evidence of the student’s eligibility to enrol in the level 4 programme.

- In 2011, the paper selection sheets for the level 4 programme were coded AW1247 which is the same programme code for the level 3 programme. The correct programme code for the level 4 programme is AW1248. This may have been a printing error but the consequence is that students may not have noticed that they were actually enrolling in two programmes.
- 6.4 The sample tested, whilst showing some errors, at least provided us with a base level of comfort in the validity and accuracy of the TWWOA data. It was sufficient to be used for analytics particularly given the majority of selections had a valid enrolment, and the start and end dates for the cohorts generally matched the source documentation.
- 6.5 We are also aware that the TWWOA Chief Financial Officer is currently putting measures in place to tighten up these processes.

## Analytics

- 6.6 We performed a variety of analytic tests over this data. Extracts have been shown in **Appendix H** for reference. The key points are:

### Analysis of the Number of EFTS Claimed per Student

- 6.7 This was to check there were not a large number of students with multiple EFTS being recognised within the Hei Manaaki programme. We found a low number of students (only 7) with this issue. We selected 1 of these to investigate further. This student had started the level 3 and 4 cohorts in 2011 and withdrew past the 10% threshold, and [REDACTED] then re-enrolled into both levels in 2012. Therefore, there is no indication that this is an area that TEC has overfunded.

### Analysis of the Level 3 and Level 4 Course Overlap per Student

- 6.8 This took the start and end dates of a course and showed them visually as lines so you could clearly see the overlap for each level by individual student. The overlap results were consistent with our timeline findings and we were able to establish the key dates where the first courses and overlaps occurred.
- 6.9 We noted nine students that carried out a level 4 course before level 3 and twelve students that participated in the level 4 course only. We selected four students that had only participated in a level 4 course to check whether they had obtained a qualification. Three of these students had received a qualification. The one that didn't receive a qualification was due to an early withdrawal from an August 2014 course as a result of TWWOA stopping the programme due to the pending investigation process.
- 6.10 We have also noted that \$33,077 of funding has already been received by the Wananga for the August 2014 course, from enrolments that have already been processed. We have been advised by TWWOA that these have now been cancelled and will be reflected in the next SDR return.

- 6.11 We also highlighted two shortened courses in the data. The end date for one of the courses was entered into Ardena as the potential cancellation date if there were not enough students to carry out the course. It was only two weeks long in the return, however full EFTS were still claimed. The student's assessments were also recorded as completed on this date. We have confirmed with [REDACTED] that these were data entry errors. We were not able to obtain supporting evidence to corroborate this; however we did obtain documentation for the data entry error to support the correct 18 week time period for the second shortened course.

## Analysis of the Number of Unit Standards per Student

- 6.12 This analysis shows if one student has been enrolled in an unusual number of individual units. The key finding was that the number of units changed in early 2011 from 16 to 11 for level 3 and from 7 to 4 for level 4, which is consistent with our findings discussed further above.
- 6.13 In 2008, there were a reasonably large number of individuals where the number of courses doubled, for example for level 3 they did 32 courses and level 4, 14 courses. However, only 0.5 EFTS per cohort was claimed so we consider this a minor data issue rather than a problem with the funding claimed. There were also a small number of cases where students did fewer units than required to finish the qualification; however less EFTS were generally claimed in these cases as expected.

## Attendance Records

- 6.14 There is a TEC Rule (ENR079) stating that the *“minimum time period for a learner who withdraws from any course to be eligible to support Student Achievement Component (SAC) funding is 10% of the course completed or one month completed, whichever is the lesser.* Given there is a requirement to complete 10% of the course, we reviewed a summary of attendance records provided by TWWOA for 9 cohorts, which included both the level 3 and level 4 courses. We could trace back some of the courses to manual attendance registers, but this information was not provided for others. The total NSN numbers included in the attendance registers were 224. We assume that the EFTS is also 224 (1 EFTS per NSN, given 0.5 EFTS for each of the 2 levels enrolled). This gives a total value of \$1,347,270 (excluding GST) (224 x a rate of \$6,014.60 per EFTS) for the cohorts that we reviewed.
- 6.15 We found 14 students who attended on the register, but we could not find them on the return information submitted to TEC based on the most likely name code search. Therefore, it is possible that no EFTS were ever claimed for the majority of these students.
- 6.16 We noted 12 exceptions where students attended less than 3 classes but where a full EFTS was claimed. Our understanding is the majority are valid EFTS under TEC rules given the withdrawal period on the signed withdrawal form is past the 10% threshold required by TEC. We confirmed 2 exceptions with TWWOA where there could be a potential reimbursement required.
- 6.17 We also reviewed the attendance records in detail of one particular cohort. This contained 95 students in total and had an electronic attendance register with no individual student signatures. Therefore, we called a selection of these students to verify their attendance. Through this

process, we found the students did attend, however additional concerns around the significantly shortened programme length were drawn to our attention.

- 6.18 It is our view that TWWOA should be keeping more reliable and accurate attendance registers for Hei Manaaki. We understand that the Wananga has now recognised this weakness and is addressing it.
- 6.19 Based on the records that were available, we did not find evidence indicating that there may be a material issue relating to the funding of students who do not attend the programme.



# 7. Level of any Over Funding

- 7.1 We were asked to suggest appropriate percentages of the learning hours delivered that could be used to determine an estimate of any over funding. We have set out our approach and a range of percentage options below.
- 7.2 Based on the evidence we have seen to date and the direction set out in the TEC rules, we have concluded that the range of percentages that most appropriately reflects the actual delivery by the contractors is between 47% and 62% of the hours which TEC funded. These percentages are arrived at using the contact hours approach and mixed approach respectively (Method 3 and 4).
- 7.3 There is a more robust and reliable evidence base for the contact hour portion of the total learning hours through timetables and interviews. The subjective part of the calculation relates to the delivery of the directed and self-directed hours given there is no evidence retained by TWWOA to support these hours. We have put in a range of assumption options to demonstrate how we could treat this part of the calculation below.
- 7.4 If we were to reduce the range to a specific number we would need to further investigate how the directed and self-directed hour components were met through interviews of students of the Hei Manaaki Programme over a range of cohorts. This would give us further evidence to be able to refine the percentage of delivery of the directed and self-directed components.
- 7.5 Based on tutor interviews and timetables, the assumption that the contact hour's delivery can be applied to directed and self-directed hours is not unreasonable. That said, due to a lack of evidence it may actually be either higher (or lower) than 47%.
- 7.6 Applying the overlap method to the directed and self-directed hours also appears to be supportable based on the rules. However, using this method a further assumption is introduced that the only factor contributing to the hours not being fulfilled is the condensing of the course. That is, it calculates 100% delivery of directed and self-directed hours in those courses that have no overlap. In our opinion, based on the interviews we have conducted, it is unlikely that the full requirement of 822 directed and self-directed learning hours were consistently achieved.
- 7.7 Stepping back, and working through the issue systematically, if a student was to fulfil all the required 1,210 learning hours, this would be a total on average of 67 hours per week per student of total study (1,210 learning hours/18 weeks). This is broken down into 21 contact, 17 directed, and 29 self-directed hours per week. In our view, from our interviews with tutors, it is unlikely that the average student enrolled on the Programme spent this significant amount of time in relation to the course work. Given that TWWOA are not able to show a substantial redesign of the programme when they moved to overlapping and there is little evidence of self-directed learning occurring, this gives us further comfort that applying the 47% is a reasonable approach in the circumstances.

## TEC Rules

7.8 We have carried out a non-legal review of the rules in relation to SAC funding based on the information available on the TEC website. We understand that there are a number of other funding considerations that TWWOA are discussing separately with TEC such as the 5% performance-linked funding under the SAC Funding Mechanism, a SAC funding capital component and an EFTS over delivery aspect. There are out of scope of the engagement and therefore are not reflected in our percentages.

7.9 The relevant rules include:

*"TEC will take a conservative approach to funding accelerated or compressed programmes of study. The convergence of all three methods of determining the Equivalent Full-Time ("EFTS") value will be considered by the TEC when deciding on the appropriate EFTS value for funding purposes (Rule SAC044)."*

We have summarised the three methods below used to determine EFTS value:

Method (TEC)	Rule (TEC)	Description (TEC)	Discussion
Credits or points	SAC035	<ul style="list-style-type: none"> <li>Determine the standard number of credits that equate to one full-time year of study</li> <li>Determine the number of credits for the qualification</li> <li>Divide the qualification credits by the standard number of credits for one full-time year of study (120 credits)</li> </ul>	The total credits in the Programme Document have not changed from a total of 120 credits since 2006. Therefore, we have not considered this method further given it does not reflect the change in delivery of the course.
Learning hours	SAC036	<ul style="list-style-type: none"> <li>Determine the qualification's total learning hours</li> <li>Divide this by the standard measurement of a full-time year of study (1,200 hours)</li> </ul>	We have considered this method further below under "Contact Hours Approach".
Full-time weeks	SAC039	<ul style="list-style-type: none"> <li>Determine the length of the qualification in weeks and then do one of the following:</li> <li>Divide this number by 34</li> <li>Multiply this number by 0.03</li> </ul>	We have considered this method further below under "Overlap Approach".

## Two Methods: Contact Hours and Overlap

7.10 We have based our six calculations on two methods that closely align to the TEC rules SAC036 and SAC039. We have set these out below:

Method	Delivery <sup>1</sup>	Explanation
Contact Hours <sup>2</sup>	47%	<p>This method is based on the contact hours actually delivered from timetables provided by the tutors to TWWOA and interviews as discussed in Section 5 above. This includes:</p> <ul style="list-style-type: none"> <li>Standard (timetable hours) - we found an average of 135 hours per student sourced from 17 timetables provided to us. This included lectures, classes, workshops, tutorials and recorded noho's. We used the timetable hours to extrapolate across 82 cohorts (including both level 3 and level 4 per cohort) from the listing provided by TWWOA. When we didn't have a timetable for a cohort, we assumed that the contractor's delivery was consistent with other cohorts they had delivered. Where there wasn't any timetable available for a contractor because they did not provide it, we used the contracted hours of 144.</li> <li>Additional (interview hours) – we found an average of 48 hours per student. This was the average additional time <u>per student</u> found through timetables provided and interviews with a total of 8 tutors extrapolated across 82 cohorts. Where we had no evidence of these hours for a contractor we used the average additional hours of 50 (across the 8 tutors). The additional hour's information was over an 18 week period; therefore we extrapolated the additional hours out further where the cohort was longer than 18 weeks over both levels. For example, if the course ran consecutively (one level after the other) we doubled the additional hours because there would, in theory, potentially be twice as much time to carry out these activities (for example as home visits).</li> </ul> <p>These actual hours were compared to the total contact hours in the original NZQA approved (2006) TWWOA Programme Document for level 3 and level 4, which was 171 hours and 217 hours respectively (388 in total). This gave a total percentage delivery of 47% ((135 + 48)/388).</p> <p>We note the contact hours (388 hours) are only a portion of the total learning hours in the 2006 NZQA approved programme document (1,210 hours). Therefore, we have made assumptions about the directed (305 hours) and self-directed hours (517 hours) that also make up the total learning hours discussed under the TEC rules. This has been considered in our final percentages of delivery below.</p>
Overlap <sup>3</sup>	69%	<p>The full-time week's method uses the length of the qualification over the total weeks required for a year of full time study to determine the EFTS and funding value. We have used a total of 36 weeks (18 weeks at each level) as stated in the approved 2006 Programme Document for the qualification as opposed to the 34 weeks suggested in the rule.</p> <p>We have then calculated the length of the qualification through taking the length approved at each level (18 weeks each), and removing the average overlap per student. The average overlap is calculated by the difference in weeks between the start date of the level 4 cohort and the finish date of the level 3 cohort on a per student basis in each year since 2009. This average is then divided by the 18 week course length for one level and multiplied by 0.5 EFTS. Effectively, this assumes that at least level 3 should remain fully funded, but a reduction in funding should apply to level 4, to the extent that it overlaps with level 3.</p>

<sup>1</sup>This is the final average from 2009 – 2014. Please refer to more detailed calculations on a year by year basis in Appendix L.

## <sup>2</sup>Contact Hours Method - Further Explanation and Assumptions

7.11 As set out in Section 5, the evidence we obtained indicates that there is up to 48 additional contact hours. The evidence to support these hours is generally based on interviews rather than documented evidence. The contracted hours that the contractors generally work to are 144 hours over level 3 and level 4, which reasonably matches the timetabled hours of 135. However, the majority of the tutors we have talked to are adamant that they deliver over and above the contract hours and they are not paid for these additional hours.

7.12 Assumptions we made as part of the contact hour calculation includes:

- The timetables provided to us and sighted through email accurately shows the contact time spent over the level 3 and level 4 courses. We assumed that these timetables also reflected the remaining programme contact time for the other cohorts run by contractors from 2009 – 2014 (note that for 2014 only part of the year was considered). If no timetable was provided by a contractor, we assumed they delivered the contact hours in our interpretation of the contract of 144.
- The contact time requirement from 2006 – 2008 was fully met and we have not determined that there was any over funding for these years given the courses did not overlap.
- We have calculated the average additional hours on a per student basis. For example, the average number of home visits per student per cohort. This is based on the latest New Zealand Qualifications Framework dated November 2013 that states *“the credit value relates to the amount of learning in the qualification. In determining the amount of learning in a qualification, a qualification developer estimates how long it would typically take a person to achieve the stated outcomes in the context specified and to demonstrate that achievement through assessment. This determines the credit value for a qualification.”* We noted that the funding from TEC is also on a per student (“EFTS”) basis. We have also verbally confirmed with NZQA that this is the right basis to use.

7.13 We acknowledge that this evidence is still somewhat subjective given it generally was confirmed through timetables and was based on high level interviews only.

## <sup>3</sup>Overlap Method - Further Explanation and Assumptions

7.14 The average EFTS refund factor is an average of 31% from 2009 - 2014. This means that 69% was delivered under this approach.

7.15 The information used in this calculation was based on the return information submitted by TWWOA to TEC for funding purposes. We have removed the students from the two contractors where we identified serious concerns with the significantly shortened delivery. This has been discussed further in “Other Adjustments” below.

7.16 This calculation takes a completely different perspective to the contact hours approach, and uses the course overlap that was not approved at the appropriate level back in 2009 as a basis. The advantage of this calculation is that it is straight forward.



7.17 The method assumes that when the cohorts do not overlap, there was 100% delivery. In our view, there is no evidence to support such a high level of delivery given our findings in relation to the 47% delivery (53% under delivery) of contact hours.

## Summary of the Overall Percentage of Delivery under 6 Final Approaches

7.18 Our range of calculations below use a weighted average of different percentages of delivery for contact, directed and self-directed hours by year since 2009. The percentages of delivery use the contact hours and overlap approaches discussed above, as well as in some cases assuming 100% or 0% of delivery depending on the different assumptions used.

7.19 Note that we have assumed from 2006 – 2008 there was 100% delivery and we have not determined that there was any over funding for these years given the courses did not overlap. Our calculation also only reflects part of 2014 given the investigation started in May 2014. More detailed calculations for each approach have been included in **Appendix L**.

Year	Method 1	Method 2	Method 3	Method 4	Method 5	Method 6
2009	13.89%	32.40%	43.32%	69.78%	82.27%	81.83%
2010	14.81%	34.55%	46.19%	70.28%	81.65%	82.75%
2011	13.69%	31.94%	42.71%	60.98%	69.60%	81.63%
2012	16.11%	37.57%	50.23%	62.49%	68.27%	84.04%
2013	16.02%	37.37%	49.97%	54.98%	57.35%	83.96%
2014	16.11%	37.58%	50.24%	53.23%	54.64%	84.04%
<b>Final Average</b>	<b>15%</b>	<b>35%</b>	<b>47%</b>	<b>62%</b>	<b>69%</b>	<b>83%</b>

7.20 The below table summarises the key basis for each approach.

Number	Approach	Basis
1	Contact Hours	Assumes 0% directed and self-directed hours were met.  As there is no evidence retained by TWWOA to support these hours, a strict interpretation would be 0% of both directed and self-directed hours.
2	Contact Hours	Assumes 0% directed and the same self-directed hours as contact hours were met.  As there is no evidence retained by TWWOA to support the directed hours, a strict interpretation would be 0%.  Although for self-directed, there is also no evidence available, it is likely some was completed, given the students are required to be assessed in order to achieve unit standards. There is also an industry hour component to some cohorts that could be captured. Given we are not sure how long an individual student spends in their own time studying to achieve the outcomes of the course, we have assumed that this was covered in line with the contact hour calculation above.
3	Contact Hours	Assumes all hours (contact, directed and self-directed) are delivered in the same proportion as contact hours.  As there is no evidence retained by TWWOA to support directed and self-directed hours, we have assumed that these were completed in line with the contact hour calculation above.  For directed hours, we are aware that the tutor's direct additional workshops, the completion of workbooks and other forms of teaching are not captured in the contact hours, but they are to some extent carried out. Therefore, in our view there were some directed hours provided.  For self-directed hours, we have explained that there was likely to be some value given the students were required to be assessed in order to achieve unit standards above. There was also an industry hour's component to some cohorts that could be captured.  Although we do not have documentary evidence of the directed and self-directed hours, the discussions we have had with tutors suggests that the assumption they were in-line with contact hours is not unreasonable.
4	Mixed	Assumes the "Contact Hours Approach" for contact hours only, and the "Overlap Approach" for directed and self-directed hours.  There is no evidence retained by TWWOA to support directed and self-directed hours, but we think there was some delivery of these hours as explained above. Therefore, for this method we have used the overlap method to calculate the delivery that reduced the directed and self-directed hour component when the courses were being delivered concurrently. This method assumes that the only factor reducing the delivery of directed and self-directed hours was the condensed delivery timeframes.
5	Overlap	Uses a different perspective to the contact hours approach completely, and uses the overlap method only as a basis for calculating the delivery.
6	Contact Hours	Assumes 100% directed and self-directed hours were met.  As there is no evidence to disprove the directed and self-directed hours were met, this method assumes 100% of these hours were met.

## Other Adjustments

7.21 There are some other possible adjustments we identified for the two contractors who potentially had a significant shortfall in regard to the number of weeks and teaching hours delivered. TEC may determine this represents additional overfunding (not captured in the calculations above).

7.22 The number of students funded for these two contractors was 94 at each level for one contractor and 130 at level 3 and 115 at level 4 for the other contractor.

# 8. Programme Oversight

- 8.1 In Section 4, we noted that the approval processes that led to the conjoint delivery of the level 3 and level 4 Hei Manaaki Programme in 2009 and the changes to the unit standards that occurred in 2011 were not followed correctly. In both instances, those responsible for academic processes failed to ensure that the appropriate process was followed for informing NZQA or TEC of the changes to the programme.
- 8.2 We have set out in Section 5, that [REDACTED] and those responsible for the academic delivery of the courses at TWWOA were monitoring the contractor's delivery primarily against their signed contracts, not the NZQA requirements. As a result, the average contact hours that we believe were delivered by the sub-contractors is similar to their contracted hours. From the evidence we have reviewed, there has been a lack of documentation in relation to the programme delivery including the hours delivered, lesson plans, assessments, and attendance records within each cohort. This was not being monitored properly by [REDACTED] or anyone else at TWWOA.
- 8.3 [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]. We understand that procedures have recently been put in place to reduce the risk that this occurs going forward.
- 8.4 There has been no evidence there was sufficient oversight of [REDACTED] or the sub-contractor activities by [REDACTED] [REDACTED] at TWWOA to ensure the correct delivery of the teaching hours for the Hei Manaaki Programme. In our opinion, it is this lack of oversight that is the underlying reason that the shortfall in teaching hours has been able to continue since 2009.



## 9. Other Courses

- 9.1 Subsequent to our appointment we were asked to widen our investigation to establish whether or not there was any indication that the issues identified in relation to the Hei Manaaki programme were present in other courses. This included the largest eight courses run by TWWOA, excluding the Hei Manaaki programme (based on the number of EFTS).
- 9.2 This included the Master of Indigenous Studies, Certificate of Te Wai Maori (Freshwater Management), Te Ahu Taiao: Bachelor of Environment Studies, Bachelor of Maturanga Maori, Te Tohu Paetahi Ako: Bachelor of Education (Teaching), Nga Mana Whakairo a Toi: Bachelor of Maori Performing Arts, National Certificate in Seafood Maori (Customary Fishing) and the Certificate in Te Pouhono.
- 9.3 The high level work we carried out included:
- Reviewing the TWWOA Programme Document for each course and the R0482 NZQA Programme Details Document where available and compared the hour requirements in each. We then went back to course timetables to establish if this was what was actually being taught.
  - Performing a data review and analytics, focusing on the overlap of start and end dates and length of the courses.

### Review of Programme Documents

- 9.4 We found that the contact hours, or direct hours depending on the programme definition, had generally met the TWWOA Programme Document requirements from review of the underlying timetables.
- 9.5 In the TWWOA Programme Documents, some courses use contact hours, directed learning hours and self-directed learning hours. In this case, TWWOA adds the contact and directed hours together to get the total teaching hours per NZQA. Other courses don't have any contact hours detailed, only having the two categories of directed and self-directed learning hours.
- 9.6 The definition of contact hours and directed learning hours varies from course to course. For example, the Certificate in Te Pouhono definition of contact hours is hui, peer support, visits and visiting speakers; and directed learning is "*interactive supervised group learning situations.*" However, the Bachelor of Education has no contact hours and states directed learning is "*time spent with teachers and training.*" These differences are understandable in some cases given the nature of each course is different.
- 9.7 For courses that had both contact and direct learning hours such as Freshwater Management, Customary Fishing and Te Pouhono, only Te Pouhono specifically showed direct learning hours in the timetable. It was unclear for the other two what this included in the course.

- 9.8 For the Bachelor of Maturangi Maori, the contact hours included pastoral care (58 hours per year) and online time (236 hours). We believe that this needs clarification with NZQA on whether these would be considered to be a teaching hour.
- 9.9 For the Bachelor of Performing Arts, there was quite a large portion of online time in the direct hours in the course timetable. We are not clear whether this should be considered a teaching hour under NZQA rules.
- 9.10 There are three courses where NZQA have not been able to provide a R0482 Programme Details Document and two where key information on hours has been left out. We have confirmed that NZQA do not have the documentation for the Master of Indigenous Studies and Bachelor of Maturanga Maori given they are old programmes, and are having difficulty finding the Certificate in Te Pouhono (Level 4) but are continuing to look for this. We have also confirmed that for degree programmes such as the Bachelor of Education (Teaching) and Bachelor of Environment Studies they do not record hours per week for bachelors or master's degrees in the R0482 Details Programme Document.

## Analytics

- 9.11 Our analysis looked at the overlap of the start and end dates of units within a course as well as the length and showed them visually as lines so you could clearly see the overlap and length for each unit by individual student. We then examined one to three selections that were representative of trends for that particular course to obtain further explanation from appropriate people, for example the Head of School.
- 9.12 The one to three selections were all generally satisfactorily explained. We found the unit length varied within a year in a particular course in a large number of cases, but this was usually due to variation in tutors and location or the time it took for a student to finish the unit. A consistent EFTS value per unit has been claimed in the exceptions we investigated as expected. We also found that in some cases the wananga students were doing 100 level papers at the same time as 200 or 300 level papers, but we consider this reasonable as long as the prerequisite has been completed.

## Conclusion

- 9.13 There was no evidence of any significant issues from the above review. There is no indication at this stage that the problems in relation to overlap of courses and delivery of hours found is systemic or is wider than just the Hei Manaaki Programme. However, more interviews and work would be required to obtain further comfort around the delivery of the other courses.

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