TEC review overview: Ignite Colleges Limited

Ignite Colleges Limited

Ignite Colleges Limited (Ignite) is a private training establishment (PTE) operating in Manukau, Auckland. Ignite receives funding from the Student Achievement Component (SAC) levels 3 and above, SAC levels 1 and 2 competitive, and Intensive Literacy and Numeracy funds. As well as literacy and numeracy, Ignite delivers qualifications in health and wellbeing, hospitality, early childhood education and care, security, and freight logistics.

Why we initiated the review

Ignite was identified for review based on routine analysis of the August 2016 single data return (SDR), and to follow up on a number of issues that had been identified in a 2016 audit. In July 2017 we engaged Deloitte to undertake a review of Ignite's 2017 delivery across three qualifications.

The qualifications reviewed were:

› New Zealand Certificate in Health and Wellbeing (Level 2)
› New Zealand Certificate in Hospitality (Level 2)
› New Zealand Certificate in Hospitality (Level 3)

What we found and what we have done

Findings	Actions taken
Delivery › Self-directed learning hours were under-delivered (compared to those entered in STEO) for both hospitality programmes, resulting in relatively minor under-delivery of total learning hours.	› Ignite reviewed self-directed learning activities across all programmes and has introduced greater oversight of self-directed learning activities by tutors (and the General Manager), as well as a process for measuring completion of set self-directed learning tasks
Records › Three minor administrative errors were identified.	› Ignite has upgraded its student management system, and implemented a monthly internal audit process to check for data inaccuracies.

About our monitoring function

The TEC invests approximately $3 billion into tertiary education each year – funding about 700 tertiary education organisations (TEOs). It's vital we have a high performing sector that provides excellent outcomes for New Zealanders. We continue to enhance our approach to monitoring to help ensure this happens. Monitoring is a 'business as usual' role for the TEC that contributes to both student success and sound stewardship of public money. We engage with TEOs on how they are delivering against their investment Plans, their financial viability and their operational performance.

Our regular monitoring function includes a range of activities, from routine audits to more specialised investigations resulting from a range of intelligence-led risk monitoring activities, data analysis or complaints. You can read more about our monitoring framework here.

We work with the sector in an open and transparent way across this area of our work, to ensure TEOs are clear about our processes and expectations.

We ensure New Zealand's future success.

Deloitte.

Ignite Colleges Limited
Report for the Tertiary Education Commission
Confidential

27 November 2017

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4.   This report should also be read in conjunction with the limitations set out in the report.

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Executive Summary

1.1 Ignite Colleges Limited ("Ignite") was purchased by new shareholders in the middle of 2016. The ultimate owners currently comprise Ms Rosanne Graham (Managing Director), Ms Nimi Kaur (Director of Academic Quality) and Ms Jeanne Williams (Commercial Director). They are also the directors and are responsible for managing Ignite's day to day operations.

1.2 Once the new owners took over the Private Training Establishment ("PTE"), they found issues within the organisation that were of concern, particularly in the underlying records and the accuracy of the Single Data Return ("SDR") reporting provided to TEC. They performed their own detailed review and raised these concerns with TEC. Between 26 and 28 October 2016, TEC carried out an audit covering the 2015 and 2016 academic year. TEC's audit resulted in a number of recommendations.

1.3 TEC engaged Deloitte in July 2017 to perform an additional review covering the 2017 calendar year. This is partly to understand the extent to which the new operational processes subsequently implemented by Ignite management have addressed any historic issues. We have covered the majority of the recommendations that were highlighted as part of the earlier TEC audit (where relevant to the programmes and funding mechanism selected by TEC) in our testing.

1.4 TEC selected three of Ignite's programmes from the 2017 calendar year for us to review. The scope was to determine whether:

- the programmes are taught in accordance with, and comply with, the learning hours and weeks entered into the TEC database ("STEO") and therefore meet the TEC funding requirements;

- the programmes are delivered in accordance with learning hours approved by the New Zealand Qualifications Authority ("NZQA");

- the underlying student records are robust and fit for purpose based on a small sample of students;

- the course fees charged to learners reflect the approved fees entered in STEO; and

- there is anything else identified as a result of the review.

1.5 At an introductory meeting during our site visit on 14 August 2017, Ms Graham, Ms Kaur and Ms Williams discussed with us the changes that had been made to Ignite since it was purchased. One of the main points emphasised was that it had been completely transformed as an organisation, which included the development of a new vision and values, the range of programmes offered and new and refined operational processes to support the business transformation.

Key Findings

Compliance and Delivery of Learning Hours

1.6   We have provided a summary of the programmes we reviewed and our results in Table 1 below.

Table 1: Summary of Our Assessment of Ignite's Delivery of Learning Hours

	Health Level 2[2]	Hospitality Level 2[3]	Hospitality Level 3[4]
Credits	40	80	80
Teaching weeks	14	27	25
Equivalent Full Time Student ("EFTS") value	0.33	0.67	0.67
EFTS delivered (2017)[1]	15.29	12.50	20.90
Total Learning hours recorded in STEO & the latest NZQA R0482	406	810	800
Total Learning hours delivered	462	786	625
Assessment of learning hours delivered to students (as a % of hours recorded in STEO)	114%	97%	78%

[1]Sourced from the TEC SDR as at 7 September 2017 with data being recorded as "last updated" on 2 September 2017
[2]The New Zealand Certificate in Health and Wellbeing (Level 2) (or "Health Level 2")
[3]The Certificate in Hospitality (Level 2) (or "Hospitality Level 2")
[4]The New Zealand Certificate in Hospitality (Level 3) (or "Hospitality Level 3")

1.7   We found that learning hours recorded by Ignite in STEO all agreed to what was approved and recorded by NZQA in the latest R0482 across all three programmes.

1.8   We then assessed the learning hours delivered in practice by Ignite and compared this to the required learning hours, giving an overall percentage of delivery for each programme. We found that the overall delivery in the Health Level 2 and Hospitality Level 2 programmes met (or closely met) the TEC STEO requirements, with delivery percentages of 114% and 97% respectively. This was based on the student interviews, the tutor interviews and programme material provided by Ignite.

1.9   We noted for the Hospitality Level 2 programme that the average duration described by the three students we interviewed was 23 weeks, four weeks lower than the 27 weeks set out in STEO. Two of the students who enrolled in 2017 stated that the programme was 25 weeks long. The remaining student enrolled in 2016 and carried the programme on into 2017. They stated that the programme was 20 weeks long, with no increase in the weekly hours delivered. We have recalculated the learning hours based on the average 23 week duration instead of the required 27 week duration recorded in STEO and found the percentage of delivery of learning hours would be 82% if the programme had been delivered over this shortened timeframe.

1.10   For the Hospitality Level 3 programme, the overall delivery percentage was slightly lower, at 78%. The larger teaching hour component was met, with students and tutors consistent in their reporting of scheduled class times. We made an additional allowance for external catering functions that the students host, based on the feedback from the tutor interviews. However, based on student interviews, the self-directed learning hour component was significantly lower, with 25% delivery compared to STEO. This was the main driver of

the lower overall assessment. The three students who reported the highest self-directed learning hours during our interviews, described an average of three hours per week of learning outside the classroom, compared to the twelve hours per week recorded in STEO. This lower delivery percentage within self-directed learning hours indicates that the amount of homework carried out in practice is less than that set out in STEO.

Verification of Students and Student Data

1.11   We selected a sample of ten students across the three programmes to review whether their underlying student records were robust and fit for purpose. We looked at eleven different areas for each sample and found that the underlying record keeping satisfied this requirement for the samples examined. Ignite provided us with comprehensive records.

1.12   However, we highlight that we found issues in two out of the ten samples relating to the areas of eligibility requirements and the accuracy of SDR reporting.

1.13   In terms of eligibility, we were not able to sight evidence of how some of the NZQA criteria was being met for each sample. For example, the Hospitality Level 2 criteria includes being "*proficient in the English language (both written and spoken)*" and "*enrolment is subject to an interview process*." We were told that this was assessed by Ignite through an initial interview with the student before they started the programme and that the adherence of Ignite to the enrolment criteria had been reviewed by the New Zealand Qualifications Authority ("NZQA"). However, as the interview was not recorded by Ignite we could not sight any evidence to confirm this. Therefore, we have raised the recommendation that Ignite add a step to their Checklist for the Enrolment/Progress File when the student enrols, requiring the recording of the time, date and details of the interview as evidence this step has taken place.

1.14   We also noted issues in the accuracy of SDR reporting in two out of ten of our samples. Within these two samples we found one-off instances where:

- The start and end dates in the SDR did not reflect when the student carried out the programme (Hospitality Level 3); and

- There were amendments made to correct errors in the end dates recorded, which again, did not reflect when the student carried out the programme (Hospitality Level 2).

1.15   We then found, as a result of the changed end dates, the programme duration was shortened to 18 and 23 weeks compared to the required 27 weeks under STEO. It was explained by Ms Nimi Kaur that a group of students wanted to carry out this programme more quickly to work in cafes and restaurants over the summer break. Another student wanted to start the next Level 3 programme at the same time as their friends. Therefore, Ignite allowed exceptions to the more capable students and extended the delivery hours in order to continue to meet the NZQA teaching hour requirement and extended the classes by two hours.

1.16   We took a wider look at durations specifically in the August 2017 SDR[1] for the three programmes. We found that there were 13/27 exceptions (48%) where this had occurred in the Hospitality Level 2 programme, which were in the range of 16 to 23 weeks. We noted that all of these students related to enrolments in late 2016, and we did not find any issues in students that enrolled in 2017.

1.17   Ms Nimi Kaur stated that this issue was discussed with the TEC auditors who visited in the prior year and Ignite were told to speak to each student on a case by case basis to see if any of them would require or benefit from an extension of their programme end date (to 27 weeks) and if so, to action accordingly. She then confirmed that all the 2017 enrolments and enrolments going forward are delivered over the required duration in relation to all programmes offered by Ignite. We found that this was reflected to date in the SDR[1] for the three programmes we reviewed.

1.18   We recalculated our delivery of learning hours' percentage for the Hospitality Level 2 programme based on the standard hours and the overall average duration indicated in the SDR instead of the required 27 weeks under STEO. We found that if the duration is amended to reflect the average in the SDR[1] of 25 weeks, the learning hour delivery percentage is 90%.

1.19   As a result of this finding, we recommend that Ignite ensures that all students carry out the approved programme duration unless in exceptional circumstances, to avoid the potential risk of under delivery within the programmes. We understand, based on discussion with Ms Kaur that this was the case for students enrolled at Ignite from 2017.

1.20   We also recommend that TEC consider whether it requires any further work performed in reviewing the delivery of learning hours, taking into consideration that the exceptions we have identified related to students enrolled in 2016 and the recalculated delivery percentage of 90%.

1.21   In addition to this, as a result of the changed end dates, we found that there was less funding claimed in the SDR[1] by Ignite than its full entitlement of 0.67 EFTS. This occurred for all 13 students noted as exceptions, as outlined above. We found that across these students, there was 1.55 EFTS potentially under claimed with a value of $14,961[1].

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[1] SDR dataset obtained from TEC on 7 September 2017 with data being recorded as "last updated" on 2 September 2017. We have referred to this dataset as the "August 2017 SDR"

Introduction

Background

2.1   Ignite Colleges Limited ("Ignite") is a Private Training Establishment ("PTE") under the Education Act 1989. It was purchased by new shareholders through a Company called Ignite Education Group Limited on 30 June 2016[2].   The ultimate owners comprise Ms Rosanne Graham (Managing Director), Ms Nimi Kaur (Director of Academic Quality) and Ms Jeanne Williams (Commercial Director). The owners are also the directors of Ignite and are responsible for managing the PTE's day to day operations.

2.2   Ignite was previously called Corporate Academy Group. Its name changed on 12 January 2017[1] as a result of a rebranding initiative.

2.3   At an introductory meeting during our site visit, on 14 August 2017, Ms Graham, Ms Kaur and Ms Williams discussed the changes that had been made to the PTE since it was purchased. One of the main points emphasised was that Ignite had been completely transformed as an organisation, which included the development of a new vision and values, the programmes offered and improved operational processes.

2.4   They explained that the student demographic included youth and second chance learners, often coming from the surrounding South Auckland suburbs. More than 80% of students are either Maori or Pasifika.

2.5   Some of the changes made to operations that we discussed included:

- An extensive review of Ignite's processes to ensure that the policies and procedures are robust and support quality decision making;

- The development, creation and re-design of academic programmes;

- Under previous management, the programmes were designed to be a longer duration, usually with one intake at the start of the year. The new management team redesigned the programmes into blocks during late 2016 and early 2017 that allowed for rolling intakes. This means there are now more flexible timing options for students, as well as better engagement. For example, the New Zealand Certificate in Hospitality Level 3 is a 25 week programme now made up of 5 X 5 week blocks. As the blocks do not require pre-requisite knowledge (i.e. do not build on each other) a student has the opportunity to enrol at five different times during the 25 week programme;

- An investment of $3.5 million into campus facilities, resources and commercial kitchens; and

- The recruitment of new tutorial staff and subject matter experts in academic quality, student support, administration, marketing and finance.

2.6   It was also highlighted during the discussions that once the new owners took over the PTE, they found issues within the organisation that were of concern, particularly in the underlying records and the accuracy of the SDR reporting.   They performed their own detailed review and raised these concerns to TEC. TEC

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[2] Companies Office website

was supportive of this self-declaring approach and commended Ignite management's commitment to investigate and address the findings in a timely manner[3].

2.7   As a result of the self-declaration of its concerns, between 26 – 28 October 2016[2], TEC carried out an audit, covering the 2015 and 2016 academic year. The scope included reviewing the historic issues Ignite had identified, as well as performing other tests on an additional sample of enrolments. The recommendations included:

- amending the historic issues within the SDR to ensure no funding is claimed for invalid or non-confirmed enrolments, or where there is recognised prior learning; and

- introducing a structured decision-making process to ensure all learners enrolled in Intensive Literacy and Numeracy are eligible.

2.8   TEC then engaged Deloitte to perform an additional review, covering the 2017 calendar year. This was partly to ensure that the new processes and programmes subsequently implemented by Ignite management had addressed any historic issues. As such, the main focus of this review was the majority of findings and recommendations that were highlighted as part of the TEC audit, where relevant to the programmes and applicable funding mechanisms selected by TEC. This was to check whether there were any indications that the changes made by Ignite had failed to address the historic issues (please refer to the Verification of Students and Student Data Section). TEC also instructed us to assess the compliance of learning hours delivered at a high level. Therefore, we interviewed a small sample of students per programme in relation to this area.

2.9   TEC selected three of Ignite's fourteen programmes currently being funded by TEC for us to review. These are summarised in Table 2 on the following page:

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[3] Tertiary Education Commission Audit Report dated 2 November 2016

Table 2. Programmes in the Scope of this Review (2017)

Programme	Content Overview[4]	Programme Details[3]	EFTS Delivered[3]	Funding Value[3]	Funding Mechanism[3]
Health Level 2	Foundation skills to ensure that workers are safe to work at an entry level in the health and wellbeing sector	Credits: 40 Teaching Weeks: 14 EFTS: 0.33 Total Learning Hours: 406	15.29 (46 NSNs)	$124,094	SAC L1&2 (25)
Hospitality Level 2[1]	Literacy and numeracy development, and core skills identified by employers as being important for the workplace	Credits: 80 Teaching Weeks: 27 EFTS: 0.67 Total Learning Hours: 810	12.50 (28 NSNs)	$178,808	Youth Guarantee (22)
Hospitality Level 3[2]	Basic skills required to work as competent employees in the food and beverage sector	Credits: 80 Teaching Weeks: 25 EFTS: 0.67 Total Learning Hours: 800	20.90 (35 NSNs)	$245,717	SAC (01) - $129,415, 12.77 EFTS Youth Guarantee (22) - $116,302, 8.13 EFTS
Total (Programmes in Scope of Review)			**48.69**	**$548,620**	

[1]This programme is recorded in the SDR as Service Industries and Trades (Level 2)
[2]This programme is recorded in the SDR as New Zealand Certificate in Food and Beverage Service (Level 3)
[3]Based on the SDR data provided by TEC on 19 May 2017 and 7 September 2017
[4]Based on the latest R0482 provided by NZQA

2.10   We note that the total funding received by Ignite as recorded in the August 2017 SDR[4] was $1,278,517. Therefore, the scope of this review provided 43% coverage, based on the total funding.

2.11   The final column in Table 2 above shows that these programmes are funded based on different funding mechanisms. This shows that the New Zealand Certificate in Food and Beverage (Level 3) included funding that was based on two different mechanisms, SAC (01) and Youth Guarantee (22). We understand that the delivery of EFTS within each funding mechanism compared to Ignite's allocation has been reviewed by TEC. As such, we were advised not to perform any further work in this area as it is out of the scope of this review.

Scope of this Report

2.12   For each of the above 2017 calendar year programmes selected by TEC, our review was to determine whether:

- the programmes are taught in accordance with, and comply with, the learning hours and weeks entered into STEO and therefore meet the TEC funding requirements;

- the programmes are delivered in accordance with learning hours approved by NZQA;

- the underlying student records are robust and fit for purpose based on a small sample of students;

- the course fees charged to learners reflect the approved fees entered in STEO; and

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[4] SDR dataset obtained from TEC on 7 September 2017 with data being recorded as "last updated" on 2 September 2017. We have referred to this dataset as the "August 2017 SDR"

- there is anything else that may be identified as a result of the review.

Limitations of this Report

2.13   The terms of this engagement and the scope of the work you have asked us to undertake do not comprise an audit or a review engagement, and the assurances associated with those reviews are not given. Our work did not constitute an assurance engagement in accordance with the requirements of the Chartered Accountants Australia and New Zealand, and was not designed to provide assurance accordingly under International or New Zealand Standards on Auditing or Assurance such as ISAE 3000. Accordingly, no assurance opinion or conclusion has been provided.

2.14   We are not qualified to provide any interpretation of the quality of the education provided that is the focus of this review.

2.15   The financial and other information contained in this report have been provided by Ignite, TEC and various Ignite students. Our review was based on enquiries, analytical review procedures, interviews and the exercise of judgement.

2.16   Our assessments are based on observations from our review undertaken in the time allocated. Assessments made by our team are matched against our expectations and good practice guidelines.

2.17   Because of the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur and not be detected. Our procedures were not designed to detect all weaknesses in control procedures as they were not performed continuously throughout the period and the tests performed are on a sample basis.

2.18   Any projection of the evaluation of the control procedures to future periods is subject to the risk that the systems may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

2.19   The matters raised in this report are only those which came to our attention during the course of performing our procedures and are not necessarily a comprehensive statement of all the weaknesses that exist or improvements that might be made. We cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud. Accordingly, management should not rely on our report to identify all weaknesses that may exist in the systems and procedures under examination, or potential instances of non-compliance that may exist.

2.20   This report has been prepared for distribution to TEC. We disclaim any assumption of responsibility for any reliance on this report to any other persons or users, or for any purpose other than that for which it was prepared.

2.21   Suggestions for improvement should be assessed by management for their full commercial impact before they are implemented.

Compliance and Delivery of Learning Hours

3.1   In this section, we set out our findings on whether or not the programmes:

- are taught in accordance with, and comply with, the learning hours and weeks entered into STEO and therefore meet the TEC funding requirements; and

- are delivered in accordance with the learning hours approved by NZQA.

3.2   We have set out in Table 3 below the required learning hours that were recorded in STEO and also the latest NZQA R0482. We then compared this to our assessment of Ignite's delivery.

Table 3: Assessment of Ignite's Delivery of Learning Hours

	Health Level 2	Hospitality Level 2[2]	Hospitality Level 3
EFTS delivered (August 2017)[1]	15.29	12.50	20.90
Students attempted to contact via phone	18	23	16
Students successfully interviewed via phone	5	3	5
(A) Learning hours recorded in STEO & NZQA R0482			
Teaching hours	294	756	500
Self-directed learning hours	112	54	300
Total learning hours required	**406**	**810**	**800**
(B) Learning hours delivered			
Teaching hours	313	763	550
Self-directed learning hours	149	22	75
Total learning hours delivered	**462**	**785**	**625**
Assessment of learning hours delivered to students (as a % of hours recorded in STEO)	**114%**	**97%**	**78%**

[1]Sourced from the TEC SDR as at 7 September 2017 with data being recorded as "last updated" on 2 September 2017

Comparison of STEO and the latest NZQA R0482

3.3   The learning hours recorded by Ignite in the TEC database STEO (in (A) in Table 2 above) all agreed to what was approved and recorded by NZQA in the latest R0482 across all three programmes.

Our Assessment of the Learning Hours Delivered

3.4   We have provided our assessment of the learning hours delivered in practice by Ignite across the three programmes (in (B) in Table 3 above). We then compared these hours back to the required learning hours (in (A)), giving an overall percentage of delivery for the programme.

3.5   Our assessment was mainly based on student interviews, supported by other evidence provided by Ignite.

3.6   We were given a list of Ignite students currently enrolled in each programme by Ms Nimi Kaur. We then carried out phone interviews with a sample of students within each programme to further understand the delivery of teaching and self-directed learning hours.

3.7   We carried out five successful student interviews for the Health Level 2 and Hospitality Level 3 programmes. For Hospitality Level 2, we attempted to call all of the students three times in the current and then historic listing provided to us by Ignite, but we were only able to successfully reach and interview three students. Therefore, the student feedback from the Hospitality Level 2 programme is based on a lower sample size.

Teaching Hours

3.8   Our assessment of the teaching hours was primarily based on the average weekly scheduled class times reported to us in these student interviews, multiplied by the teaching weeks required in STEO.

3.9   This was supported by information provided to us by Ignite, which comprised of:
- A class schedule – summary of class times by programme;
- A block planner – provided a high level outline of the practical activities, unit standards and assessments to be covered on a daily basis;
- One example of a lesson plan - the detail the tutor uses to deliver a daily class (includes class times); and
- The interpretation of this programme material based on the tutor interviews.

3.10   We noted from our discussions with Ms Nimi Kaur (Director of Academic Quality) and 9(2)(a) that a tutor creates the block planners and lessons plan, which are the primary documents they then use to deliver the programmes to the students. These are initially created by the tutor based on the NZQA requirements (including the R0482 document) and are then reviewed by either 9(2)(a) or the Programme Leader. The reviewers then ensure that the learning hours tie back to the NZQA and TEC requirements. In addition to this, observations of the tutor's delivery are carried out twice a year by either Ms Kaur or 9(2)(a) , and assessments are internally moderated.

3.11   The teaching hours reported by the students were reasonably consistent with the hours reported in the information provided by Ignite and the tutor interviews. The greatest variance was 12 teaching hours (2%) in the Hospitality Level 2 programme.

3.12 In addition to the scheduled class hours, we also made an allowance for:

- an additional one hour per week (per student) for each of the programmes, as the tutors reported spending additional one on one time with students who stayed behind after class or required further support. For example, in the Hospitality Level 2 programme we allowed for 27 additional teaching hours per student as the programme duration is 27 weeks; and

- an additional one hour per week (per student) for the Hospitality Level 2 and Level 3 programmes, as the tutors highlighted that there is further time spent at external functions that these students host on top of their scheduled class hours. For example, in the Hospitality Level 2 programme we allowed for 27 additional teaching hours per student as the programme duration is 27 weeks.

Internal Work Experience and Supervised Practical Placement Hours

3.13 There was a work experience component for each programme included within teaching hours within the block planners. Based on our tutor interviews, this comprised of:

- Health Level 2 – a supervised practical placement at a healthcare facility for three weeks of the 14 week duration. Students are required to attend for six hours a day, five days a week (90 teaching hours). This is unpaid and placements are organised by the tutor. The tutor visits the students at the facility twice a week and checks in on their progress with the Clinical Manager. Students are buddied up to a nurse or appropriate clinician and are required to fill out a log book as evidence of their learning. In addition to this, the Clinical Manager signs off that they have observed the student carry out a list of practical tasks, which makes up the students final assessment.

- Hospitality Level 2 – internal work experience for five weeks of the 27 week duration (131 teaching hours). This is café experience at Ignite's new student run café facility, which gives the student an opportunity to learn how to apply the theoretical skills learnt in class and also makes up the practical assessment component. This is always supervised by a tutor and usually runs during the normal scheduled class times. However, at times, there are also functions that the students prepare for and host outside these class hours.

- Hospitality Level 3 – internal work experience for five weeks of the 25 week duration (100 teaching hours). Activities are consistent with the description in Hospitality Level 2 above.

3.14 We are comfortable with Ignite's classification of these as teaching hours because:

- Either a tutor (or a supervisor) is present at all times;
- There are clear NZQA learning outcomes and objectives that are then assessed;
- There are records and evidence of the learning carried out by the student over this time; and
- The students are not paid for their services, which further supports that this is learning specifically related to the programme rather than paid external work experience that is not specifically relevant to the programme learning.

Self-Directed Learning Hours

3.15 Our assessment of self-directed learning hours was primarily based on the average weekly homework hours of the three students who reported the highest self-directed learning hours during the student interviews, multiplied by the teaching weeks required in the TEC database STEO.

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3.16   We also noted during the tutor interviews that they all had a clear understanding of the required self-directed learning hours per week, which was based on the latest NZQA requirements. The tutors stated that they told the students the requirements and expectations at the beginning of the programme and set homework activities each evening. Furthermore, Ms Nimi Kaur explained that tutors are required to compile a self-directed learning plan that ties back to the TEC and NZQA hours of delivery. We sighted evidence of this in the Health Level 2 programme, as the tutor provided us with an example.

The Delivery within Each of the Programmes

Health Level 2 (114% of Learning Hours Delivered)

3.17   Health Level 2 (or the New Zealand Certificate in Health and Wellbeing) is a 14 week programme. It is made up of 11 teaching weeks that are primarily based in the classroom and a three week work placement in a healthcare facility. Topics that students learn about within the programme include infection control requirements, the role of a support worker, interacting with patients, immediate response to death and other interventions. We sighted Ignite's facility that included a dementia patient's room. This included the equipment required (e.g. a hoist) to look after the patient so a student could become competent at the skills they have learnt before using them in a real life environment.

3.18   We found that the teaching hour component was 106% delivered compared to STEO based on the five student interviews. This was mainly because the class hours described by the students were slightly longer than those outlined in the programme material and by the tutors. The work placement hours were the same as our interpretation of the programme material, which was a six hour shift each day over the three weeks.

3.19   The self-directed learning hour component was 133% delivered compared to STEO. The three students who reported the highest self-directed learning hours during the student interviews stated that seven, ten and fifteen hours of homework were carried out per week, compared to the eight hours per week required. All five students stated that homework was set by the tutor, with a range of 4.5 – 15 hours per week (across the five students).

3.20   The duration of the programme described was also reasonably consistent with the 14 weeks in STEO, with a range of responses of 12 – 14 weeks.

3.21   The overall impression we got from the students was that they thought the programme was worthwhile and particularly liked the tutor. They mentioned that he would often refer to interesting case studies and humorous situations he has experienced to illustrate examples to students. All students who we interviewed mentioned that they enjoyed the programme and it was well organised.

Hospitality Level 2 (97% of Learning Hours Delivered)

3.22   Hospitality Level 2 (or the Certificate in Hospitality) is a 27 week programme. This is mainly class based and students learn the basic skills an employer requires of staff in the hospitality industry.   For example, the student learns about basic food safety requirements, customer service, table settings, personal presentation and making a variety of hot beverages. There are also five weeks of internal café experience, where the student puts into practice what they have learnt in the class room. We understand that this is run like a work place environment under the supervision of the tutor and the students then serve their fellow Ignite students, staff and visitors.

3.23   We noted that this programme was recorded in the SDR as "*Service Industries and Trades (Level 2)*" and in the NZQA R0482 as a "*Vocational Pathway – Service Sector*." The latest R0482 includes three separate vocational pathways and we understand, based on discussion with Ms Nimi Kaur, that the hours of delivery were approved to be the same for all three of these pathways (810 learning hours over 27 teaching weeks). Only one of these (Hospitality Level 2) is currently being delivered by Ignite.

3.24   We found that the teaching hour component was 101% delivered compared to STEO. The class times described were reasonably consistent with the Ignite programme material and tutor interviews. In addition to this, the tutors explained that the students are usually involved in external catering functions that are outside these scheduled classroom hours. Therefore, we allowed for an additional one hour per week (per student), giving a further 27 teaching hours in total.

3.25   We noted that the self-directed learning hour component for this programme was much lower than the teaching hour component, with two hours per week required. Therefore, the delivery of self-directed learning hours did not have much of an impact on the overall learning hours.

3.26   We found that the self-directed learning was 42% delivered compared to STEO. The homework hours reported through the student interviews were inconsistent, with one student stating that 2.5 hours per week were required and the other two students stating that there was no homework.

3.27   The average duration of the programme described by the three students was 23 weeks; four weeks lower than the 27 weeks set out in STEO. Two of the students who enrolled in 2017 stated that the programme was 25 weeks long. The remaining student who enrolled in 2016, and carried the programme on into 2017, stated the programme was 20 weeks long, with no difference in the weekly hours delivered. We have recalculated the learning hours based on the 23 week duration instead of the above 27 week duration recorded in STEO and found the percentage of delivery of learning hours would be 82% if the programme has been delivered over this timeframe.

3.28   We understand, based on discussion with Ms Nimi Kaur that students who carry out this programme are often from a particularly difficult demographic and are at times a challenge to engage. Students are usually under 18 years old and have left school, with Ignite being their second learning opportunity.

Hospitality Level 3 (78% of Learning Hours Delivered)

3.29   Hospitality Level 3 (or the New Zealand Certificate in Hospitality) is a 25 week programme that extends the skills learnt in the more basic Level 2 programme. One tutor explained that the programme has a higher theoretical focus. Topics covered include coffee origin and production, food service styles, food contamination hazards, maintaining a responsible drinking environment, customer service techniques, handling payment transactions and serving alcoholic cocktails. This also incorporates five weeks of internal café experience.

3.30   We found that the teaching hour component was 110% delivered compared to STEO. The class times described by the students were the same as those stated in the programme material and tutors. Consistent with the Hospitality Level 2 programme, we also allowed for an additional 25 teaching hours (per student) for external catering functions.

3.31   The self-directed learning hours for this programme are a larger component of the overall learning hours required compared to the Hospitality Level 2 programme, making up 300 of the total 800 learning hours (37.5%).

3.32   The actual self-directed learning hours delivered are significantly lower based on our student interviews, with 25% delivered compared to STEO. The three students who reported the highest self-directed learning hours during the student interviews (used in our calculation above) described an average of three hours per week of homework and the range of all five students was 0 – 5 hours week, compared to the 12 hours recorded in STEO. The under delivery of this component was the driver of the lower overall learning hour assessment of 78%, compared to the other two programmes.

3.33   However, as previously mentioned in paragraph 3.16 we noted that the tutors interviewed had a clear understanding of the required self-directed learning hours and stated that they communicated this to the students and set daily homework activities each evening.

3.34   Four students stated that the programme was the required 25 week duration. As previously mentioned, the remaining one student stated that the programme was 20 weeks long. However, the longer duration described for the start and end dates of June or July 2017 to December 2017 could mean that this student incorrectly recalled this 20 week duration.

Verification of Students and Student Data

Introduction

4.1   In this section, we set out our findings in relation to the 2017 calendar year, on whether or not:

- underlying student records are robust and fit for purpose based on a sample of students; and

- course fees charged to learners reflect the approved fees entered in STEO.

4.2   In order to review this, we initially selected a sample of ten students across the three programmes within the April 2017 SDR[5]. We then carried out the following eleven procedures for each sample:

- **Signed Enrolment Form** - Sighted the Enrolment Form for each student and checked if it was signed by both the student and the approver (usually the Student Support Advisor) on a timely basis (within two weeks of beginning the programme).

- **Supporting Documentation** - Checked that the associated supporting identity documentation as required under the Enrolment Form was present (e.g. birth certificate or passport).

- **Eligibility Requirements** - Checked whether the eligibility requirements for the programme as described in the 2017 NZQA R0482 were met.

- **Timing of Funding** - Checked that the enrolment dates listed on the Enrolment Form for the programme reasonably matched the dates of the information held in the TEC SDR (within two weeks).

- **High Level Review of SDR Reporting** – We carried out a high level sense check on the SDR reporting for each sample by checking that there was no indication that the overall information recorded in the SDR was inconsistent with our understanding of the students' activity, based on the information provided by Ignite.

- **Withdrawals** (if applicable) - We checked that a Change of Enrolment Status Form (i.e. Withdrawal Form) was signed by the Tutor or Student Support Manager, and the Director of Academic Quality or Academic Quality Manager. We also took note of the Withdrawal Form and checked whether Ignite had incorrectly claimed funding in the TEC SDR if the student withdrew before the 10% of the programme was completed.

- **Programme Fees** – We checked that the programme fees charged by Ignite to the student had been set at the level pre-approved by TEC.

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[5] SDR dataset obtained from TEC on 19 May 2017 with data being recorded as "last updated" on 6 May 2017. We have referred to this dataset as the "April 2017 SDR"

- **Student Loans** (if applicable) – We checked that the student had signed the Fee Protect Student Acknowledgement Form, that there was evidence of a student tax invoice (from Ignite) and sighted a receipt from the Public Trust.

- **Attendance** – We reviewed the student's attendance details recorded by Ignite to check if they regularly attended the programme (if they completed it).

- **Assessments** – We sighted evidence that assessments were carried out.

- **Prior Learning** – We sighted that a NZQA print out of the students NZQA record and then checked that Ignite had excluded funding in the TEC SDR for any NZQA credits related to prior learning.

4.3   Ignite provided us with comprehensive records for each sample in advance of our site visit. We noted that management had implemented a new process where a Checklist for Enrolment/Progress File was filled out and signed off by the Registrar/Administrator, which included all the required steps for a student to enrol at Ignite. This helped ensure that all the required documentation was present for our review.

Summary of Results

4.4   We have summarised the results for each programme in Table 4 below:

Table 4: Summary of the 2017 Student Verification Review

Testing Area	Evidence was Sighted within Samples			Issue Note
	Health Level 2	Hospitality Level 2	Hospitality Level 3	
Sample Size	**3 Students**	**3 Students**	**4 Students**	
Signed Enrolment Form	3/3	3/3	4/4	
Supporting Documentation	3/3	3/3	4/4	
Eligibility Requirements	3/3	3/3	4/4	1
Timing of Funding	3/3	3/3	4/4	
High Level Check on SDR Reporting	3/3	**2/3**	**3/4**	2
Withdrawals (if Applicable)	N/a	1/1	2/2	
Programme Fees	N/a (free)	N/a (free)	4/4	
Student Loans (if Applicable)	N/a (free)	N/a (free)	4/4	
Attendance	3/3	3/3	4/4	
Assessments	3/3	2/2[1]	4/4	
Prior Learning	3/3	3/3	4/4	

[1]We noted one of three students in our sample withdrew before any assessments were carried out

Ignite Colleges Limited | Verification of Students and Student Data

Eligibility Requirements

4.5   We found that the majority of the eligibility requirements listed in the latest NZQA R0482 forms for each of our samples had been met. These included requirements such as the minimum age, proof of NZ Citizenship or Permanent Resident (if a domestic student) and no criminal convictions, if required by the programme.

4.6   However, there were some requirements we were not able to sight any evidence of. For example:

- Health Level 2 - a student "*must be physically able to complete the work*" and "*have a willingness and commitment to learn*."

- Hospitality Level 2 - a student must be "*proficient in the English language (both written and spoken)*" and "*enrolment is subject to an interview process*."

- Hospitality Level 3 - a student must be "*sufficiently competent in numeracy and literacy,*" "*physically able to complete the work*," and "*an interview is required on application for the programme (Step 2 online assessment tool)*."

4.7   We were informed by Ms Nimi Kaur that the above requirements were assessed by Ignite through an initial interview with the student before they started the programme and that the adherence of Ignite to the enrolment criteria had been reviewed by NZQA. However, as this was not recorded by Ignite, we could not sight any evidence to confirm this. Therefore, we have raised the minor recommendation that Ignite add to the Checklist for Enrolment/Progress File a step to document the time, date and details of the interview as evidence this has taken place.

SDR Reporting

4.8   We found two out of ten samples (NSN 126373585 and NSN 126710893) that had issues relating to the accuracy of SDR reporting based on our further analysis in the August 2017 SDR[6]. These included:

The start and end dates in SDR did not reflect when a student carried out the programme

4.9   We found one instance (NSN 126710893) where the start and end dates entered into the SDR for the Hospitality Level 3 programme did not reflect when the student actually carried out the programme. More specifically, we found in the SDR that the student had enrolled in the Hospitality Level 2 programme from 10 October 2016 to 10 February 2017 (18 weeks) in 2017 and then the next Hospitality Level 3 programme from 16 January 2017 to 14 July 2017 (26 weeks), which was a 3 – 4 week overlap between programmes.

4.10   Ms Kaur explained that this student completed the Level 3 programme one month later than the SDR specified after 27 weeks of study, requiring additional time to complete this programme.

4.11   We recommend that Ignite always ensures that the SDR reflects the information in the student's enrolment form and then reflects their actual activity within the programmes. TEC can then appropriately monitor the student activity accordingly.

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[6] SDR dataset obtained from TEC on 7 September 2017 with data being recorded as "last updated" on 2 September 2017. We have referred to this dataset as the "August 2017 SDR"

Inaccuracy in reporting of start and end dates

4.12 We found a change in end dates between the 2016 and 2017 SDR for both of these samples. Ignite explained that this was due to an administrative error where the end dates were initially reported inaccurately in the SDR. Both students were enrolled in the Hospitality Level 2 programme during September and October 2016, and we were advised the end dates were brought forward to reflect the dates the students actually carried out the programme to the corrected date of 10 February 2017.

4.13 We recommend that Ignite considers how it can ensure that the SDR data it provides to TEC is accurate. It may be appropriate to include a high level review process of the SDR once the Administrators/Registrars have modified or entered the data.

Shortened programme duration

4.14 For both these samples, we then found that the end dates brought forward resulted in the Hospitality Level 2 programme being shortened to a lower duration compared to what is recorded in STEO (27 weeks). More specifically:

NSN 12373585 (duration of 23 weeks) – Ms Kaur explained that this was because a group of students, including this individual, enrolled in Hospitality Level 2 in 2016 and wanted to start the next Hospitality Level 3 programme after the Christmas break. In addition to this, other students wanted to complete the Level 2 programme more quickly as they wanted to work in cafes and restaurants over the summer break. Therefore, Ignite allowed an exception to the more capable students and extended the delivery hours in order to continue to meet the NZQA teaching hour requirement and extended the classes by two hours, from 8.30am to 4.30pm Monday to Friday (8 hours in total). In addition to this, these students also carried out a total of 36 additional learning hours in preparing and hosting external events.

NSN 126710893 (duration of 18 weeks) – Ms Kaur explained that this student was accepted as a late start into the Level 2 programme as they wanted to start the next Level 3 programme at the same time as their friends. Therefore, the student stayed back after class to catch up on missed work for the shortened 18 week Level 2 programme and was then expected to complete the work over the weekends and an individual learning plan was created for them.

Subsequent to finding this issue in the SDR, we found that this student was one of three who we interviewed in relation to this programme. This individual did not mention these additional hours. They reported the standard 8.30 – 2.30pm class times, five days a week (Monday – Friday), over 20 weeks (September 2016 – January 2016) with no homework required. However, as we had not identified the issue at the time of the interview, we did not probe into the issue any further. As noted, this student was subsequently enrolled in the Hospitality Level 3 programme. Although we did explain which programme our questions related to, it is possible that the student was confused about whether the interview related to the Level 2 or Level 3 programme.

4.15 We then took a wider look at durations specifically in the August 2017 SDR for the three programmes selected and found the following details set out in Table 5, on the following page:

Table 5: Summary of the 2017 SDR Programme Durations

Programme	Total 2017 NSNs Reported in SDR	Required Programme Weeks (STEO)	Number of NSNs Less than the Required Weeks[1]	Comments on Further Analysis
Health Level 2	46	14	0 students	N/a
Hospitality Level 2	28	27	13 students (48%)	All 13 students enrolled in 2016, having start dates during September or October 2016 and end dates of 10 February 2017. The lowest programme duration was 16 weeks, which was 11 weeks shorter than the requirement.
Hospitality Level 3	35	25	3 students (12%)	All 3 students enrolled in 2016, having start dates during September or October 2016 and end dates during February and March 2017. The lowest programme duration was 23 weeks, 2 weeks shorter than the requirement.

[1]By a difference greater than one week. For example, in the Health Level 2 programme a duration shorter than 13 weeks.

4.16   We did not find any issues in the Health Level 2 programme, with all durations being the required 14 weeks or above.

4.17   We found 3/35 exceptions in the Hospitality Level 3 programme. These were all in the range of 23 – 24 weeks, which was a minor difference compared to the higher required STEO duration of 25 weeks. We also noted that these all related to enrolments in late 2016 and we did not find any issues relating to students enrolled in 2017.

4.18   The majority of exceptions we found were in the Hospitality Level 2 programme, with 13/27 (48%) of students having shortened durations recorded in the SDR. The majority of these were in the range of 16 to 23 weeks, which was significantly shorter than the duration of 27 weeks recorded in STEO. We also noted that all these students related to enrolments in late 2016, and we did not find any issues in students that enrolled in 2017.

4.19   We discussed this with Ms Nimi Kaur and, as previously explained, she stated that this group of students carried out the required learning hours, compressed over a shorter duration. In addition to this, she stated the issue was discussed with the TEC auditors that visited in the prior year and Ignite were told to speak to each student on a case by case basis to see if any of them would require or benefit from an extension of their programme end date (to 27 weeks) and if so, to action accordingly. She then confirmed that all the 2017 enrolments were delivered over the full 27 week duration, which we found is reflected in the SDR.

4.20   We recalculated the delivery of learning hours' percentage for the Hospitality Level 2 programme, based on the standard hours set out in Table 2 and the overall average duration indicated in the SDR instead of the required 27 weeks under STEO. We found that if the duration was amended to reflect the average in the 2017 SDR of 25 weeks, the learning hour delivery percentage was 90%.

4.21   As a result of this finding, we recommend that Ignite ensures that all students carry out the approved programme duration unless in exceptional circumstances, to avoid the potential risk of under delivery within the programmes. We understand, based on discussion with Ms Kaur, that this was the case for students enrolled at Ignite from 2017, which is also consistent with our findings to date.

4.22   We also recommend that TEC consider whether they require any further work performed in further reviewing the delivery of learning hours, taking into consideration that the exceptions we have identified relate to students enrolled in 2016 and the recalculated delivery percentage of 90%.

Funding Potentially Under Claimed

4.23   We also found that as a result of the changed end dates, there was less funding claimed in the August 2017 SDR by Ignite than its full entitlement of 0.67 EFTS and that this implicated all 13 students noted in the exceptions above. We calculated that across these students, there was 1.55 EFTS under claimed with a value of $14,961[7].

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[7] SDR dataset obtained from TEC on 7 September 2017 with data being recorded as "last updated" on 2 September 2017. We have referred to this dataset as the "August 2017 SDR"

Appendix A: Key Sources of Information

Type	Details
Documents	• Documents provided by Ignite: o Organisational chart o Presentation for EER dated 20 June 2017 o Withdrawal Policy o Latest NZQA R0482 for each programme o Staff contact details for the three programmes, including tutors o Overall programme hours reconciliation and class schedule across all programmes o Course and block planners, an example of a lesson plan and course information (for the three programmes) o Student contact details for all current students enrolled across the three programmes o Comprehensive underlying records for a sample of ten students (e.g. Checklist for Enrolment/Progress File, Enrolment Form and supporting proof of identity, NZQA Record of Achievement, Learner Contract, Credit Transfer Form, Ignite Unit Progress Report, Student Attendance Report, Student Refund Form, Fee Protect Student Acknowledgement Form, StudyLink VoS Report) • Documents provided by TEC: o TEC Audit Report released on 2 November 2016 o Audit Findings Response and Action Plan (originally from Ignite) o Ignite 2016 Audit Findings Matrix (originally from Ignite) o SDR datasets (latest obtained from TEC on 7 September 2017 with data being recorded as "last updated" on 2 September 2017) o High level analytics review
Staff	• Ignite: o Ms Rosanne Graham (Managing Director) o Ms Nimi Kaur (Director of Academic Quality) o 9(2)(a) ▇▇▇▇▇▇▇ o 9(2)(a) ▇▇▇▇▇▇▇ o Ms Jeanne Williams (Commercial Director) o 9(2)(a) ▇▇▇▇▇▇▇ o Four Ignite tutors • TEC: o 9(2)(a) ▇▇▇▇▇▇▇ ▇ ▇▇▇▇▇▇▇ ▇ ▇▇▇▇▇▇▇

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