TEC review overview: Avonmore Tertiary Institute

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

Our regular monitoring function includes some or all of the following:

› Engagement – we are available to offer advice and assist TEOs
› Audits – designed to ensure that a TEO is meeting its funding conditions
› Reviews – if we become aware of potential issues or concerns relating to a TEO's activities
› Investigations – a more in-depth examination of a TEO's activities, likely to be in response to specific concerns identified, or a complaint

You can read more about our monitoring framework here.

Avonmore Tertiary Institute

Avonmore Tertiary Institute (Avonmore) is a Private Training Establishment (PTE) operating six campuses across New Zealand. Avonmore offers a range of qualifications in hairdressing, business, distribution, hospitality management, travel and tourism, and IT. It receives Student Achievement Component (SAC) and Youth Guarantee (YG) funding from the TEC.

Rationale for initiating the review

Avonmore was identified for review based on routine analysis of the December 2015 single data return (SDR). In August 2016, we engaged Grant Thornton to undertake a review of Avonmore.

The review looked into five programmes offered by Avonmore in 2014 and 2015:

› Certificate in Tourism (Level 3)
› Certificate in Hairdressing (Level 3)
› Certificate in Computer Technician Skills (Level 5)
› Certificate in Computing Network Engineering (Level 5)
› Diploma in Computing Network Engineering (Level 6)

Findings of the review and actions taken

Findings	Actions taken
Records › Some discrepancies between NZQA approvals and information submitted to the TEC in relation to learning hours.	› We have discussed with Avonmore the importance of aligning information submitted to the TEC with NZQA programme approval and actual educational delivery.
Delivery › Under-delivery of learning hours in the tourism programme, while hours were met or exceeded in the other programmes. › Avonmore received funding for overlapping delivery in the Certificates in Computer Technician Skills and Computing Network Engineering, where Recognition of Prior Learning (RPL) should have been applied.	› Taking into consideration that overall there was no significant under-delivery of learning hours, we are not seeking any funding recovery. › We have recovered funding of just under $42,000. Avonmore has acknowledged the over-claim and will ensure RPL is applied correctly.

Next Steps

This review has been completed. We are continuing to engage with Avonmore through our standard monitoring processes.

We work with the sector in an open and transparent way across this area of our work, to ensure TEOs are clear about our processes and expectations. To improve on this commitment, we intend to publish the reports of all reviews and investigations once complete.
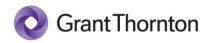
We ensure New Zealand's future success.

Avonmore Tertiary Institute

Report to the Tertiary Education Commission
November 2016

Restrictions and disclaimers

This report has been prepared solely for the Tertiary Education Commission's (TEC) exclusive use specifically focused on the objective and scope as agreed.

The scope of our work has been limited both in terms of the areas of the qualifications which we have reviewed, and the extent to which we have reviewed them. There may be matters, other than those noted in this report, that might be relevant in the context of the Tertiary Education Commission's (TEC) funding and which a wider scope review might uncover.

This report is confidential and has been prepared exclusively for TEC. It should not be used, reproduced or circulated for any other purpose, in whole or in part, without prior written consent, and such consent will only be given after full consideration of the circumstances at the time. Events and circumstances occurring after the date of our report will, in due course, render our report out of date and, accordingly, we will not accept a duty of care nor assume a responsibility for decisions and actions which are based upon such an out of date report. Additionally, we have no responsibility to update this report for events and circumstances occurring after this date.

Contents

Executive summary

Overall observations

1   Grant Thornton has been engaged by the Tertiary Education Commission (**TEC**) to conduct an impartial review of the Avonmore Tertiary Institute (**ATI**) in August 2016.

2   The objective of the review is to ensure that:

- Students have actually enrolled and attended the programmes;

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

- Programmes are delivered in accordance with learning hours approved by New Zealand Qualifications Authority (**NZQA**) (if applicable);

- Students awarded a qualification have been assessed and there is evidence of programme delivery; and

- ATI's internal quality assurance and control processes (in relation to programme delivery are robust and fit for purpose).

Key findings

3   Our review identified several instances where EFTS was over-claimed mainly relating to students who were enrolled in both the PC9771 Certificate in Computer Technician Skills (**CT**) and PC9772 Certificate in Computer Network Engineering (Level 5) (**CN5**). CT is the first part of the CN5 qualification and therefore, we would expect total EFTS claimed for students who are enrolled in both the CT and CN5 programmes to be 1.00, which is the total EFTS for the CN5 qualification. Total over-claimed EFTS identified over all students who are enrolled in the CT and CN5 programme is 4.5632 EFTS.

4   In order to increase enrolments post the Christchurch earthquake, ATI offered zero fee and fees free (i.e. through a scholarship) programmes which were noted within its 2015 Investment Plan (prepared in July 2014). The Investment Plan also notes that ATI expect it will be offering fee scholarships for selected programmes to other sites as well. We have sighted email correspondences noting discussions between the TEC and Mr Yates for the Christchurch offering, but not for the extension of this to other sites (apart from what is mentioned in the Investment Plan).

5   Overall no significant under-delivery was noted for four of the five programmes we have reviewed, although within each programme, the delivery percentages per site vary. We did however identify a delivery percentage of 72.4% for the Tourism programme mainly due to

under-delivery of work experience and self-directed hours.   In addition, we identified that other programmes with high delivery percentages had differences in the proportion of direct and self-directed hours between STEO and actual delivery.

6   We summarise our findings in relation to the average assessed delivery (across all sites) below. Further details around assessed delivery for an individual site are presented within the 'Review of programme delivery and funding conditions' section of the report.

ATI - learning hours delivery summary

Programme	STEO	Assessed delivery (all sites average)	Average delivery percentage
NC0876 - Tourism and Travel (core skills)			
Teaching hours	28.0	30.0	
Work experience hours	2.0	-	
Self-directed hours	3.0	0.7	
Total learning hours (18/14 weeks)	**594**	**430**	**72.4%**
PC9210 - Certificate in Hairdressing			
Teaching hours	27.0	23.1	
Work experience hours	3.0	16.0	
Self-directed hours	7.5	5.0	
Total learning hours (37 weeks)	**1,388**	**1,652**	**119.1%**
PC9771 - Certificate in Computer Technician Skills (CT)			
Teaching hours	25.0	24.3	
Self-directed hours	5.0	6.9	
Total learning hours (15/16 weeks)	**450**	**499**	**110.9%**
PC9772 - Certificate in Computing Network Engineering (CN5)			
Teaching hours	25.0	23.4	
Self-directed hours	5.0	6.8	
Total learning hours (37/36 weeks)	**1,110**	**1,102**	**99.3%**
PC9773 - Diploma in Computing Network Engineering (CN6)			
Teaching hours	25.0	21.7	
Self-directed hours	5.0	10.0	
Total learning hours (37/36 weeks)	**1,110**	**1,142**	**102.9%**

Introduction

Background

7   Avonmore Tertiary Institute (**ATI**) is a Private Training Establishment (**PTE**) that receives Student Achievement Component (**SAC**) Funding and Youth Guarantee Funding (**YG**) from the Tertiary Education Commission.

8   ATI offers a range of qualifications relating to the areas of hairdressing, business, distribution, hospitality management, travel & tourism and information technology (**IT**).

9   It has six campuses across the North and South Island: Christchurch, Auckland North Shore, Auckland CBD, Manukau, Tauranga, and Rotorua. Christchurch is the head office and the other sites operate under a license agreement structure. Rotorua was not yet in operation during the period of our review.

10 Avonmore's 'primary student market are those students who are not highly academic, but have abilities and strengths that require greater support, than traditional tertiary education will supply' (based on ATI's 2015 Investment Plan).

11 The amount of SAC and YG funding received by ATI for 2014 and 2015 is as follows:

ATI's - TEC funding summary

Qualification	2014 EFTS delivered	2014 funding received	2015 EFTS delivered	2015 funding received
PC9773 - Diploma in Computing Network Engineering Level 6	60	596,290	54	535,481
PC9771 - Certificate in Computer Technician Skills	56	511,961	66	606,004
PC9772 - Diploma in Computing Network Engineering Level 5	60	556,590	50	461,395
PC9210 - Certificate in Hairdressing*	36	422,354	7	71,691
NC0876 - Tourism and Travel (core Skills) (Level3)	20	178,472	26	226,618
	233	2,265,667	202	1,901,189
Total funding received		3,430,015		3,279,747
Percentage of total funding received for the above 5 programmes		**66.1%**		**58.0%**

* PC9210 Hairdressing programme was also split into NC5463 – Hairdressing (salon support) and PC3208 Avonmore Certificate in Hairdressing (Advanced) in 2015 which together makes up the PC9210 programme and therefore, EFTS in 2015 for the PC9210 is relatively lower compared to 2014.

Definitions

12   For the purposes of this report, the terms used are defined as follows based on the guidance provided within the NZQA Qualifications Framework:

- **Direct hours**: direct contact time with teachers and trainers;

- **Teaching hours**: direct hours plus time spent in assessments or is equal to total learning hours less self-directed hours;

- **Self-directed hours**: time spent studying and doing assignments and practical tasks; and

- **Total learning hours**: Direct hours, self-directed hours and time spent in assessment.

Approach

13   Grant Thornton has been engaged by the TEC to conduct a review of the specific programmes offered by ATI. The scope and objectives of our review are defined within the executive summary.

14   In determining our review approach, we reviewed the information received from TEC and selected five of the programmes offered by ATI for review based on the level of funding received in the 2014 and 2015 year. Based on this approach, we have selected five programmes for review. These programmes were:

- NC0876 - Avonmore Certificate in Tourism (Level 3) (**Tourism**)

- PC9210 - Avonmore Certificate in Hairdressing (Level 3) (**Hairdressing**)

- PC9771 - Avonmore Certificate in Computer Technician Skills (Level 5) (**CT**)

- PC9772 - Avonmore Certificate in Computing Network Engineering (Level 5) (**CN5**)

- PC9773 - Avonmore Diploma in Computing Network Engineering (Level 6) (**CN6**)

15   We obtained the SDR returns for 2014 and 2015 from Mr Karl Yates (Director) for the five programmes and selected 75 students for testing.

16   We initially met with Mr Yates to gain an overall understanding of ATI. At the Christchurch campus, we also met with each of the department managers for the above programmes as well as Section 9(2)(a) , the Academic Administrator. We also performed a site visit at the North Shore campus and met with Section 9(2)(a) (Executive Team) and Section 9(2)(a) (Campus Manager – Takapuna and Manukau).

17   We examined student enrolment, assessment and completion records as well as other information including the Policy and Procedures Manual (**QMS**) and relevant programme material for each of the programmes selected.

18   In selecting our sample, we extracted those students who are SAC or YG funded and then identified whether any students has duplicate IDs or NSNs. Thereafter, we extracted a random sample so as to bring the total number of students examined for each programme to be 15.

19 For the programmes selected, where available, we obtained the corresponding programme outline or timetable provided to students and examined the teaching hours and self-study guidelines. We also discussed delivery of programmes including learning hour requirements with department managers to obtain an overall understanding of each programme.

20 Discussions with site managers and/or tutors at other sites confirmed that programme materials used at licensee sites were provided from the Christchurch office and only minor adjustments are made to tailor it to the licensee site (for example, to update it for the licensee sites' classroom network set up).

21 In computing the total teaching hours for each programme, we took total class time per week multiplied by the number of weeks adjusting for holidays and changes in class start times where appropriate.   In addition to this, we made a further adjustment based on discussions with students and tutors as to self-directed study hours required. Where there was a difference between the student's recollection and ATI's documented expectation of self-directed study (where available) or the tutor's estimates, we have used the most conservative student's estimation.

Limitations

22 The terms of this engagement and the scope of the work you have asked us to undertake does not constitute an assurance engagement in accordance with the requirements of the Chartered Accountants Australia and New Zealand (**CAANZ**), and is not designed to provide assurance under International or New Zealand Standards on Auditing or Assurance. Accordingly, no assurance opinion or conclusion has been provided.

23 The information contained in this report has been provided by ATI, TEC, NZQA, tutors and students. Our review was based on enquiries, analytical review procedures, interviews and exercise of judgement. Our review is also based on a small sample of students for each selected programme. Because of the test nature and other inherent limitations of our review, there is an unavoidable risk that some material misstatements or errors may remain undiscovered.

24 In respect of our review of the Hairdressing programme, whilst we tried to call students multiple times, we have only been able to speak with two students within our selected sample.

Principal information relied upon

25   We list the principal information we have relied on in preparing our review below:

- ATI investment plan for 2014 and 2015

- TEC SDR data

- ATI's programme information for the selected qualifications

- Student Handbook (current version as we were advised no historic versions were available)

- ATI QMS manual

- Discussions with Karl Yates (Director), [Section 9(2)(a)] (Academic Administrator), [Section 9(2)(a)] (Executive team – Takapuna), [Section 9(2)(a)] (Campus Manager – Takapuna and Manukau), [Section 9(2)(a)] (General Manager – Tauranga), [Section 9(2)(a)] (Department Manager Computer & Network Engineering, Christchurch), [Section 9(2)(a)] (Department Manager Tourism & Business, Christchurch), [Section 9(2)(a)] (Department Manager Hairdressing, Christchurch) and various tutors involved in the qualifications we have selected for review

- Interviews with various students enrolled in the programmes examined

- TEC STEO information

- NZQA approvals and RO482 for the selected programmes

Review of programme delivery and funding conditions

26   We set out below our findings on ATI's programme delivery.

Reconciliation of programme approval and funding requirements

27   As part of our review on ATI's programme delivery, it is important to ensure that the programme details as approved by NZQA are consistent with those approved by the TEC for funding purposes.

28   For each programme specified, we have compared the NZQA RO482 and the TEC's STEO. We summarise our reconciliation below:

Reconciliation of programme approval and funding requirements

Programme	Provided NZQA RO482 information	TEC STEO information
NC0876 - Tourism and Travel (core skills)*		
Time period (teaching weeks)	18 weeks*	18 weeks
Credits	54	59
EFTS equivalent	0.45**	0.49
Teaching hours (per week)	24.0	28.0
Work experience (per week)	n/a	2.0
Self-directed hours (per week)	6.0	3.0
Learning hours (total)	540.0	594.0
PC9210 - Avonmore Certificate in Hairdressing		
Time period (teaching weeks)	37 weeks	37 weeks
Credits	123	123
EFTS equivalent	1.03**	1.00
Teaching hours (per week)	25.0	27.0
Work experience (per week)	n/a	3.0
Self-directed hours (per week)	5.0	7.5
Learning hours (total)	1,110.0	1,387.5
PC9771 - Avonmore Certificate in Computer Technician Skills (CT)		
Time period (teaching weeks)	15 weeks	15 weeks
Credits	51	51
EFTS equivalent	0.43**	0.43
Teaching hours (per week)	25.0	25.0
Self-directed hours (per week)	5.0	5.0
Learning hours (total)	450.0	450.0
PC9772 - Avonmore Certificate in Computing Network Engineering (Level 5)***		
Time period (teaching weeks)	22 weeks	37 weeks
Credits	72****	121
EFTS equivalent	0.6**	1.00
Teaching hours (per week)	25.0	25.0
Self-directed hours (per week)	5.0	5.0
Learning hours completed as part of PC9771	450.0	n/a
Learning hours (total)	1,110.0	1,110.0
PC9773 - Avonmore Diploma in Computing Network Engineering (Level 6)		
Time period (teaching weeks)	36 weeks	37 weeks
Credits	120	120
EFTS equivalent	1.00	1.00
Teaching hours (per week)	21.7	25.0
Self-directed hours (per week)	9.2	5.0
Learning hours (total)	1,110.0	1,110.0

* NC0876 Avonmore Certificate in Tourism is half of programme115148 on RO482 (which includes National Certificate in Tourism (Introductory Skills) level 2 and National Certificate in Tourism (Core Skills) level 3).For the purposes of comparison above, we have included 50% of the total programme requirements from the NZQA where appropriate. Mr Yates noted that this should have been 14 weeks based on a RO482 filed in 2011 but he was not able to locate this.

** Recalculated based on total credits

*** STEO is for the full PC9772 programme which includes PC9771. R0482 appears to only include the part of PC9772 that is not covered in PC9771. Learning hours for PC9771 have been included in the total learning hours for comparison with STEO.

**** Per the NZQA website, the whole qualification is worth 121 credits in total which is the equivalent of 1.01 EFTS. The figures presented above are based on the latest NZQA information supplied by ATI.

29 As presented above, there are some discrepancies between the NZQA RO482 and the TEC STEO information. We summarise the differences identified below:

- Tourism – there are differences in the components of learning hours and total credits for the qualification which results in a difference in the EFTS value. As noted in the table above, the RO482 approval is for both the level 2 and 3 programmes. However, ATI only delivers level 3 and hence we have allocated 50% (where appropriate) for comparison purposes. This is based on the total NQF credits approved being split 54 credits to National Certificate in Tourism (Introductory Skills) (Level 2) and 54 credits to National Certificate in Tourism (Core Skills) (Level 3). Hence on this basis, we have split the remaining information where appropriate in half between the level 2 and level 3 programmes approved within the same NZQA approval.

  From discussions with Mr Yates, the information currently shown in STEO reflects the approval from 2004 and that subsequent to this date ATI submitted updated information on the courses that make up the programme in 2011. However, the programme details in STEO have not been updated to reflect the delivery of the level 3 programme as a standalone qualification. The information submitted in 2011 stated that total teaching hours were updated to 336 hours taught over the course of 14 weeks. We received the STEO information reflected in our table above directly from the TEC. The information showed that the approval date was 2004 and we are unable to explain why the information provided is different. Mr Yates also noted that he cannot locate the NZQA approval for the amendment due to the Christchurch earthquake. We have separately contacted the NZQA and the information received is what we have reflected within the table above. Mr Yates noted that the approval information we have used relates solely to YG funding which targets learners who need longer contact hours to achieve the qualification. Therefore, he does not agree with our approach in splitting the requirements in half as it was not the original intention. We recommend that the information be resubmitted to ensure that all parties have the appropriate documentation in place going forward. For the purposes of our review, the information presented continues to be the information we have received from the NZQA and TEC;

- Hairdressing – there is a significant discrepancy between the total learning hours approved by NZQA and the hours included within STEO. Total learning hours per NZQA is lower than that recorded in STEO;

- Computer network engineering (level 5) – the total credits per the NZQA Course and Qualifications Detail Form is 72 credits. However, per the qualification overview on the NZQA website, this programme has a total credit value of 121 credits which is consistent with the total number of units in STEO. It would appear that the Course and Qualifications Detail Form is only for the latter part of PC9772 (where the first portion of the programme is the PC9771). Therefore, we have added the two courses together in computing total learning hours; and

- Computer network engineering (level 6) – differences relate to the components of learning hours and the total number of teaching weeks. However, total learning hours are the same.

30 It is our understanding that TEC's funding is based on the data entered into STEO. Therefore, our testing is focused on the adherence to the learning hours currently included in STEO.

31 Generally, we expect EFTS calculated using total teaching weeks, total credits or total learning hours to equate to the same EFTS. We have recalculated the EFTS value based on FTE teaching weeks and total learning hours and compared this to the stated EFTS value of the programme. However, we have noted a difference in the STEO information provided.   We detail the variances identified below:

ATI - information based on STEO database

	EFTS value	FTE teaching weeks	Total learning hours
NC0876 - Tourism and Travel (core skills)	0.49	18	594.0
PC9210 - Certificate in Hairdressing	1.00	37	1,387.5
PC9771 - Certificate in Computer Technician Skills (CT)	0.43	15	450.0
PC9772 - Certificate in Computing Network Engineering (CN5)	1.00	37	1,110.0
PC9773 - Diploma in Computing Network Engineering (CN6)	1.00	37	1,110.0
Equivalent EFTS value based on information above			
NC0876 - Tourism and Travel (core skills)		0.53	0.50
PC9210 - Certificate in Hairdressing		1.09	1.16
PC9771 - Certificate in Computer Technician Skills (CT)		0.44	0.38
PC9772 - Certificate in Computing Network Engineering (CN5)		1.09	0.93
PC9773 - Diploma in Computing Network Engineering (CN6)		1.09	0.93

Review of learning hours delivery per qualification

32 Our assessment of total learning hours is based on information collated from the following sources:

- Programme details

- Timetables

- Discussions with staff and students

33 We comment on each programme examined in the subsections below.

NC0876 - Avonmore Certificate in Tourism

34 The Tourism Level 3 certificate selected is part of a 120 credit qualification which allows a student to complete a National Certificate in Tourism (Introductory Skills) Level 2 and a National Certificate in Tourism (Core Skills) Level 3. The full programme consists of a number of course each worth between 2 and 10 credits each.

35 The National Certificate in Tourism (Introductory Skills) (Level 2) is generally taught at high school with students continuing on to the Level 3 National Certificate in Tourism (Core Skills) at Avonmore. Based on our discussion with Section 9(2)(a) (Manager – Tourism & Business), Avonmore did not teach the level 2 programme in 2014 or 2015. This is consistent with the SDR information obtained. Mr Yates advised that the above RO482 relates to the YG students only and that approvals were received for an amendment in 2011. However, he was unable to locate a copy of this due to the Christchurch earthquake.

36 Mr Yates has also provided a 'Course Details for a Qualification' which details the Qualification NC0876 to have 14 teaching weeks and total teaching hours of 336 hours. The information contained here is consistent with course by course information printed from STEO by Mr Yates. This information, however, does not appear to reconcile to the overall programme information on STEO and the listing that ATI provided only included teaching hours (which totalled 336 hours).

37 As mentioned previously, the information used in this report reflects the information obtained directly from the TEC and NZQA.

38 The tourism programme is only delivered at the Christchurch campus.

39 The STEO database records 18 teaching weeks. The timetable only records 14 teaching weeks which was also confirmed in our discussion with Section 9(2)(a). The timetable provided was for 2016 as prior outlines were not available. However, we understand the delivery of the programme to be similar in 2015 and 2014.

40 The STEO database records learning hours of 33 hours per week with 28 hours of teaching, 2 hours of work experience and 3 hours of self-directed study.

41 Based on our discussion with the Section 9(2)(a), we understand that the general delivery of the programme is predominantly to small classes. The class hours are generally from 9:00am to 3:30pm with a 0.5 hour break and therefore, in our assessment, this equates to 6.0 hours each day for five days a week.

42 We note that there is no mention of work experience specifically in the programme outline. However the combined teaching and work experience hours in STEO of 30 hours a week is consistent with the programme timetable of 30 teaching hours a week. The level of self-directed study recommended by ATI was approximately 10 hours per week.

43 We were advised that the tutors are available from 8:00am to 6:00pm to assist with students' questions outside teaching hours and to generally support students if required. However, this is on an adhoc basis. Section 9(2)(a) advised that not many students utilised this support. Student responses implied that low levels of self-directed study were required for this qualification and that any queries or issues they had were able to be dealt with generally during class time. Accordingly, we have not included the additional consultation hours in our assessment of total teaching hours per student. The most conservative assessment by a student for self-directed study was one day for the whole programme which we have estimated at 10 hours. This is significantly lower than management's assessment of 10 hours per week as recommended.

44 We summarise our assessment of total learning hours to STEO in the table below.

Learning hours delivery - Tourism programme

Learning hours	STEO	Delivered in Christchurch	% of STEO hours delivered
Teaching weeks	18.0	14.0	
Teaching hours per week	28.0	30.0	
Work experience hours per week	2.0	-	
Self-directed hours per week	3.0	0.7	
Total learning hours per week	33.0	30.7	
Learning hours	**594.0**	**430.0**	**72.4%**

45 We have calculated our assessment of the delivery percentage based on STEO information received directly from the TEC. If further information can be identified by either party to reflect updated information, we can update our report accordingly.

PC9210 - Avonmore Certificate in Hairdressing

46 This certificate is the first year of a two year Pivot Point hairdressing qualification. Pivot Point is an international approach to hairdressing training. ATI's qualification aims to provide students with a base knowledge of hairdressing to allow for future study or employment.

47 This programme is only provided at the Christchurch campus.

48 Based on our discussion with the `Section 9(2)(a)` (Department Manager – Hairdressing), we understand that the general delivery of the programme is predominantly based on small classes split across theory and practical sessions.

49 The STEO database records 37 teaching weeks. This is consistent with the timetables obtained and our discussion with the `Section 9(2)(a)` who advised that both years were 37 weeks. We have used the theoretical timetable hours for our analysis as this is the documented evidence and we understand this is the information supplied to students.

50 The STEO database records learning hours of 37.5 hours per week with 27 teaching hours, 3 hours of work experience and 7.5 hours of self-directed study.

51 We have been provided with class timetables for the 2014 and 2015 programme. These show that the classes are held four days per week. This indicates delivery of 879.5 teaching hours in 2014 and 827 in 2015, which equates to an average of 23.8 and 22.4 hours per week respectively.

52 `Section 9(2)(a)` advised that the non-class day each week is utilised as a self-directed study day for the first four weeks of the programme then thereafter as a work experience day for the remainder of the programme. As part of the programme, students are required to do six hours of work experience per week.

53 Students interviewed advised that there was minimal self-study outside of class and work experience hours, although one of the students noted that she did have to spend some additional revision time for the theory component of the programme. However, she could not recall how much time she spent outside of work experience hours and class time.

54 Mr Yates also considers that self-directed learning hours should be reflected in calculating assessed delivery. He noted that hairdressing students are not academic and do struggle with the theory components of the programme. As noted previously, the number of students we have been able to contact was limited for this particular programme and we recognise that the self-directed study responses may not be representative of the self-study hours that a wider sample may ascertain. We further discussed this with Section 9(2)(a), who advised that students generally require between 2 to 5 hours per week on self-directed study. We therefore apply the most conservative estimate of 5 hours per week to our calculation.

55 In respect of working hours, student responses indicated that the work experience undertaken was higher than required. The most conservative assessment by a student was 16 hours per week. Accordingly, we have based our assessment at this level.

56 Mr Yates noted that a large proportion of students are actually in paid employment and therefore there is an expectation on productivity during these hours.

57   Whilst this is not specific to a student's learning hours, tutors visited students at the salons and discussed performance and areas for improvement with their employers so that students were supported throughout their work experience.

58 We summarise our assessment of total learning hours to STEO in the table below.

Learning hours delivery - Hairdressing programme - 2014

Learning hours	STEO	Delivered in Christchurch	% of STEO hours delivered
Teaching weeks	37.0	37.0	
Teaching hours per week	27.0	23.8 *	
Work experience hours per week	3.0	16.0	
Self-directed hours per week	7.5	5.0	
Total learning hours per week	37.5	44.8	
Learning hours	**1,387.5**	**1,656.5**	**119.4%**

Average hours as timetable varies

Learning hours delivery - Hairdressing programme - 2015

Learning hours	STEO	Delivered in Christchurch	% of STEO hours delivered
Teaching weeks	37.0	38.0	
Teaching hours per week	27.0	22.4 *	
Work experience hours per week	3.0	16.0	
Self-directed hours per week	7.5	5.0	
Total learning hours per week	37.5	43.4	
Learning hours	**1,387.5**	**1,647.4**	**118.7%**

Average hours as timetable varies

59   The above analysis identifies that overall learning hours exceed the amounts recorded in STEO, however, it should be noted that the proportion of teaching hours, work experience and self-study hours differs between STEO and actual delivery.

PC9771 – Avonmore Certificate in Computer Technician Skills (CT)

60   The CT programme is the first qualification in ATI's computer offering and is required to be completed before starting other computer courses. This programme was offered at all four of the operating sites in the 2014 and 2015 years and our sample of students is across all sites. We have undertaken individual analysis of teaching hours as teaching hours varied site by site. Other analysis has been completed on a combined basis for ATI as a whole.

61   The STEO database records the programme has 15 teaching weeks and learning hours of 30 hours per week with 25 teaching hours and 5 hours of self-directed study totalling 450 hours over the programme.

62   Based on our initial discussions with the Section 9(2)(a) (Department Manager – Computer & Network Engineering, Christchurch), class hours are generally from 8:00am to 2:45pm with a half hour lunch break and therefore, equates to 6.25 hours each day for four days a week.

63   For the Tauranga, North Shore and Manukau sites we have taken the teaching hours from enrolment letters kept within individual student files in our sample:

- Tauranga – 8:00am to 2:30pm for four days a week
- North Shore – 9:00am to 3:30pm for four days a week
- Manukau – 9:00am to 3:30pm for four days a week

We have assumed a half hour break each day for these sites.

64   Based on Christchurch teaching hours of 6.25 hours a day (for 4 days) for 16 weeks (compared with 15 weeks in STEO), we consider the delivery of the programme to be consistent with STEO's expectation of 25 teaching hours per week.   Our calculations indicate that Tauranga, North Shore and Manukau sites are each short by 1.0 hour per week.

65   We were advised that tutors were available after class and during non-teaching days to assist with students questions to generally support students if required. Based on our sample of students interviewed, none of the students noted the use of additional office hours for catch up, and accordingly, we have not included this time in our assessment of teaching hours.

66   Student responses regarding self-directed study were varied; some reported needing to do almost nothing outside class time while others reported an hour a day plus additional for assessment revision especially when it came to the external exams. We have included 6 hours a week in our analysis which is supported by our discussions with students and is also in line with our discussion with Section 9(2)(a) . We added a further 15 hours representing an extra hour per day for 3 weeks in preparation for the external exams (which students noted took around 2-3 weeks of more intensive study) and for when students said sometimes they would spend additional time on revision if they felt like they were falling behind. This equated to self-directed hours per week of 6.9 hours a week (6 hours for 16 weeks plus 15 hours over 16 week).

67   We summarise our assessment of total learning hours to STEO in the table below.

Learning hours delivery - Avonmore Certificate in Computer Technician Skills

Learning hours	STEO	Christchurch	Tauranga	North Shore	Manukau
Teaching weeks	15.0	16.0	16.0	16.0	16.0
Teaching hours per week	25.0	25.0	24.0	24.0	24.0
Self-directed hours per week	5.0	6.9	6.9	6.9	6.9
Total learning hours per week	30.0	31.9	30.9	30.9	30.9
Learning hours	**450.0**	**511.0**	**495.0**	**495.0**	**495.0**
% of STEO hours delivered		113.6%	110.0%	110.0%	110.0%

68   Overall we consider the delivery of learning hours to exceed the amount approved in STEO.

PC9772 – Avonmore Certificate in Computing Network Engineering (CN5)

69   The CN5 programme is the second part of the first year IT course, the first part being the CT component analysed above. The qualification name in STEO is Avonmore Diploma in Computing Network Engineering Level 5 however all other documentation records this qualification as Avonmore Certificate in Computer Networking Level 5.

70   This qualification was offered at all four of the operating sites in the 2014 and 2015 years and our sample of students is across all sites. We have undertaken individual analysis of teaching hours as teaching hours varied site by site. Other analysis has been complete as on a combined basis for ATI as a whole.

71   STEO records the CN5 qualification as a 37 teaching week programme compared to the timetable showing 20 weeks (or 36 weeks inclusive of the CT programme above). Based on our discussion with ATI, we understand that STEO includes the CT programme which can be done separately (as PC9771 i.e. the CT programme) or jointly (as PC9772 i.e. the CN5 programme). We have undertaken our analysis based on the part of the programme which is specific to CN5 only. We then added our analysis of the CT programme to compute the delivery on the whole CN5 programme for comparison with STEO.

72   The STEO database records learning hours of 30 hours per week with 25 teaching hours and 5 hours of self-directed study.

73   Based on our initial discussion with Section 9(2)(a), class hours are generally from 8:00am to 12:50pm with a 30 minute break each day for five days a week. This equates to 4.33 hours each day.

74   For the Tauranga, North Shore and Manukau sites we have taken the teaching hours from enrolment letters in our sample individual student files:

- Tauranga – 8:00am to 2:30pm for four days a week

- North Shore – 9:00am to 3:30pm for four days a week

- Manukau – 9:00am to 3:30pm for four days a week

We have assumed a half hour break each day for these sites.

75   Consistent with the CT course, students can stay after class to discuss any issues with tutors if required.

76   Based on the Christchurch teaching hours of 4.33 hours a day for 5 days a week, we consider that this programme is short by 3.3 teaching hours a week when compared to the STEO expectation of 25 teaching hours per week.   Our calculations also indicate that Tauranga, North Shore and Manukau sites are each short by 1.0 hour per week.

77   Student responses regarding self-study varied with the majority of responses noting that they did not need to do the recommended self-directed study of 5 hours per week. However, we have used 5 hours a week in our analysis as this is supported by the most conservative estimate by a student and is consistent with our discussion with Section 9(2)(a).   In addition to this, we have added an additional 15 hours of self-directed study to external exam preparation, catch up or assignments where students have noted that they need additional time to prepare. This estimate is also consistent with our additional estimate for the CT programme.

78   We summarise our assessment of total learning hours to STEO in the table below.

Learning hours delivery - Avonmore Certificate in Computing Network Engineering

Learning hours	STEO	Christchurch	Tauranga	North Shore	Manukau
Teaching weeks	37.0	20.0	20.0	20.0	20.0
Teaching hours per week	25.0	21.7	24.0	24.0	24.0
Self-directed hours per week	5.0	6.8	6.8	6.8	6.8
Total learning hours per week	30.0	28.4	30.8	30.8	30.8
Hours undertaken in part 1 of the course	n/a	511.0	495.0	495.0	495.0
Learning hours	**1,110.0**	**1,079.4**	**1,110.0**	**1,110.0**	**1,110.0**
% of STEO hours delivered		**97.2%**	**100.0%**	**100.0%**	**100.0%**

79   The above analysis indicates delivery percentages range between 97.2% and 100.0% across the four sites.

PC9773 – Avonmore Diploma in Computing Network Engineering (CN6)

80   The CN6 programme is for those who have already completed the CN5 programme but wanted to gain further qualifications before pursuing a career in the IT industry.

81   This programme was offered at the Christchurch, Tauranga and North Shore campuses in 2014 and 2015 and our sample of students is across all sites where the programme is offered. We have undertaken individual analysis of teaching hours as teaching hours varied site by site. Other analysis has been completed on a combined basis for ATI as a whole.

82   The STEO database records the qualification as a 37 week programme compared to the timetable, programme brochure and RO482 which record 36 weeks. Accordingly, it would appear that the STEO information needs to be updated. This is also consistent with our

discussions with tutors and Section 9(2)(a) . The course is made up of three 8-week modules and one 12-week module making up the 36 weeks teaching weeks in total.

83 The STEO database records learning hours of 30 hours per week with 25 teaching hours and 5 hours of self-directed study.

84 Based on our discussion with the Section 9(2)(a) , class hours are generally from 8:00am to 12:50pm with a 30 minute break each day for five days a week. Therefore, in our assessment, this equates to 4.33 hours each day.

85 For the Tauranga and North Shore sites we have taken the teaching hours from enrolment letters in our sample individual student files:

- Tauranga – 8:00am to 2:30pm for four days a week

- North Shore – 9:30am to 4:30pm for three days a week

A half hour lunch break has been deducted for the above sites.

86 We were advised that tutors were available after class and during the non-class days to assist with students' questions to generally support students if required. Per discussion with tutors and students, it would appear that the uptake of office hours is not significant. One of the tutors advised that on average there will be 1-2 students per week who would utilise the outside class office hours.

87 Based on Christchurch teaching hours of 4.33 hours a day for 5 days a week, we consider that this programme is short by 3.3 teaching hours a week when compared to the STEO expectation of 25 teaching hours per week. Our calculations also indicate that Tauranga and North Shore are short by 1.0 hour and 5.5 hours respectively.

88 The North Shore campus delivers teaching hours of only 19.5 hours per week as classes are for three days per week compared with four days per week at other sites. Discussions with tutors indicate that this has been changed in 2016 to four days a week.

89 Student responses regarding self-directed study were varied; some reported needing to do almost nothing outside class time while others reported doing at least the recommended study of an hour a day. We have used 10 hours a week in our analysis based on the most conservative assessment by a student.

90 We summarise our assessment of total learning hours to STEO in the table below.

Learning hours delivery - Avonmore Diploma in Computing Network Engineering

Learning hours	STEO	Delivered in Christchurch	Delivered in Tauranga	Delivered in North Shore
Teaching weeks	37.0	36.0	36.0	36.0
Teaching hours per week	25.0	21.7	24.0	19.5
Self-directed hours per week	5.0	10.0	10.0	10.0
Total learning hours per week	30.0	31.7	34.0	29.5
Learning hours	**1,110.0**	**1,140.0**	**1,224.0**	**1,062.0**
% of STEO hours delivered		**102.7%**	**110.3%**	**95.7%**

91 The above analysis indicates that the teaching hours provided are broadly consistent with those approved in STEO and delivery percentages ranges between 95.7% to 110.3%, although the proportion of each component that makes up total learning hours is different.

Review of student records

92 We present below the summary of our findings in relation to verifying the existence, eligibility and programme completion details of our sample of students.

ATI - student records review summary

Programme	Appropriate enrolment and support records	Appropriate completion & assessment records
NC0876 - Avonmore Certificate in Tourism	Yes	Yes
PC9210 - Avonmore Certificate in Hairdressing	Yes	Yes
PC9771 - Avonmore Certificate in Computer Technician Skills	Yes	Yes
PC9772 - Avonmore Certificate in Computing Network Engineering	Yes	Yes
PC9773 - Avonmore Diploma in Computing Network Engineering	Minor issue	Yes

93 Based on work performed, there were no significant issues identified with enrolment records or completion records (where applicable) for all of the students examined.   Some minor issues were identified and these are commented on in each of the subsections below.

94 We note that within each student file, the control and the enrolment application form is filed together with the student's verification records.

95 The evidence of assessment in the student file varied between each of the programmes. Further details, by programme, has been included below. One matter which was consistent across the files was that if a summary of the assessments completed was included, it was often not signed. Additionally there were no copies of certificates issued kept on the files. We do not consider this a major issue as the information as to whether a student has completed (and their record of learning) is accessible on Take 2 which is Avonmore's Student Management System (**SMS**).

NC0876 - Avonmore Certificate in Tourism

96 In relation to assessment records, various assessments were kept on file however, we note that there were a number of unsigned cover sheets and transcripts. We recommend that appropriate sign off procedures to be put in place going forward.

PC9210 - Avonmore Certificate in Hairdressing

97 Each file contained a completion card which listed all the relevant assessments required to complete the programme. Each assessment then contained a tutor's initial and date to document that the student had completed the assessment.

98 During the course of our review, we identified that ATI has claimed EFTS for a student twice when it should only have been claimed once. Section 9(2)(a) This withdrawal should have been marked as an early withdrawal with no funding. This was discussed with Section 9(2)(a) who agreed with the error. The student recommenced the programme Section 9(2)(a) . Total EFTS claimed Section 9(2)(a) was 1.9920 when the total EFTS for the Hairdressing qualification is 1 EFTS.

99 In addition, we noticed that ATI had claimed two sets of EFTS for a student enrolled in the Hairdressing programme due to the student enrolling in the course in 2012 and withdrawing for medical reasons and the re-enrolling in 2013 and withdrawing again. The student appeared in our sample as the 2013 course crossed over into 2014. Both withdrawals were shortly after the cut-off for early withdrawal and so whilst this was not incorrectly claimed, we felt that it should be brought to attention of TEC.

PC9771 - Avonmore Certificate in Computer Technician Skills

100 Assessment records were available as appropriate except for one student who was had a significant portion of the programme being cross credited with Recognised Prior Learning (**RPL**) which we have sighted email correspondences to confirm that this was appropriate. Generally, in relation to completion records the Academic Record was included in the file which is printed from the SMS system. Where this is not on file, it is available within the SMS system.

PC9772 - Avonmore Certificate in Computing Network Engineering

101 We note that there were some differences in the completion date between the SDR and the original enrolment; however, except for one instance where the completion date per the SDR was in the following month after the date specified in the enrolment, all other differences were within the same month.

PC9773 - Avonmore Diploma in Computing Network Engineering

102 During our review of enrolment records, one student had a declaration of identity on file which was not a specified verification document based on TEC rules. Per discussions with Section 9(2)(a), this was the only verification information available for this student. We note that the declaration specifically noted the student was born in Auckland and therefore, confirms that he is a NZ Citizen. Apart from this, no issues were noted in relation to enrolment and verification records.

Other matters – IT programmes

103 We have noted a slight difference in documentation around record keeping of assessment completion. In the Tauranga files examined, we sighted a log sheet which details the sign offs as the student completes each module. Christchurch has a similar system which documents progress though the modules in an excel document stored in a tutor only area of a shared drive. Both these methods show a regular sign off procedure in place which clearly details where each

student is at in the programme. These log sheets were not sighted in the North Shore and Manukau files examined.

Attendance

104 A number of students in our sample, specifically on programmes NC0876 and PC9210 in Christchurch, had attendance issues. From the programme module outlines reviewed, discussions with staff and evidence on the student files, ATI appears to have a set process for dealing with attendance issues including verbal warnings, written warnings with eventual withdrawal from the programme.

Oversight of licensee sites

105 During our review, we noted that site visits are conducted by Section 9(2)(a) on other licensee sites to ensure that their processes are consistent with those at Christchurch and the Avonmore Policies and Procedures Manual.

106 Site visit checklists are completed by Section 9(2)(a) on the licensee sites and generally there are up to three visits annually to each site.

107 We have sighted the site visit checklist for the Takapuna, Manukau and Tauranga campuses and noted there were two visits in each of the 2014 and 2015 year.

108 The purpose of the site visits is to undertake annual reviews of the other sites to perform spot checks on student records and check the integrity of the information in the student management system. Feedback is also provided as part of the process to ensure that any issues identified are effectively communicated.

Other matters

Scholarships

109 During our initial discussions with Mr Yates and as noted within ATI's 2015 Investment Plan, ATI offered fees free programmes as a way to attract students after the Christchurch earthquake. The Investment Plant further notes that with the booming economy, ATI expect that it will need to offer fee scholarships for selected programmes at other sites where unemployment is likely to become very low.

110 During our review, we obtained a summary from Mr Yates in relation to the fees free offerings associated with the qualifications we reviewed.

111 In relation to SAC funded students, Mr Yates noted the following:

- NC0876 - Tourism (level 3) – This is a zero fee programme and no fees are charged

- PC9210 – Hairdressing – occasionally partial scholarships are awarded in the period under review for the first part of this programme (National Certificate in Salon Support level 3)

- PC9771 – CT – This is a fees free programme and fees are covered by way of scholarships

112 Our review sample included students who were provided a scholarship for the CT programme and five students in the Tourism programme where we have been able to identify them specifically as zero fees.

113 We note that the fees free offering was also available to students enrolled at other sites.

114 We have sighted email correspondences confirming discussions between Mr Yates and the TEC around the fees fee programmes offered in Christchurch in June 2014. Mr Yates has not been able to provide any further documentation that the extension of the fee scholarships (for the CT programme in particular) to other sites was communicated to the TEC apart from the 2015 Investment Plan which was prepared in July 2014 but he recalls that this was verbally discussed with the TEC.

Over-claimed EFTS

115 During our initial discussions with Mr Yates, we were advised that the CT programme (PC9771) was part 1 of the CN5 (PC9772) programme.

116 Using the information available from the SDR returns, we matched all students who are enrolled in both the CT and CN5 programme to check whether there was any EFTS that may have been over-claimed.

117 As the CN5 programme has a total EFTS value of 1.00 (or 1.0037 when the first part of the CN5 programme is cross credited from the CT programme), we would generally not expect any students to have an EFTS value claimed greater than this amount. Any students who have an EFTS value greater than this were extracted for further discussion with ATI.

118 A total of 19 students were identified to have an EFTS value over both programmes that is higher than 1.0037. Subsequent to further investigations by ATI, it was agreed that the total over-claimed EFTS value was 4.5632 over 19 students. Total amount over-claimed based on the EFTS funding rate of $9,200 for the CN5 qualification equates to a value of $41,981.

119 Per discussions with Section 9(2)(a), the error occurred due to the fact that the RPL process was initiated in the system after the 2014 Dec SDR return was submitted. We understand from Mr Yates and Section 9(2)(a) that ATI have since put in place a procedure where each student's EFTS consumption is printed off, checked and signed off by the department manager to ensure that the EFTS values are correct.

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