

**Tertiary
Education
Commission**
Te Amorangi
Mātauranga Matua



TEC desktop audit report

International Aviation Academy of
New Zealand Limited (Edumis 8589)

Draft report release date: 09 September 2021

Final report release date: 27 September 2021

Audit Date: 30 August 2021

File Ref: A1745625

Tertiary Education Commission
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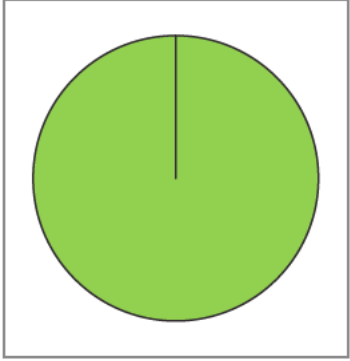
International Aviation Academy of New Zealand Limited (Edumis 8589)

Part One: Summary of Audit Results

Overall recommendation

 Systems, processes and practices are effective that meet legislative and investment plan requirements.

Audit Ratings

Rating	Number of Focus Areas	Percentage	
Complies with requirements (C)	8	100%	
Improvement Required (I)	Nil	Nil	
Does not comply (NC)	Nil	Nil	
Total	8	100%	

Key findings and recommendations

International Aviation Academy of New Zealand Limited is fully complying with Student Achievement Component – Provision at Level 3 and above (SAC3+) and Fees-free funding conditions.

There are no keys findings and recommendations.

Part Two: Key findings and recommendations

The key findings and recommendations for each focus area are in the table below.

In addition to providing proposed actions and comments in Part Five of this report, you will be required to send a detailed action plan and relevant evidence to your Senior Auditor, **s9(2)(a)**, within four weeks after the date of your final audit report. The email address is:

s9(2)(a)

Ratings

C = Complies with requirements	I = Improvement Needed	NC = Does not comply	N/A = Not Applicable
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Looking for	Findings and Recommendations	Rating
Focus Area 1: Organisation Eligibility		
<p>Is the TEO an eligible provider?</p> <p>Has the TEO been quality assured by NZQA?</p> <p>Have all sites been approved by NZQA?</p> <p>Have any subcontracting arrangements been approved by TEC and do they remain current?</p> <p>Is the TEO financially viable? Are there any financial issues being managed?</p>	<p>Findings</p> <p>Organisation Eligibility</p> <ul style="list-style-type: none"> > Since 01 March 1991 International Aviation Academy of New Zealand Limited (IAANZ) (Edumis 8589) has been registered and accredited with the New Zealand Qualifications Authority (NZQA) as a Private Training Establishment (PTE). > IAANZ is the professional flight training division of the Canterbury Aero Club (1928). <p>External Evaluation and Review</p> <ul style="list-style-type: none"> > IAANZ has been quality assured by NZQA. The latest External Evaluation and Review was published on 19 February 2021. The organisation was assessed as Highly Confident in both Educational Performance and Capability in Self-assessment. This is a Category 1 rating – which is the highest rating available for an EER. <p>Approved Delivery Sites</p> <ul style="list-style-type: none"> > IAANZ is based at Christchurch International Airport and reports all funded students against the main delivery site at Harewood Aviation Park, 25 Aviation Drive, Christchurch. > NZQA has also approved a nearby delivery site at Weedons Ross Road, West Melton. > IAANZ is approved to offer through offshore online delivery – Aviation Theory for the Private Pilot Licence (Aeroplane) (Offshore – India) (Training Scheme) (Level 3). This training scheme is not funded 	C

Looking for	Findings and Recommendations	Rating
	<p>by the TEC. IAANZ advised that due to the impacts of COVID-19 there are no learners reported against delivery site (8589/04).</p> <p>Subcontracting</p> <ul style="list-style-type: none"> > Under the New Zealand Civil Aviation Rules, flight tests and theory exams are externally assessed. > IAANZ has two agreements with: <ul style="list-style-type: none"> - Flight Test NZ Limited - Aircrew Training Limited (Dangerous Goods Awareness). <p>Financial Viability</p> <ul style="list-style-type: none"> > s9(2)(b)(ii) [REDACTED] <p>Recommendations</p> <ul style="list-style-type: none"> > There are no recommendations. 	
Focus Area 2: Data Provision, Reporting and Record-Keeping		
<p>Does the Student Management System provide accurate data, forecasting and reporting?</p> <p>Are there reporting and data provision processes in place to ensure all funding requirements are met?</p> <p>Are the TEO's processes and procedures for record keeping documented and comply with clause 13(1) of Schedule 18 of the Education and Training Act 2020 (for on-plan funding</p>	<p>Findings</p> <p>Student Management System</p> <ul style="list-style-type: none"> > In March 2020, IAANZ changed their Student Management System (SMS) to Wisenet. The organisation previously used Take2 (that was decommissioned by the vendor at the end of 2019). > Wisenet is a certified SMS approved by the Ministry of Education for the Single Data Return (SDR) in 2019. There has been no certification of Student Management Systems by the Ministry of Education for 2020 or 2021. > Wisenet records student enrolments, academic progress and achievement, withdrawals and completion results. > Access to Wisenet is managed by IAANZ and they maintain a list of staff privileges. > The Academic Manager completes the preparatory work for each SDR (and Fees-free reports which are uploaded to Workspace2). 	C

Looking for	Findings and Recommendations	Rating
<p>under section 425), and 25(1) of Schedule 18 (for off-plan funding under section 428).</p>	<p>> The SDR is signed off by the Chief Executive Officer.</p> <p>Course completions</p> <p>> In the sample of student records reviewed all courses had been correctly coded and reported in the December 2020, April and August 2021 SDRs. This included matching academic transcripts with the corresponding completion code in the SDR.</p> <p>Standard of record keeping</p> <p>> The standard of record keeping was satisfactory.</p> <p>> IAANZ maintains student records in accordance with the requirements of both NZQA and the Civil Aviation Authority of New Zealand (CAANZ).</p> <p>Recommendations</p> <p>> There are no recommendations.</p>	
Focus Area 3: Enrolment and Eligibility		
<p>Are there enrolment practices and processes in place that ensure student enrolments are valid and meet funding or eligibility requirements?</p>	<p>Findings</p> <p>Compliance with funding conditions</p> <p>> IAANZ was complying with both SAC3+ and Fees-free funding conditions.</p> <p>> Prospective students are provided with information on the programmes that are offered. This includes eligibility requirements, course content and theoretical and practical assessment requirements. This can be viewed online at www.flighttraining.co.nz</p> <p>> Once a prospective student has initiated interest in a programme of study, IAANZ provides further details including the fees that are to be paid. The cost of each enrolment will vary according to the amount of prior learning or credit transfer that can be approved; whether the prospective student already holds a Private Pilot Licence / Commercial Pilot Licence and whether they are eligible for Fees-free study.</p> <p>> The Student Handbook (for both domestic and international students) provides detailed information on the entry requirements and generic information relating to attendance and other policies. One minor area for improvement is to replace references to the Education Act 1989 with the Education and Training Act 2020.</p>	C

Looking for	Findings and Recommendations	Rating
	<p>Enrolment</p> <ul style="list-style-type: none"> > IAANZ has documented the enrolment process. The Admissions and Enrolment Guide provides a step by step guide for completing the enrolment form and attaching the required documentation. The guide also includes the terms and conditions of enrolment. > The following documents were sighted supporting each enrolment: <ul style="list-style-type: none"> - Student enrolment form - Interview notes - Evidence of domestic status (confirming all student records sampled were eligible to access TEC funding) - Evidence of a Class 1 Medical Certificate - Ministry of Justice no conviction check - New Zealand Transport Agency demerit points and suspension history report - New Zealand Record of Achievement / academic qualifications - Fee structure - RPL results (where applicable) - Private Pilot Licence (PPL) results (where applicable) - ADAPT Pre-Screen Report - Academic transcript. <p>Recommendations</p> <ul style="list-style-type: none"> > There are no recommendations. 	
Focus Area 4: Recognition of Prior Learning (RPL) and Recognition of Current Competence (RCC)		
<p>Has student prior learning been reviewed and appropriately recognised when admitting a student</p>	<p>Findings</p> <ul style="list-style-type: none"> > IAANZ has policies and procedures for the recognition of prior learning (RPL) and credit transfer. > Approved RPL / credit transfer is recorded in the SMS with adjustments made to funding claimed. > There were no concerns with RPL / credit transfer arising from the sample of student records reviewed. 	C

Looking for	Findings and Recommendations	Rating
into a programme or qualification?	Recommendations > There are no recommendations.	
Focus Area 5: Inducements and No Private Advantage		
Are any inducements being offered to students to enrol? Are any enrolments being restricted on the basis of private advantage?	Findings > There was no evidence to suggest that students were being offered any inducements to enrol. > There was no evidence to indicate that enrolments were restricted on the basis of private advantage. Recommendations > There are no recommendations.	C
Focus Area 6: Withdrawal Process		
Are there withdrawal practices and processes in place that ensures student withdrawals are managed and recorded correctly?	Findings > IAANZ has documented the withdrawal and refund policy. > Before withdrawing a student consideration is given to the student's individual circumstances and whether or not they might be able to complete at a later date. IAANZ would determine on a case by case basis whether to withdraw the student from all courses (and potentially remove courses from the SDR that the student has not yet commenced). IAANZ may initiate refund procedures where this is applicable. > In the sample of student records reviewed there were no instances where a student had been overcharged fees. Recommendations > There are no recommendations.	C
Focus Area 7: Programmes and Qualifications		
Have programmes and qualifications been approved by NZQA and TEC?	Findings > IAANZ held programme approval from NZQA for the three selected programmes: - ND1706 New Zealand Diploma in Aviation (Aeroplane and Helicopter) (Level 5)	C

Looking for	Findings and Recommendations	Rating
<p>Are these programmes and qualifications still current (i.e. not expired)?</p> <p>Are the programmes and qualifications taught or delivered in accordance with NZQA approval and details entered in Services for Tertiary Education Organisations (STEO)?</p>	<ul style="list-style-type: none"> - NZ3688 New Zealand Diploma in Aviation (General Aviation) (Level 5) - NZ3689 New Zealand Diploma in Aviation (Level 6). <p>> The programmes are current and delivered in accordance with the information recorded in the Services for Tertiary Education Organisations (STEO) website.</p> <p>Recommendations</p> <ul style="list-style-type: none"> > There are no recommendations. 	
Focus Area 8: Fees		
<p>Are all student fees charged appropriately and comply with Ministerial and TEC requirements?</p>	<p>Findings</p> <p>Compliance with the Annual Maximum Fee Movement policy</p> <ul style="list-style-type: none"> > IAANZ is complying with the AMFM policy. Each year fees are reviewed and approved for increases permitted under the AMFM policy. IAANZ maintains records for any increases in fees charged. <p>Compulsory Student Services Fee</p> <ul style="list-style-type: none"> > Students are not charged a compulsory student services fee. <p>Recommendations</p> <ul style="list-style-type: none"> > There are no recommendations. 	C

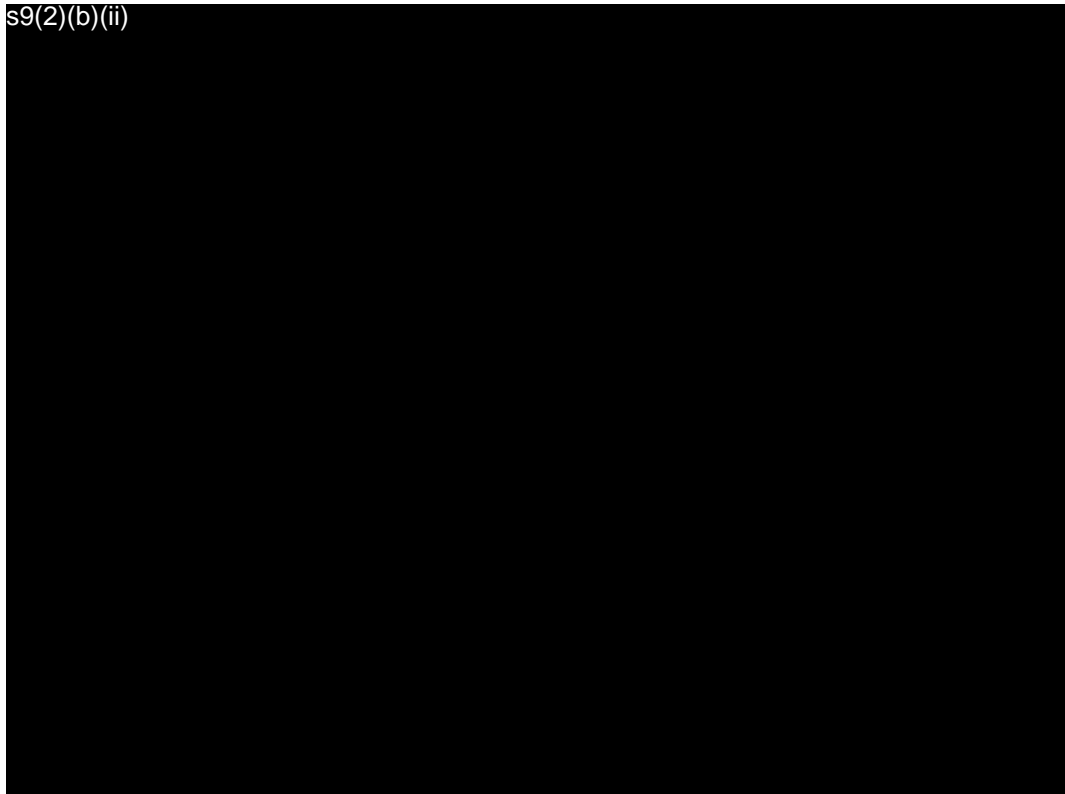
Part Three: Other Audit Findings

Further findings of the audit are set out below.

Financial Viability Assessment

8589-International Aviation Academy of NZ Ltd

Minimum Prudential Financial Standards **Risk assessment**
(Based on your financial statements for the years shown)



The PTE's financial year end is 31 March. The 2020 financial reports and 2021 forecast were due on 31 August 2020. Because of the COVID-19 impacts many financial reports arrived late. The PTE requested an extension to 30 September, then a further extension until 9 October. The reports were received by the TEC on 7 October 2020.



The PTE receives Equity funding, Fees-free Payments, and Student Achievement Component Level 3 and above funding from the TEC.

Excluding Fees-free funding the TEC funded \$580,611 in 2018, \$590,557 in 2019, and \$651,445 in 2020 (including \$26,534 under the Funding Guarantee). It is funded \$610,414 in 2021 (excluding Fees-free).

IAANZ delivered 100% in 2018 and in each successive year.

IAANZ provided 47.9 TEC-funded EFTS in 2018, 48.0 in 2019 and 58.28 in 2020. It is funded for 48.3 EFTS in 2021.

The August 2021 SDR shows SAC3+ delivery is down from 55.2 in 2020 to 44.9 in 2021. Delivery to international students is also down from 82.8 in 2020 to 37.8 in 2021.

Part Four: Audit Process Overview

Purpose of the audit

The purpose of the audit was to provide assurance that your organisation is complying with the Education and Training Act 2020 and conditions imposed on your funding. This audit is part of our ongoing monitoring of tertiary education organisations (TEOs).

This audit used a sample-based approach and reviewed a limited scope of the applicable funding conditions and other requirements. As such, despite our best efforts, some non-compliance may remain undetected and the audit does not provide complete assurance of historical, current or future compliance.

Non-detection of non-compliance does not make that practice compliant, and will not restrict the TEC from taking action under the Education and Training Act 2020 or from recovering funding in the future if non-compliance is later detected. Please refer to the audit guidelines for more information on the inherent limitations of an audit.

Our audit focus will be on assisting TEOs in achieving their objectives through well-reasoned audits, evaluations and analyses of the business viability and education outcomes for students.

Scope of the audit

TEC's monitoring function is set out in section 409(1)(h) of the Education and Training Act 2020, which provides that the TEC's functions are to "*monitor the performance of organisations that receive funding from the Commission including by measuring performance against specified outcomes*".

The scope of the audit was aligned to the performance commitments in the Investment Plan and the associated funding obligations between the TEC and your organisation. The scope was outlined in the audit arrangements letter. TEC Audit Guidelines were also provided to help you understand how TEC undertakes audits and what to expect during the audit.

The scope of the audit was outlined in the audit arrangements letter. This included the following:

- > Your current registration and accreditation status for funding eligibility
- > Your organisation's systems and processes for reporting student data through the Single Data Return, including reporting enrolments, student achievement and withdrawals
- > Compliance with your funding conditions for each fund:
 - Student Achievement Component – Provision at Level 3 and above
 - Fees-free funding
- > Compliance with the Annual Maximum Fee Movement policy relating to fees and course costs
- > The refund of any fees that have been overcharged (if applicable)
- > Compliance with the Compulsory Student Services Fee (if applicable)
- > Whether your organisation has offered any inducements or benefits to students
- > Responsibility for any subcontracting arrangements
- > Your programmes and qualifications
- > Your organisation's process for maintaining student records as required by clause 13(1) of Schedule 18 of the Education and Training Act 2020 (for on-plan funding under section 425), and 25(1) of Schedule 18 (for off-plan funding under section 428).

- > Any other matters relating to funding provided by the TEC.

The outcome of this audit will contribute to decisions made by the TEC relating to current and future funding.

Overview of International Aviation Academy of New Zealand Limited

IAANZ is a PTE based at Christchurch International Airport.

IAANZ offers aviation programmes to both domestic and international students. Domestic students may also complete their Private Pilot Licence and Commercial Pilot Licence as domestic full-fee paying students.

The organisation receives SAC3+ funding for the following:

- > ND1706 New Zealand Diploma in Aviation (Aeroplane and Helicopter) (Level 5)
- > NZ3688 New Zealand Diploma in Aviation (General Aviation) (Level 5)
- > NZ3689 New Zealand Diploma in Aviation (Level 6).

The table below provides a breakdown of TEC funding:

Fund	2020 Allocation \$ GST exclusive	2021 Allocation \$ GST exclusive
Student Achievement Component Levels 3 and above (SAC3+)	\$650,223	\$609,792
Fees-free payments	\$185,387	\$257,186
Equity funding	\$1,222	\$622
Total	\$836,831	\$867,600

Audit process overview

Sample Testing – A sample of ten student records was selected for the audit. The sample included records from the December 2020 and April and August 2021 SDRs.

In the August 2021 SDR there were 99 students enrolled at IAANZ for 82.7154 EFTS delivered \$639,752 (GST exclusive). This breaks down to 76 domestic and 23 international students.

Information for this desktop audit was provided by the s9(2)(a) .

Part Five: TEO Corrective Actions

There are no key findings or corrective actions required.