

Tertiary Education Commission

Audit Report

The Learning Connexion

Student Achievement Component Funding

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1 Purpose

The purpose of the audit was to provide assurance that The Learning Connexion is meeting the Investment Plan Funding Conditions as referred to in the Tertiary Education Commission (TEC) letters of approval dated 21 December 2015 and 4 December 2014. The funding approved includes Student Achievement Component (SAC) funding.

2 Scope

The scope of the audit was aligned to the performance commitments in the TEC Investment Plan and the associated funding obligations between the TEC and The Learning Connexion. The scope was outlined in the audit arrangements letter.

The focus areas included:

- The reporting through the Single Data Return, including recording enrolments and withdrawals.
- The Annual Maximum Fee Movement (AMFM) policy relating to fees and course costs.
- The refund of fees that have been overcharged.
- The financial support for the equipment infrastructure required to deliver the approved qualifications.
- Whether inducements or benefits have been provided to students.
- Responsibility for subcontracting arrangements
- Compliance with the requirements in Part 18 of the Education Act 1989.
- Any other TEC funding matters.

An audit is a snapshot of an organisation's performance at a particular point in time and may not, as such, provide a view of ongoing compliance. An audit is based on sampling and issues may remain undetected. The outcome of this audit will contribute to decisions made by the TEC relating to current and future funding.

3 Background

This audit is part of the TEC's ongoing monitoring of Tertiary Education Organisations

The Learning Connexion (TLC) is a Private Training Establishment based in Taita Lower Hutt offering creative art qualifications that are funded by the TEC.

The organisation receives SAC funding for the following:

- PC1932 Certificate of Art and Creativity – Level 4
- PC1786 Diploma of Art and Creativity – Level 5
- PC1933 Diploma of Art and Creativity (Honours) – Level 6
- PC9305 Diploma of Art and Creativity (Advanced) - Level 7.

The table below provides a breakdown of 2016 and 2015 SAC funding:

Fund	2016 (\$ GST exclusive)	2015 (\$ GST exclusive)
Investment Plan		
SAC	\$ 3,635,621	\$ 3,635,621
Total	\$ 3,635,621	\$ 3,635,621

Note: A letter was received from the TEC 19 February 2016 indicating that the 2015 funding was undelivered by \$821,134. This amount was then repaid to the TEC by The Learning Connexion.

4 Key Findings

The key findings were:

- In 2015 the Diploma in Art and Creativity (Honours) was published by error in the Student Prospectus as being of a year's duration. The programme length was described as having changed from 2.5 years as described in the 2014 student Prospectus to the description provided in the 2015 student Prospectus. TLC is unable to produce New Zealand Qualifications Authority (NZQA) course approval documentation to support this finding.
- Services to Tertiary Education Organisations (STEO) data has not been updated since 2004, so without formal documentation no course approval, programme length and Equivalent Full-Time Students (EFTS) can be accurately known.

5 Recommendations

The main recommendations are:

TLC is required to submit to NZQA the following programmes for approval:

- PC1933 Diploma of Art and Creativity (Honours) (Level 6)
- PC1786 Diploma of Art and Creativity (Level 5).
- PC1932 Certificate of Art and Creativity (Level 4).

TLC is required to update STEO so that only accurate course and programme information is recorded in this system. Updating STEO information is ongoing especially in relation to new Targeted Review of Qualifications (TRoQ) programmes being approved by NZQA.

Part Two

Findings

Detailed findings are summarised in each of the audit focus areas.

Overview	
<ul style="list-style-type: none"> • A sample of 50 SAC files was selected for audit. The sample covered student enrolment files for the 2015 and 2016 academic years. • Interviews were held at the main site Taita with the Managing Director, Compliance Administrator, Project Manager/Compliance, Senior Executive, Single Data Return/Backup, Distance Delivery Programme Support, Accounts, Restricted Programme Coordinator Programme Supporters, Delivery Executives and teaching staff. • Student scholarships are available for those wishing to pursue further study at The Learning Connexion. Full information is published explaining pre-requisites for students wishing to apply. • The Managing Director and a senior staff member represented TLC on the TRoQ Governance committee and Operational group for the development of the new Creativity and Art qualifications. 	
Audit focus areas	Evidence sighted
<p>1. The reporting through the Single Data Return, including recording enrolments and withdrawals</p>	<ul style="list-style-type: none"> • TLC uses a commercial database student management system Take2 which is software certified by the Ministry of Education for the Single Data return (SDR). Take2 is used to load enrolments and report completions. • The majority of students are studying as distance learners but can attend regional sites for a tutorial from time to time for brief teaching periods. All attendance and study times and assessment results from these tutorials are loaded into Take2 at the main Taita site. • A second database Phoenix is used primarily by teaching staff for the recording of student progress and achievement. Relevant information from the second database Phoenix is manually transferred into the SDR. • Student study hours and actual attendance hours are recorded in Phoenix. When hours of learning have been processed teaching staff are then provided with the remaining number of study hours required before a student can be assessed or complete a course of study. • The student management system was satisfactory. • With one exception, student records in the audit sample were valid enrolments for funding purposes, domestic student status was confirmed and minimum attendance requirements met. • One student was enrolled into a SAC programme without correct identification. Evidence of domestic status was not available for student National Student Number (NSN) g(2)(a) [REDACTED]. • Information held on student paper files was extensive and included sections of student assessment results. From the student sample

	<p>reviewed student NSNs were seldom entered into the section on the enrolment form. This information assists in the identification of a student and is from time to time required for reference purposes.</p> <p>Controls</p> <ul style="list-style-type: none"> • Take2 had adequate controls in place to protect the integrity of the data. Access by staff is limited and the sign-off of the SDR is undertaken by member of the senior executive group. A trial run of the SDR is undertaken initially and when data has been filtered and corrected satisfactorily it is then confirmed as being ready for the sign-off process. • TLC has a backup system in place to use in the event of a data failure.
<p>2. The Annual Maximum Fee Movement (AMFM) policy relating to fees and course costs.</p>	<ul style="list-style-type: none"> • TLC has not provided evidence of NZQA course approval so TEC cannot confirm that there is compliance with the Annual Maximum Fee Movement Policy. • The Accounts Department calculate the fees for the current year according to the AMFM policy and then forward this information to the Managing Director for final approval • STEO should then be updated with the newly approved fee information. The increase for 2016 was calculated as being a 3% increase on the 2015 fee. • Student fee information has not been updated in STEO since 2004. This is a serious breach and non-compliance of SAC funding conditions • Student fee information is published annually in the student Prospectus.
<p>3. The refund of fees that have been overcharged</p>	<ul style="list-style-type: none"> • There was no evidence that a refund of fees was required for a student studying at TLC.
<p>4. The financial support for the equipment infrastructure required to deliver the approved qualifications.</p>	<ul style="list-style-type: none"> • TLC has a budget to cover both maintenance of equipment and capital replacement. There is an ongoing maintenance plan that is used to ensure all equipment is maintained for classroom teaching at a high operating level. • A replacement budget is discussed with the Managing Director annually and a replacement plan is then implemented within TLC. This includes the selection of all essential equipment including the cyclical replacement of computers. • A computer specialist has been engaged to upgrade several computer systems and to rationalise the present use of existing student and financial databases. • Personal student costs for specialised clothing and equipment is required for several programmes. • A student handbook is available for each student once enrolled and specific course costs for each programme are referred to clearly in this document.

<p>5. Whether inducements or benefits have been provided to students.</p>	<ul style="list-style-type: none"> From the sample of records reviewed there was no evidence of any student being provided with an inducement or benefit to enrol in a TLC programme of study.
<p>6. Responsibility for subcontracting arrangements.</p>	<ul style="list-style-type: none"> TLC does not subcontract any component of the teaching programme.
<p>7. Compliance with the requirements in Part 18 of Education Act 1989.</p>	<ul style="list-style-type: none"> The overall standard of recordkeeping was reviewed as satisfactory Part 18 of the Education Act 1989 includes, but is not limited to student programme information and records <p>NZQA Course approvals</p> <ul style="list-style-type: none"> The four TLC course approvals, according to STEO were created a number of years ago and approved by NZQA in 1999. Significant and minor changes have been approved but the correct process has not been followed according to the TEC SAC funding condition - <i>SAC3+001 TEO to meet requirements when making changes to a qualification.</i> A formal record of all qualification changes approved by NZQA or TLC Academic Committee should be retained permanently by TLC. For the period of the funding approval TLC needs to continue to be quality assured by NZQA. A SAC funding condition <i>SAC3+003 TEO to be quality assured</i> refers to this condition in the TEC funding letter. Each year to receive TEC funding TLC has agreed to abide by this condition. Information relating to the status of each TLC programme cannot be obtained as TLC has not updated STEO since 2004. The Diploma in Art and Creativity (Honours) has since 2012, been “unbundled” into a certificate, diploma and honours diploma programme, but no written evidence has been produced in either STEO or in TLC documentation to confirm this decision.

The following table shows a record of the STEO course approval information.

The Learning Connexion NZQA Course Approvals				
Qualification code and title	Approved	Programme length	Credits	EFTs
PC1932 Certificate of Art and Creativity (Level 4)	15/12/2008	540 hours	60	0.54
PC1786 Diploma of Art and Creativity (Level 5)	11/1/1999	1080 hours	120	1
PC1933 Diploma of Art and Creativity(Honours) (Level 6)	11/1/1999	3240 hours (1080 hours p.a.)	300	2.5
PC9305 Diploma of Art and Creativity(Advanced) (Level 7)	12/1/2004	1080 hours	120	1

- In 2015 the Diploma in Art and Creativity (Honours) was published in the student Prospectus as being of one year's duration. The programme length has changed from 2.5 years as described in the 2014 student Prospectus to the description provided in the 2015 student Prospectus.
- STEO information presented the number of hours for each programme, the number of credits and the date of NZQA approval as shown in the table above.
- STEO data has not been updated since 2004, so without formal documentation no course approval, programme length and EFTs can be accurately established.
- From the database TLC made a change to the delivery of the 2.5 EFTs programme around 2012 according to TEC data but these changes have not been reflected in information shown in STEO.
- TEC did not receive following this audit adequate formal information from TLC to satisfy the conditions contained in the TEC funding letter.
- TLC is therefore required to submit to NZQA the following programmes for approval:
 - PC1933 Diploma of Art and Creativity(Honours)(Level 6)
 - PC1786 Diploma of Art and Creativity (Level 5).
 - PC1932 Certificate of Art and Creativity(Level 4)
- TLC is also required to update STEO so that only accurate programme information is contained in this system. Updating STEO information is ongoing especially in relation to the new TRoQ programmes being approved by NZQA.

Self-directed learning

- Students when completing an enrolment receives a log book to record all hours spent studying. These hours are entered into Phoenix and used to add up time devoted to study for each course.
- Student study hours are loaded into Phoenix and contribute towards the final number of hours for the required programme hours.

	<ul style="list-style-type: none"> • A mentor is responsible for maintaining contact with each student, providing advice and assisting with setting targets for each project. <p>Prison education</p> <ul style="list-style-type: none"> • Prison or Restricted Programme enrolments were equal to 15% of the total number of student enrolments. The programmes are available at 12 delivery sites and are structured and supervised according to the TLC distance learning programme requirements. • Students in the Restricted Programme receive documented learning material and are encouraged by the prison authorities to study and achieve a qualification. • The Restricted Programme that prison inmates are enrolled in consists of self-directed learning. A mentor, who is assigned to each student on enrolment, engages with up to 30 students on a continuous basis until all have graduated or withdrawn from the programme. • Student time spent while studying and assessment achieved while in the Restricted Programme is recorded in Phoenix. <p>Reconciliation</p> <ul style="list-style-type: none"> • TLC performs internal moderation of completed student projects to ensure a consistent standard is always achieved across all internal assessments. A policy is in place to guide this process including the benchmarking of student work to enable consistency of the final level of competency. • UCOL Institute of Technology has been part of the moderation process and made a valuable contribution as an external moderator. • This is relative to self-directed learning where a project may be completed within a short timeframe according to the timetable. Funding of the programme may be implicated unless a moderating process is in place and used regularly to ensure consistency of final projects.
<p>8. Any other TEC funding matters.</p>	<p>Targeted Review of Qualifications (TRoQ)</p> <ul style="list-style-type: none"> • TLC has a representative on both the Governance and Operational groups and has assisted with establishing a creativity discipline that is recognised and able to register unit standards on the New Zealand Qualification Framework. • The newly developed qualifications are expected to be introduced as new programmes in 2017. • TLC is to use the arrangements for existing students to grandfather their present study achievements into the new qualifications as described in the new programme regulations.