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Tertiary Education Commission

Audit Report

National Council of YMCAs of New Zealand Incorporated

Youth Guarantee, Intensive Literacy and Numeracy and Workplace Literacy Funding

Edumis Number: 9388
Audit Dates: 18 – 22 July 2016
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1 Purpose

The purpose of the audit was to provide assurance that the National Council of YMCAs of New Zealand Incorporated (YMCA) is meeting the Investment Plan Funding Conditions as referred to in the Tertiary Education Commission (TEC) letters of approval dated 17 November and 21 December 2015. The funding approved includes Youth Guarantee, Intensive Literacy and Numeracy and Workplace Literacy 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 YMCA. 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 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 Youth Guarantee funding conditions.
- Compliance with Intensive Literacy and Numeracy funding conditions.
- Compliance with Workplace Literacy funding conditions.
- Compliance with the requirements in Part 18 of the Education Act 1989.
- Monitoring the action plan for the TEC 2014 audit.
- 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.

YMCA is a Private Training Establishment with its head office in Lower Hutt and centres throughout New Zealand. The YMCA Centres visited during the audit were South and Mid Canterbury (Timaru), Invercargill, Nelson, New Plymouth and Porirua.

The organisation receives Youth Guarantee funding for the following:

- NCEAL1 National Certificate in Educational Achievement (Level 1)
- NCEAP2 Manufacturing and Technology
- NCEAP3 Primary Industries

- NCEAP4 Service Industries
- NCEAP5 Social and Community Services
- NC5212 National Certificate in Computing (Level 2)
- NC5214 National Certificate in Business Administration and Computing (Level 2)
- NC5432 National Certificate in Employment Skills
- NC1220 National Certificate in Mechanical Engineering (Level 2)
- NC1252 National Certificate in Motor Industry (Entry Skills) (Level 2)
- NC1710 National Certificate in Recreation and Sport (Core Skills) (Level 2)
- NC0403 National Certificate in Early Childhood Education and Care (Level 3)
- NC1667 National Certificate in Primary Sector (Level 1)
- NCEP2N Manufacturing and Technology Non-Trade
- NCEP2T Manufacturing and Technology Trade
- NCEP3N Primary Industries Non-Trade
- NCEP3T Primary Industries Trade
- NCEP4N Services Industries Non-Trade
- NCEP5N Social and Community Services Non-Trade.

The table below provides a breakdown of 2015 and 2016 funding

Fund	2015 ($ GST exclusive)	2016 ($ GST exclusive)
Investment Plan		
Youth Guarantee	$ 3,764,599	$ 3,828,790
Intensive Literacy and Numeracy	$ 1,200,000	$ 1,200,000
Workplace Literacy	$ 229,400	$ 229,400
Total	**$ 5,193,999**	**$ 5,258,190**

4   Key Findings

The key findings were:

Youth Guarantee funding

- Youth Guarantee students studying in Christchurch had been reported against the Main Campus in Lower Hutt in the December 2015 and April 2016 Single Data Returns. This site is the head office and no students study at this location.

Approved Course Sites

- A review of approved course sites registered with the TEC through the Services for Tertiary Education Organisations (STEO) website when compared with sites reported in the December 2015 and April 2016 Single Data Returns found several discrepancies that impact on the accuracy of data reported. This is summarised in Appendix 1 – Approved Course Sites in STEO with eight sites reporting SDR data.

Quality Management System

- YMCA has a Quality Management System; however in the student and learner records sampled version controls on documents were not in place and therefore no system for monitoring the consistency and quality of enrolment decisions made between YMCA Centres. Two examples of this inconsistency are:

    a. YMCA South and Mid Canterbury provide detailed offer of placement letters to prospective students and retain a copy for audit trails whereas YMCA Invercargill has a short template that is overwritten and no copy is retained for audit trails.

    b. Students enrolled at YMCA South and Mid Canterbury sign the enrolment form but it is not counter signed by the PTE whereas at YMCA Invercargill both parties sign the form.

Intensive Literacy and Numeracy funding

- YMCA has commenced an internal audit of Hawke's Bay Intensive Literacy and Numeracy records reported for 2015 following recordkeeping issues identified in the records pre-selected for this audit.

- Audit trails did not always detail how learners met the entry criteria in Intensive Literacy and Numeracy programmes specified in funding condition ILN004 – TEO to ensure learners meet criteria.

- For YMCA Central Intensive Literacy and Numeracy learner, NSN 9(2)(a), and Gisborne District learner, NSN 9(2)(a), there was no evidence confirming domestic status.

Workplace Literacy funding

- Audit trails did not always detail how learners met the entry criteria in Workplace Literacy programmes specified in funding condition WLN004 – TEO to ensure learners meet criteria.

- YMCA Invercargill check employer records to ensure learners were in paid employment in Workplace Literacy programmes but this evidence was not included in the decision-making process recorded in the enrolment checklist.

- YMCA Invercargill Workplace Literacy learner, NSN 9(2)(a) , indicated on their enrolment form that they held a diploma of 9(2)(a) but there was no audit trail detailing how the learner was eligible.

5   Recommendations

The main recommendations are:

Youth Guarantee funding

- Report Youth Guarantee students in the Single Data Return accurately against the relevant approved course delivery site.

Approved Course Sites

- Review the Course Delivery Site field[1] and update STEO approved course sites (Appendix 1).

- Source site approval letters from NZQA for all approved sites.

Quality Management System

- Implement version controls on student enrolment and assessment documents used to ensure consistency across all YMCA Centres.

- Develop an administrative section in the Quality Management System covering TEC funding conditions and Single Data Return reporting requirements.

- Ensure all enrolment forms are counter-signed by both the student and the PTE.

Intensive Literacy and Numeracy funding

- YMCA to provide a report to the TEC by 1 October 2016 on the results of the internal audit of Hawke's Bay Intensive Literacy and Numeracy records.

- Include the Intensive Literacy and Numeracy funding condition (Appendix 2) in the enrolment process to ensure decision-making is structured and covers all components of the funding condition.

Workplace Literacy funding

- Include the workplace literacy funding condition (Appendix 2) in the enrolment process to ensure decision-making is structured and covers all components of the funding condition.

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[1] Pages 77-78 in the Ministry of Education – Single Data Return 2016 Manual.

Part Two

Findings

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

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Overview

- A sample of 42 Youth Guarantee files was selected for audit. The sample covered records reported in the December 2015 and April 2016 Single Data Returns.

- A sample of 26 Intensive Literacy and Numeracy and 17 Workplace Literacy learner records was selected for audit. This sample covered 2015 records reported to the TEC.

- The audit included visits to YMCA Centres at: Timaru, Invercargill, Nelson, New Plymouth, Porirua and the National Office in Lower Hutt.

- There was confidence that the majority of students and learners in the sample of records reviewed were eligible to study; pastoral care was good and evidence available to support course completions.

- However; the overall standard of recordkeeping was inconsistent across YMCA Centres. To improve the level of confidence the organisation should standardise enrolment processes for all programmes, implement version controls on documents, review data entry controls and develop a quality assurance programme that tests, samples and monitors policy, controls and processes.

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Audit focus areas	Evidence sighted
1. The reporting through the Single Data Return, including recording enrolments and withdrawals.	**Student management system** • Since the 2014 audit, YMCA has upgraded the student management system it uses from an earlier version of Puk-e-DATA to Educate Plus. Both systems are supplied by the same vendor. • Educate Plus, V17.99, is software certified for 2015-2016 by the Ministry of Education for the Single Data Return. The certification entry on the Ministry of Education's website refers to Puk-e-DATA (also known as Educate Plus). • Educate Plus is used to load enrolments and report completions. Additional functionality includes the module, 'Admin Plus,' that automatically retrieves from the New Zealand Qualifications Authority (NZQA) Record of Learning database student Records of Achievement. • YMCA Centre staff then select out unit standards that a student has already achieved creating a unique enrolment pattern for each student where recognition of prior learning is applicable. • Educate Plus also has modules for 'Tutor Plus' (not yet implemented) and 'Management Reports.' • YMCA commented that Educate Plus helps to manage student enrolments, in particular to limit the number of students exceeding 1.0 EFTS delivery over 1 year. At the previous audit in 2014 education managers spent considerable time reviewing and amending individual

course enrolment patterns to ensure the limits were not exceeded. A subsequent review of the programme structure has sought to eliminate unit standards that were common to more than one qualification and this has been successful.

Data entry

- All data is loaded into Educate Plus at each of the YMCA Centres.

- Access controls at each Centre are either specific to the Administrator (with full access) or Read only. There is an inherent risk to the integrity of data reported when full access to the student management system is decentralised; however, this can be managed by regular monitoring and sampling of records.

Single Data Return attestation

- Prior to the submission of each Single Data Return trial reports are run to identify and resolve any reporting errors.

- The attestation is signed off the General Manager – YMCA PTE

Attendance

- Student attendance is monitored through attendance registers for each programme.

Withdrawal

- Student withdrawal policies and procedures are in place to ensure decisions are documented and withdrawal is accurately reported.

Variation of the Enrolment process used between YMCA Centres

- In the sample of student records reviewed across all funded programmes (Youth Guarantee Intensive Literacy and Numeracy and Workplace Literacy) there were variations between YMCA Centres in the documentation that was used.

- Part of a quality management system seeks to standardise generic documentation with controls in place to ensure current versions of documents are being used.

- Each YMCA Centre that enrols students follows a standard enrolment process but there are variations between Centres in the range of documents that are used and information that is provided to students. This has resulted in a Centre-specific enrolment process modelled on a generic enrolment process rather than an overarching and controlled YMCA enrolment process.

- This carries a risk that individual Centres may develop forms and processes that sit outside the quality management system (or determine to not adhere to processes), such as occurred in 2014 when only Central consistently used the Tutor Management System (TMS). These are issues for management when monitoring the quality and consistency of enrolment decision-making.

Course completions reported through the Single Data Return

- Across the organisation, the pastoral care needs of students are assessed and time is taken to ensure students are ready to engage in study. Once students start achieving unit standards these are marked and moderated and course completions reported through the student management system. Evidence was sighted that courses are being completed and accurately reported in the Single Data Return.

2.	The financial support for the equipment infrastructure required to deliver the approved qualifications.	• Youth Guarantee students are not required to individually purchase any item of hardware or equipment necessary to gain the approved qualification.
3.	Whether inducements or benefits have been provided to students.	• From the sample of records reviewed there was no evidence of any Youth Guarantee student being provided with an inducement or benefit to study.
4.	Responsibility for subcontracting arrangements.	• There is no subcontracting of any component of programmes being offered by the YMCA.
5.	Compliance with Youth Guarantee funding conditions.	**Youth Guarantee students eligible to enrol** • All Youth Guarantee student records in the audit sample were valid enrolments for funding purposes domestic student status was confirmed and minimum attendance requireme ts met.
6.	Compliance with Intensive Literacy and Numeracy funding conditions.	**Hawke's Bay records under review** • In the Hawke's Bay sample of Intensive Literacy and Numeracy records selected pre-audit concerns identified by YMCA related to recordkeeping for 2015 deliv ry YMCA is undertaking an internal audit of the learners reported and will provide a separate report to the TEC • The TEC will rev ew and evaluate the report and an outcome may be a full review of these records. **Intensive Literacy and Numeracy decision-making** • Audit trails did not always detail how learners met the entry criteria in Intensive Literacy and Numeracy programmes specified in funding condition: *ILN004 – TEO to ensure learners meet criteria*. • YMCA should embed the Intensive Literacy and Numeracy funding condition (Appendix 2) in the enrolment process to ensure decision-making is both structured and covers all components of the funding condition. Valid exceptions to policy, such as where a learning disorder has been established, should also be documented to safeguard funding. **Ineligible learners for funding purposes** • For YMCA Central Intensive Literacy and Numeracy learner, NSN 9(2)(a) , and Gisborne District learner, NSN 9(2)(a) , there was no evidence retained confirming domestic status. • The TEC could seek recovery of funding for these two learners.

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7.	Compliance with Workplace Literacy funding conditions.	**Workplace Literacy decision-making** • Audit trails did not always detail how learners met the entry criteria as specified in Workplace Literacy programmes funding condition: *WLN004 – TEO to ensure learners meet criteria*. • YMCA Invercargill check employer records to ensure learners were in paid employment in Workplace Literacy programmes but this evidence was not included as an entry requirement and recorded on the enrolment checklist. • YMCA should include the Workplace Literacy funding condition (Appendix 2) in the enrolment process to ensure entry requirements cover all components of the funding condition. **Ineligible learner for Workplace Literacy** • YMCA Wanganui District Workplace Literacy learner, NSN 9(2)(a) , held two qualifications, the Certificate in 9(2)(a) Level 4 and 5, but audit trails could not confirm eligibility to access funding by demonstrating a low skill level in literacy and numeracy. • No recovery of 17 hours of Workplace Literacy funding is sought for this learner because of over-delivery. **Audit trails incomplete to establish eligibility to enrol** • YMCA Invercargill Workplace Literacy learner NSN 9(2)(a) , indicated on their enrolment form that they held a diploma of 9(2)(a) but there was no audit trail detailing how the learner was eligible.

8.	Monitoring the action plan for the TEC 2014 audit.	• The main recommendations from the 2014 audit were:
		
		  a. Review and document a protocol for staff access privileges for data entry into the student management system, Puk-e-DATA.
		
		    i. This is still an issue and not covered in the 2016 Quality Management System.
		
		  b. Review, document and stardardise the enrolment practice across all sites. The amended enrolment policy and procedures then need to be documented in a section of the Quality Management System Manual.
		
		    i. This has been partially addressed and is covered earlier in this report under the heading, Enrolment process variations between Centres.
		
		  c. The issue of duplicate unit standards within elective modules requires the YMCA to develop revised modules and submit to NZQA for approval.
		
		    i. This issue has been successfully resolved.

9.	Compliance with the requirements in Part 18 of Education Act 1989.	• The overall standard of recordkeeping was reviewed as satisfactory, notwithstanding two caveats, the first relating to Intensive Literacy and Numeracy records for Hawke's Bay are currently under review by YMCA (covered in section 6 above) and the second relating to enrolment process variations between YMCA Centres (covered in section 1 above). • Part 18 of the Education Act 1989 includes, but is not limited to student programme information and records.

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	• In the Quality Management System (section 12, pages 45-46) there is an absence of detail around archiving of enrolment and student records, specifically the timeframe for keeping records. There is also nothing specific requiring YMCA to retain programme approval letters (including tracking all and any Type 1 and 2 changes) and course site approval letters from NZQA indefinitely.
	• YMCA has programme approval from NZQA for the programmes that are funded by TEC. Copies of programme approval letters were available for review.
	• A sample of timetables of programmes being provided across Centres confirmed teaching hours were in accordance with NZQA course approval documentation.
	• The timetabling of programmes needs to be standardised to ensure YMCA managers can be confident NZQA approved face-to-face and self-directed hours are being complied with.
	• Correct programme hours are a requirement of the TEC funding conditions.
10. Any other TEC funding matters.	**Approved Course Sites and reporting of Youth Guarantee students** • Youth Guarantee students from Christchurch had been incorrectly reported against the Main Campus in Lower Hutt in the December 2015 and April 2016 Single Data Returns. The reason for this was that Christchurch was not set-up as an approved site. • A review of approved course sites identified several discrepancies. This is summarised in Appendix 1 – Approved Course Sites in STEO with eight sites reporting SDR data. • It is important that students are correctly reported to approved course sites as the information reported is used by the Ministry of Education to calculate student participation by geographic regions and can assist the TEC when making investment decisions. **Literacy and Numeracy Adults Assessment Tool (Assessment Tool)** • All students and learners enrolled in TEC-funded programmes are assessed using the Assessment Tool with an initial and progress assessment. The Youth Assessment option has been available from mid-2014.

Appendix 1 – Approved Course Sites in STEO with eight sites (in green) reporting SDR data.

Site Code	Site Name	Approved Address in STEO	Comments
01	Main Campus	415 Cuba St, Lower Hutt	Head office. No teaching at this site. No site approval letter from NZQA sighted.
02	YMCA Christchurch	387a Colombo St, Christchurch	No students reported in Dec 2015 and April 2016 SDR against Christchurch because site blocked in STEO. Students reported against 01 – Main Campus. Christchurch site approved by NZQA August 2015. Approval letter sighted.
03	YMCA Invercargill	2 Leven St, Invercargill	YMCA Ed (8969) – Southern Farm Training merged with YMCA (9388) in 2012. Southern Farm Training students at Winton reported against Invercargill. No site approval letter from NZQA sighted. Status of Winton as a permanent site not established.
04	YMCA Hawke's Bay	720 Pakowhai St, Hastings	Hastings site approval letter by NZQA not sighted There were no students reported against Hastings in Dec 2015 and April 2016 SDR.
05	Masterton	371 Queen St, Masterton	Masterton site approval letter by NZQA not sighted. There were no students reported against Masterton in Dec 2015 and April 2016 SDR.
06	Nelson	156 Toi Toi St, Nelson	Nelson site approval letter by NZQA not sighted. Students reported against Nelson in Dec 2015 and April 2016 SDR.
07	YMCA New Plymouth	83 Liardet St, New Plymouth	New Plymouth site approval letter by NZQA not sighted. Students reported against New Plymouth in Dec 2015 and April 2016 SDR.
08	YMCA Gisborne	150 Roebuck Rd, Gisborne	Gisborne site approved by NZQA August 2008. Approval letter sighted but no street address recorded. No students reported against Gisborne in Dec 2015 and April 2016 SDR.
09	South and Mid Canterbury	23 Butler St, Timaru	Timaru site approved by NZQA December 2008. Approval letter sighted. Status of Ashburton as a permanent site not established. Students reported against South and Mid Canterbury in Dec 2015 and April 2016 SDR.
10	YMCA Wellington	84 Willis St, Wellington	Wellington site approved by NZQA October 2015 for 138 Wakefield St, Wellington. Approval letter sighted. The site address has since changed and requires NZQA approval.
11	YMCA Tauranga	428 Devonport Rd, Tauranga	Tauranga site approval letter by NZQA not sighted. Students reported against Tauranga in Dec 2015 and April 2016 SDR.
12	YMCA Central	125 Grey St, Wanganui	Wanganui site approved by NZQA May 2013. Approval letter sighted. Status of Palmerston North as a permanent site not established. Status of Motor and Furniture Workshops in Wanganui not established. Wanganui and Palmerston North students reported against YMCA Central in Dec 2015 and April 2016 SDR.
20	YMCA Porirua	3 Hagley St, Porirua	Porirua site approved by NZQA September 2015. Approval letter sighted. Porirua students reported against site 10 – YMCA Wellington. No students reported against Porirua in Dec 2015 and April 2016 SDR.

APPENDIX 2

Eligibility criteria for Intensive Literacy and Numeracy and Workplace Literacy and Numeracy extracted from the 2016 funding conditions letter dated 21 December 2015

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Pages 23-24

"**ILN004: TEO to ensure learners meet criteria**

The TEO must ensure that each learner that the TEO enrols in an eligible programme of study or training:
  a) is, and continues to be, a New Zealand Citizen or resident; and
  b) has low skill levels in literacy, numeracy, or literacy and numeracy.

Definition of low skill level in literacy, numeracy, or literacy and numeracy

For the purposes of this condition, a learner has a low skill level in literacy, numeracy, or literacy and numeracy:
  a) if the learner has fewer than 80 credits on the New Zealand Qualifications Framework (NZQF); or
  b) if the learner has more than 80 credits on the NZQF, the learner has fewer than 12 credits in literacy and/or numeracy in unit standards and/or achievement standards; or
  c) if the learner is assessed using the Literacy and Numeracy for Adults Assessment Tool and presents at Step 1 or 2 on the Learning Progressions for reading and/or numeracy."

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"**WLN004: TEO to ensure learners meet criteria**

"The TEO must ensure that each learner that the TEO enrols in an eligible programme of workplace training:
  a) is, and continues to be, a New Zealand Citizen or resident; and
  b) has low skill levels in literacy, numeracy, or literacy and numeracy; and
  c) is, and continues to be, in the paid workforce; and
  d) is not:
      (i)   enrolled as a full-time student at a TEO; or
      (ii)   accessing TEC-funded literacy, numeracy, or literacy and numeracy, provision at another TEO or workplace.

Definition of low skill level in literacy, numeracy, or literacy and numeracy

For the purposes of this condition, a learner has a low skill level in literacy, numeracy, or literacy and numeracy:
  a) if the learner has fewer than 80 credits on the New Zealand Qualifications Framework (NZQF); or
  b) if the learner has more than 80 credits on the NZQF, the learner has fewer than 12 credits in literacy and/or numeracy in unit standards and/or achievement standards; or
  c) if the learner is assessed using the Literacy and Numeracy for Adults Assessment Tool and presents at Step 3 or below on the Learning Progressions for reading and/or Step 4 or below on the Learning Progressions for numeracy."