TEC investigation overview: EnterpriseMIT Limited

What is EnterpriseMIT Limited?

EnterpriseMIT Limited (EMIT) was incorporated in 2011 as a private training establishment (PTE) in accordance with the Education Act 1989. Following its purchase in September 2012 EMIT was a wholly owned subsidiary of the Manukau Institute of Technology (MIT), a polytechnic established pursuant to section 162 of the Education Act 1989 until 2016.

Why we initiated the investigation

In February 2016, following our own data analysis, the TEC engaged Deloitte to look into EMIT's 2014 and 2015 delivery of three programmes, namely:

› National Certificate in Maritime (Commercial Inshore Vessel Operations)
› National Certificate in Employment Skills
› Certificate in Finfish Culture

Deloitte's initial findings indicated there was cause to look more deeply into a range of issues identified. In 2016, an investigation was initiated to focus on under-delivery of learning hours, the application of recognition of prior learning and what appeared to be alterations of enrolment and assessment forms. This covered the years 2013 to 2015.

What we found and what we have done

As EMIT is no longer in operation, the TEC has discussed the findings of the Deloitte report with MIT as EnterpriseMIT's owner. The discussions are set out in the table below. EnterpriseMIT has not provided any training since December 2016 and was formally deregistered as a PTE in August 2017.

Findings	Actions taken
Recognised Prior Learning in Certificate of Finfish Culture › High levels of prior learning (not funded by the TEC) was found to have been claimed for students in relation to the Certificate in Finfish Culture › The investigation found that students who already worked in the industry had enrolled in the course without being assessed for levels of prior learning › The investigation found that on average students had 40% prior knowledge of course content	› The TEC has recovered $125,518.92 (GST exclusive) from EnterpriseMIT › We have discussed with MIT its responsibility to have in place clear processes that identify and assess prior learning, because TEC does not provide funding for prior learning
Authenticity of enrolment records › A number of signatures on assessments and other documentation were found to be altered › Correction fluid / tape was used to alter some signatures, names and dates › Individual students advised they did not recognise signatures purporting to be their own › Reliability of records was questionable	› We have discussed with MIT the need to maintain appropriate oversight of administrative data and have processes in place to ensure documents are not inappropriately altered › We have advised MIT that this matter should be reported to the Police
Accuracy of Single Data Return (SDR) › There was misalignment between course start dates submitted to the TEC in the SDR and the date a student enrolment form was actually signed. This applied to all three programmes reviewed › In some instances the SDR course start date was listed as months earlier than the enrolment form was signed. In this instance the inaccuracies have not impacted on funding or performance metrics.	› We have discussed with MIT our expectations and its obligations to ensure accuracy of SDR data submitted to the TEC.
Under-delivery of programmes › An under-delivery of learning hours between 2013 and 2015 was identified across the National Certificate in Employment Skills and the Certificate in Finfish culture. The level was not significant enough to warrant any funding recovery. › There was delivery of programs that did not align correctly with NZQA approval documentation	› We have discussed with MIT the necessity to ensure alignment between actual delivery, NZQA approval and data provided to the TEC

Our next steps

We are confident that now the investigation process is complete and EnterpriseMIT has ceased to operate as a training provider, no further actions by the TEC are required. We will continue to engage with MIT as part of our standard monitoring process.

About our monitoring function

The Tertiary Education Commission invests approximately $2.9 billion every year into tertiary education and regularly monitors approximately 700 tertiary education organisations (TEOs) to ensure they are performing and meeting their funding agreements.

As the Government's key investment provider for tertiary education, our monitoring helps ensure TEOs are equipped to deliver services so New Zealanders can get the knowledge and skills they need for lifelong success. Tertiary education is a substantial commitment of time and resources for learners, taxpayers, and government, and they deserve full value for their investment.

We take a flexible and graduated approach to monitoring, working with TEOs to assist where necessary and making sure that when intervention is required, both the TEC and the TEO only need to invest as much time and effort as is necessary in the circumstances.

By using the extensive information and data we have available from across the education sector, we take a smarter approach to monitoring. This means we can identify issues early, provide relevant and timely support, and respond appropriately.

Our monitoring work goes beyond traditional compliance to working collaboratively with TEOs, informing and educating TEOs on their obligations and helping them perform to their absolute best.

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We ensure New Zealand's future success.
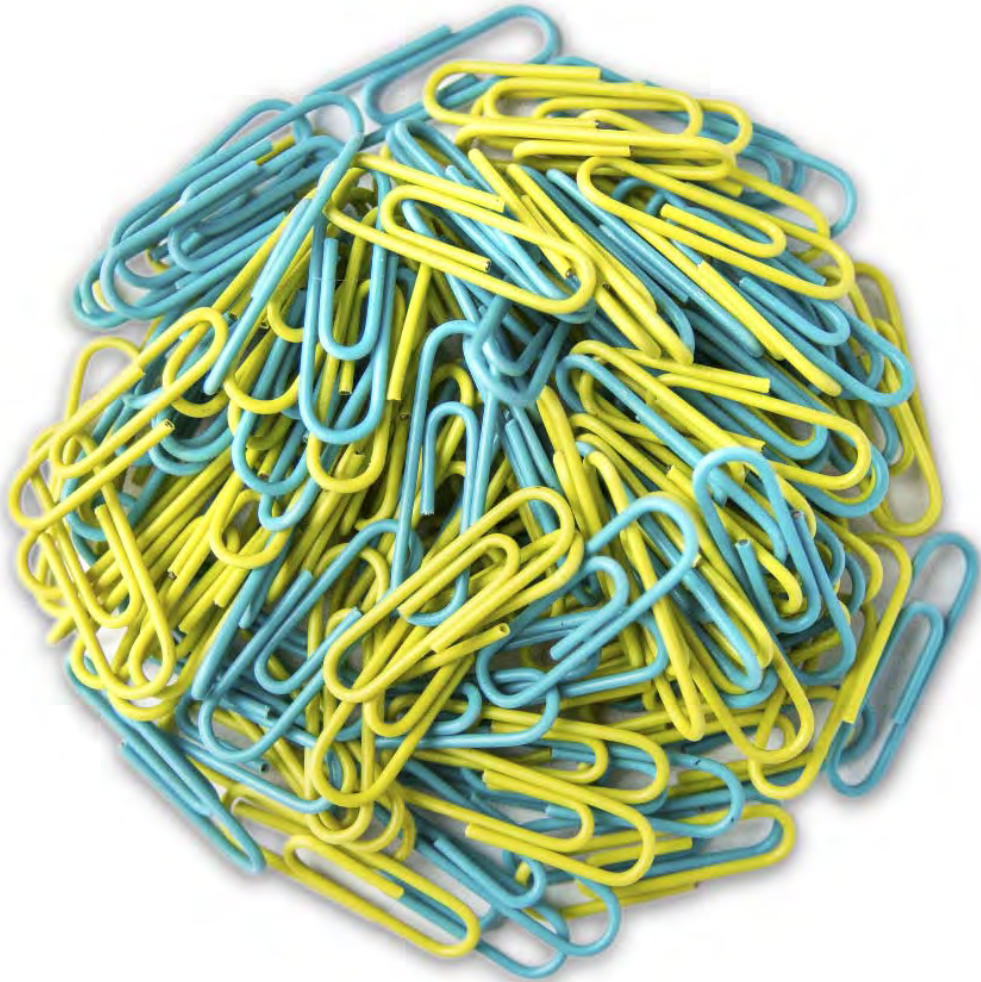
Deloitte.

EnterpriseMIT Limited
Report for the Tertiary Education
Commission

Confidential

25 September 2017

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

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Executive Summary

Background

1.1   In February 2016, the Tertiary Education Commission ("**TEC**") engaged Deloitte to undertake a review of EnterpriseMIT Limited (**"EnterpriseMIT"**). EnterpriseMIT is a wholly-owned subsidary of the Manukau Institute of Technology (**"MIT"**).   In September 2012, MIT purchased the assets and operations of the Mahurangi Technical Institute[1] and this now operates as a division of EnterpriseMIT. The three programmes that TEC selected for our initial engagement were the National Certificate in Maritime (Commercial Inshore Vessel Operations), National Certificate in Employment Skills and Certificate in Finfish Culture during 2014 and 2015. In July 2016, TEC expanded our review to an investigation that included reviewing the same courses in 2013.

1.2   The scope of this engagement was to:

    a)   Ensure that programmes are taught in accordance with and comply with the learning hours and weeks entered into STEO and therefore meet the TEC funding conditions;

    b)   Verify the existence of a sample of students, including the legitimacy of enrolment and assessment records, ensuring that students have actually enrolled, attended and been assessed;

    c)   Identify any subcontracting relationships that were in place and, if such relationships were identified, understand the relationship between the parties and gain an insight of the EnterpriseMIT's oversight of those activities; and

    d)   Ensure that EnterpriseMIT's internal quality assurance and control processes regarding these programmes were robust and fit for purpose.

1.3   On 15 April 2016, we provided TEC with a verbal update summarising our preliminary findings. Following this update, TEC expanded the scope of our engagement and instructed us to thoroughly analyse the authenticity of a wider sample of student's enrolment and assessment records. On 26 May 2016 we provided a verbal update to MIT, during which we discussed the progress of our work and our preliminary findings.   We were subsequently instructed by TEC to direct all correspondence and updates to EnterpriseMIT through MIT's 9(2)(a), and advised EnterpriseMIT of this fact on 23 June 2016.

1.4   After verbally reporting our further findings to TEC, MIT and EnterpriseMIT on 14 July 2016, the review was expanded to an investigation on 19 July 2016.

1.5   After providing our draft findings to TEC, we were instructed in April 2017 to complete further work surrounding recognised prior learning.

1.6   This report contains our findings from both the review stage and investigation stage of this engagement. Additionally, MIT/EnterpriseMIT responded to the findings and the initial draft report, including via letter on

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[1] Enterprise MIT Investment Plan 2016 - 2018

29 August 2016, 13 January 2017, and 17 July 2017. This final report follows our consideration of these submissions and incorporates some of MIT/EnterpriseMIT's comments.

1.7 Subsequent to providing initial findings, MIT advised the TEC and Deloitte that a decision had been made to 'wind up' EnterpriseMIT, and that EnterpriseMIT has not delivered any courses since December 2016. MIT further advised on 17 July 2017 that EnterpriseMIT is in the final stages of being wound up. In August 2017, the New Zealand Qualifications Authority ("NZQA") cancelled the registration of EnterpriseMIT Ltd as a private training establishment. As at the date of this report, EnterpriseMIT is shown as registered on the Companies Office website, following the filing of the annual return on 2 June 2017. It is wholly owned by MIT.

Key Findings

1.8 Our key findings relate to the authenticity of the student enrolment and assessment records, accuracy of data entered into EnterpriseMIT's Single Data Return ("**SDR**"), recognised prior learning for the Certificate in Finfish Culture, and an assessed under-delivery of learning hours delivered to students enrolled in at least two of the programmes we investigated.

Authenticity of enrolment and assessment records

1.9 As part of our initial review, we requested enrolment records and assessment documentation for 105 randomly selected students that had been enrolled in the three selected programmes. During our further investigation, we were provided access to all of EnterpriseMIT's enrolment records and assessment documentation. In total, we reviewed 177 students' records.

1.10 Our initial review identified the following issues with students' records:

a) There was inconsistent handwriting and signatures on 15 enrolment forms or assessment records. We have located and spoken to five of these students. These students have confirmed that they do not recognise one of the enrolment forms; that the handwriting on the forms is not theirs; and that they do not believe the signatures on some of the enrolment forms or assessment records are theirs;

b) Dates and other details have been amended using correction tape or fluid without the student's knowledge, potentially altering the years that were studied for those students; and

c) Dates that students were marked present on attendance registers were not consistent with the estimated duration of the programmes that the students provided during interviews.

1.11 Before our engagement progressed to an investigation, MIT were advised of these issues. MIT, for EnterpriseMIT, has completed its own review of student records. MIT's findings are referenced in the body of this report and included as an appendix. In August 2016, MIT advised TEC that it found 48 instances where '*student signatures varied across the student file*', with 22 of these relating to the Certificate in Finfish Culture[2].

1.12 As part of our investigation, we reviewed a sample of MIT's findings.   We have not relied on MIT's findings for this review, but note that MIT's overall findings largely mirror our own findings; we would summarise

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[2] Letter from Peter Winder, Chair, Manukau Institute of Technology to TEC dated 29 August 2016. This letter notes that MIT completed a review of all enrolments at EnterpriseMIT under review (using PwC and MIT's internal auditor), provided TEC with a full disclosure of MIT's findings, and replaced the Board of EnterpriseMIT.

these as issues being identified with the veracity of signatures, and correction fluid being used to amend a number of forms.

1.13   During the further investigation phase, we identified and reviewed approximately 30 other records that displayed the same issues with the veracity of signatures and amending of information. We found that the issues identified were consistent across all three years we reviewed.

1.14   Most of the issues that we identified related to records for students who had been enrolled in the Certificate in Finfish Culture. MIT's review found the same.

1.15   We (and MIT as part of its review) also identified a smaller number of potential issues with documents relating to students who have been enrolled in the National Certificate in Employment Skills. However, these issues were minor in comparison to the Certificate in Finfish Culture, which has been the focus of this area of the investigation.

1.16   MIT has provided information on potential explanations and/or causes for the issues identified. In summary, these are:

   a)   Separate enrolment forms were being utilised for SAC and YG funding and that it was not uncommon for students to have completed the wrong form. Mahurangi Technical Institute ran out of pre-printed enrolment forms and students had been asked to complete an MIT enrolment form. The Finfish Administrator may have completed the replacement form personally rather than obtain a replacement form for the student; and

   b)   Students enrolled in Employment Skills are very young "NEET" students who often do not have an established signature at enrolment.

1.17   We agree that the explanation (at 1.16(b)) for inconsistency around signatures for the National Certificate in Employment Skills is both plausible (and likely correct) for the large number of the records that MIT identified potential issues with. Our own review did not identify any significant issues surrounding the veracity of student signatures on enrolment forms for the National Certificate in Employment Skills that warranted further investigation when compared to the Certificate in Finfish Culture programme.

1.18   We also agree that the explanation (at 1.16(a)) is plausible where two separate enrolment forms exist for the Certificate in Finfish Culture files. It is possible that whoever completed the forms did so because the 'incorrect' form had been completed by the student. We note for completeness that the inconsistent signatures identified on these forms appear to be attempts at copying the students' real signatures, the signatures are not listed as 'pp' (which would be expected where signing on someone's behalf), and that the forms state that students must complete them in their own handwriting. In our view, EnterpriseMIT has not put forward any explanations for why it would be acceptable to forge signatures.

1.19   EnterpriseMIT confirmed on 26 September 2016 that it does not have any other potential explanations for the issues identified relating to signature changes on documents[3].

1.20   In our view, the issues with student records that we identified are not satisfactorily explained by the reasons provided by MIT. These include instances where:

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[3] Email from Tim Wilson, Chief Executive, dated 26 September 2016

a) the signatures on <u>assessments</u> or documentation relating to assessments are inconsistent or appear to be false;

b) correction tape has been used to alter signatures;

c) correction tape has been used to alter dates or other details; and

d) it appears that a different individual (for example, a tutor) was the author of the signatures.

We discuss specific instances of these in the body of this report, and can provide copies of the relevant files.

1.21 The concerns identified raise potential issues surrounding the veracity and reliability of a number of EnterpriseMIT's enrolment and other records, and TEC's ability to rely on them. We also note that creating a false document with the intent of gaining some form of benefit, or with the intent it would be used as genuine, is unlawful.

Accuracy of Single Data Return

1.22 In total, we reviewed records for 169 students who had been enrolled during 2013, 2014 or 2015 in the Certificate in Finfish Culture, National Certificate in Employment Skills and National Certificate in Maritime (Commercial Inshore Vessel Operations). We reconciled the date on which the enrolment forms were signed against the earliest course start date for each student that was recorded in EnterpriseMIT's SDR[4].

1.23 We found that 55% of the enrolment forms were signed <u>after</u> the students' earliest course start date recorded in EnterpriseMIT's SDR. This means that EnterpriseMIT received funding for periods of study that were prior to the student signing the enrolment form. This issue was prevalent in enrolments across all of the years and programmes we reviewed.

1.24 This is important because:

a) An earlier course start date recorded in the SDR may impact the year in which EFTS, and therefore funding, is claimed for each student. Seventeen of the 169 student records that were enrolled between 2013 and 2015 (10.1%) had an SDR course start date that was more than two months earlier than the date the corresponding enrolment form was signed by the student;

b) EnterpriseMIT has received funding earlier than it was entitled to. Whilst the total funding that EnterpriseMIT has received as a result of this practice should not be materially different, we note that the year the funding was received in would not have been correct in some instances. Effectively, this means that EnterpriseMIT is receiving a use of money benefit from receiving TEC funds before it is entitled to;

c) Educational performance indicators are linked to the year that a student completes their study. If a student was reported as completing a qualification in 2014, but actually attended and studied in 2015, then the organisation's reported completion rates for each year may be over or understated; and

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[4] We also reviewed enrolment records for eight students that were enrolled in 2012, bringing the total of reviewed enrolment records to 177.

d)   TEC relies on the accuracy of the information that is submitted to it in the SDR when making funding decisions for future periods. Each TEO attests to the accuracy of the data that is submitted in an SDR.

1.25   EnterpriseMIT has advised that the differences we noted between the enrolment forms and the SDR start dates arise from two causes:

a)   Students who commence studying but have delayed enrolment completion (e.g. because of delays in providing a valid identification document); and

b)   Cohort management, due to the programmes allowing students to start study on any date. EnterpriseMIT's practice during 2013-2015 was to enrol students in cohorts at two month intervals.

1.26   These explanations do not satisfactorily explain the instances we identified where the start dates were more than two months prior to the date of the enrolment form.

1.27   We recommend that TEC examines the duration that funding has been claimed for each student enrolled by EnterpriseMIT.

1.28   We have identified two further issues that indicate that the data submitted by EnterpriseMIT in the SDR is not accurate. In summary, these issues are:

a)   Four students who we interviewed said that they had not successfully completed the programmes, however they are all recorded in the SDR as successful completions;

b)   Twelve students in our sample were recorded in the SDR as enrolled in Employment Skills or Finfish but have no record of completing any assessments[5]. Some (based on reviewing the Employment Skills attendance records) of these students also do not appear to have attended past the 10% date required for funding purposes.

Under-delivery of programmes

1.29   We have identified an apparent under-delivery of learning hours during 2013, 2014 and 2015 across the National Certificate in Employment Skills and the Certificate in Finfish Culture. The table below summarises our assessment of the actual hours that were delivered to the students in the three programmes.

1.30   Our assessment is based on what we consider to be the <u>maximum</u> learning hours that have been delivered to students:

Table 1: Assessment – actual delivery of learning hours

Programme	STEO (TEC)	Assessed delivery	% Delivered
National Certificate in Maritime (Commercial Inshore Vessel Operations)	Teaching: 360 hours Self-directed: 240 hours Work exp.: 360 hours Total: 960 hours	We cannot apply our methodology due to the lack of reliability of the student's recall. Accordingly, we accept EnterpriseMIT's submission.	N/A

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[5] We acknowledge that we are not aware of funding rules directly relating to the completion of assessments. However, we note that for distance learning courses, such as the Certificate in Finfish Culture, completed assessments provide evidence that a student may have completed at least 10% of the learning hours associated with the course.

Programme	STEO (TEC)	Assessed delivery	% Delivered
National Certificate in Employment Skills	Teaching: 532 hours Self-directed: 76 hours **Total: 608 hours**	Teaching: 405 hours Self-directed: 34 hours **Total: 439 hours**	**72.20%**
Certificate in Finfish Culture	Teaching: 40 hours Self-directed: 640 hours **Total: 680 hours**	Teaching: 40 hours Self-directed: 497 hours **Total: 537 hours**	**78.97%**

1.31   EnterpriseMIT has provided its own assessment of the programmes, including supporting documentation. We have included this in **Appendix C.** We have included the breakdown for the relevant programmes in the body of this report, including discussing the differences to our assessed total hours. EnterpriseMIT does not accept that there has been any under-delivery of learning in any programme.

1.32   We have carefully considered EnterpriseMIT's responses in respect of each of the programmes. We have adjusted our findings where appropriate, which include being unable to apply our methodology to students that have studied the National Certificate in Maritime (Commercial Inshore Vessel Operations). This is because the student's recollection of the time they spent in self-directed study while they were working on their vessels could not be reliably estimated. Accordingly, we have accepted EnterpriseMIT's submission in this regard. We discuss this programme in further detail in the body of this report. However, we note that students spend at least 19 out of the 24 weeks of the programme on board their vessel, and observe that the delivery of the programme includes a significant proportion of work-based delivery.

1.33   There are a proportion of students enrolled in the Certificate in Finfish Culture who have undertaken a shortened programme[6] and whose learning hours are therefore likely to be less than the 537 hours set out in Table 1. We discuss this further in the body of the report. We estimate that these students represent approximately 33% of the students enrolled in this programme based on our sample and the information provided. In our view, there is a risk that students were funded for learning that was not delivered because they were not appropriately assessed for Recognised Prior Learning ("**RPL**").

1.34   We recommend that TEC considers whether or not EnterpriseMIT has been overfunded for the delivery of programmes recorded in Table 1. We also recommend that TEC considers whether the National Certificate in Maritime (Commercial Inshore Vessel Operations) is appropriate for SAC funded delivery.

Recognised Prior Learning in the Certificate of Finfish Culture

1.35   The EnterpriseMIT tutor we interviewed estimated that 90% of Certificate in Finfish Culture students worked at pet retail stores.

1.36   Application for oral examination forms included the following explanations from students (summarised):

a)   Not being able to successfully complete the workbooks on time e.g. no time to complete due to multiple hospital stays, not completing the workbooks on time, and too busy to complete workbooks; and

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[6] Caused by either completing the oral examination, or being enrolled in an earlier cohort (and therefore an earlier completion date) than the date the enrolment form was signed.

b)   Having prior competency e.g. working with fish every day, or having previously completed aquatic studies at Mahurangi Technical Institute.

1.37   During phone interviews, we asked 17 students questions surrounding recognised prior learning. We found:

a)   Eight students reported knowing 50% or more of the total course material before commencing study. A further five students reported knowing 30% or more.

b)   None of those students reported going through a formal RPL process.

c)   15 of the 17 students were enrolled in the Certificate in Finfish Culture via their pet shop employer.

d)   10 of the 17 students completed an oral examination.

1.38   We set out the detail of our findings in the body of the report. It is possible that students are relying on their experience rather than the learning that TEC is funding. The reason provided by students we interviewed for the prior knowledge they held was primarily that the students already had experience in working with fish through their employment.

Other matters

1.39   During the course of our review of enrolment records for the students enrolled in the Certificate in Finfish Culture we noticed that students had been sent letters stating that their "course" was due to be completed earlier than the standard 40 weeks that are recorded in STEO. Two of these students were only given 27 weeks to complete the programme, which is approximately 66% of the number of weeks recorded in STEO[7].

1.40   An EnterpriseMIT employee attended, and was funded for, a Certificate in Finfish Culture enrolment. The course began in 2015. This fact was not disclosed to us during the student interview. For the purpose of our review we have excluded the answers provided by this person as they were not sufficiently independent from the provider.

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[7] This analysis assumes that the student commenced their study on the date that their enrolment form was signed.

Introduction

Background

2.1 EnterpriseMIT was incorporated on 20 December 2011 and is a private training establishment ("**PTE**") as defined by the Education Act 1989. In September 2012, the Manukau Institute of Technology ("**MIT**") purchased the assets and operations of the Mahurangi Technical Institute[8], and this now operates as a division of EnterpriseMIT. The Companies Office records that all of EnterpriseMIT's shares are held by MIT.

2.2 MIT is a polytechnic established pursuant to Section 162 of the Education Act 1989. The senior management team for EnterpriseMIT operate from the Otara MIT campus.

2.3 EnterpriseMIT operates under two brands, sharing common management and systems. However each deliver separate programmes to different sectors of the market:

    a) Mahurangi Technical Institute - offers marine based programmes to students. This division is based in Warkworth, Rodney and is responsible for the administration and delivery of two programmes that we reviewed: the Certificate in Finfish Culture, and the Marine (Commercial Inshore Vessel Operator) Certificate.

    b) KeyStep (National Certificate in Employment Skills) - offers foundation and vocationally focussed programmes within the wider Auckland area. This division operates from the Otara MIT campus and is responsible for the administration and delivery of the National Certificate in Employment Skills.

2.4 TEC's Confirmation of 2015 Investment Plan Funding letter records that EnterpriseMIT was allocated funding during 2015 under the following plans[9]:

Table 2: Summary of 2015 allocated funding

On Plan Funds	2015 annual allocation excl. GST
Student Achievement Component Levels 3 and above	$645,377.00
Youth Guarantee	$756,000.00
Total Funding	**$1,401,377.00**

2.5 On 17 February 2015, TEC advised EnterpriseMIT that it was seeking recovery of $614,172.60 for the under-delivery of EFTS under the Youth Guarantee plan during 2014[10]. The recovery of these funds was a consequence of EnterpriseMIT delivering 41.55 Youth Guarantee EFTS against TEC's agreed funding commitment of 96.02 EFTS Youth Guarantee (i.e. a shortfall of 54.47 Youth Guarantee EFTS that were not delivered during the 2014 calendar year). We note that this recovery of funding was not a consequence of any investigation, but was simply due to an under-delivery of EFTS.

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[8] Enterprise MIT Investment Plan 2016 - 2018
[9] Tertiary Education Commission letter to EnterpriseMIT, dated 4 December 2014.
[10] Recovery was also sought in respect of $422,817.50 of Workplace Literacy Funding

2.6   Separate to this, TEC engaged Deloitte in February 2016 to review the delivery of three programmes delivered by EnterpriseMIT during 2014 and 2015. In July 2016, the review was expanded to an investigation to also include the programmes as delivered in 2013. In April 2017 TEC expanded the review to include an additional assessment of EnterpriseMIT's RPL processes, including additional student interviews. Details of these programmes are included in the table below:

Table 3: Programmes selected by TEC for this engagement

Programme	EFTS delivered[11]	Summary of programme
National Certificate in Maritime (Commercial Inshore Vessel Operations)	2013: 34.80 (SAC) 2014: 29.04 (SAC) 2015: 40.96 (SAC)	Blended delivery. Provides students with the qualification to apply for a Skipper Restricted Licence through Maritime NZ.
National Certificate in Employment Skills	2013: 8.72 (YG) 2014: 28.22 (YG) 2015: 51.93 (YG)	Face-to-face delivery and work experience. Targeted at students who have been unsuccessful in the schooling system.
Certificate in Finfish Culture	2013: 22.75 (SAC) 2014: 34.92 (SAC) 2014: 13.39 (YG) 2015: 35.09 (SAC)	Distance delivery. Approximately 90% or more of students are enrolled through their employer, which is usually a pet retail store.

Methodology

2.7   The methodology that we have used to assess the delivery of learning hours to students is conservative and relies on the <u>highest</u> estimates of learning hours that were provided in programme documents (including timetables), tutor interviews and student interviews.

2.8   Our approach has been to initially review the relevant versions of the approved programme documents, and any changes that have altered the learning hours during the timeframe of our review. We then reconciled the learning hours that have been entered into STEO by EnterpriseMIT against the learning hours that were recorded in the latest version of the programme documents. Our analysis of the reconciliation between the programme documents and STEO is set out in Section 3 of this report.

2.9   We then investigated how the programmes were actually delivered by the provider to students during the relevant timeframe. The findings of this analysis were then used to determine whether EnterpriseMIT has delivered the funded learning hours to students. We note that TEC relies on the hours that are recorded in STEO when it makes its decision to fund programmes and we compared actual delivery to the STEO database. This is also set out in Section 3 of this report.

2.10   EnterpriseMIT has entered learning hours into the STEO database, broken down into teaching hours, self-directed hours and work experience hours.

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[11] SAC means Student Achievement Component funding; YG means Youth Guarantee funding. Note that for some of the 2013 records, the provider is recorded as Mahurangi Technical Institute 2012 Ltd.

2.11   Although there is no definition of teaching hours that we have been able to identify in the TEC Confirmation of Investment Plan Funding letters, we have used the following definitions which are referred to on the NZQA website as guidance:

- Directed hours: Direct contact time with teachers and trainers;
- Self-directed hours: Time spent in studying and doing assignments and undertaking practical tasks; and
- Learning hours: Directed hours, self-directed hours and time spent in assessment.

2.12   When we refer to teaching hours in this report we are referring to the directed hours and the time spent in assessment. That is, we define teaching hours as being learning hours but excluding any self-directed hours.

2.13   We also consider work experience as part of our assessment of learning hours when this is identified in STEO as a component of the learning hours delivered. We have been informed by TEC that for learning hours to be classified as work experience there needs to be a structured programme of learning that occurs on the job along with evidence that there is oversight of this learning. For the purposes of TEC funding, work experience is not merely going back to one's current place of employment and continuing to do one's job[12] for example.

2.14   In relation to EnterpriseMIT, the only programme with a work experience component was National Certificate in Maritime (Commercial Inshore Vessel Operations). We did not assess this component as set out in Section 3.

2.15   From these definitions it is our view that in principle, teaching hours relate to direct contact time between tutors and learners, and self-directed hours relate to the learning a student undertakes on their own. We have been advised by TEC that they are in agreement with this approach.

2.16   Our methodology establishes the <u>highest</u> number of learning hours that were delivered to students. This is because the learning hours that are actually undertaken by students will vary depending on their background, desired academic achievement and personal ability to study.   In these instances, our assessment of the learning hours that were delivered is conservative (i.e. is an assessment of the <u>highest</u> number of learning hours delivered to students) because:

a)   <u>Timetable and document review</u> – during our reviews we often encounter cohorts on programmes that receive a varying number of tutorials. For these students, our assessment relies on the students that had the highest number of timetabled days;

b)   <u>Student interviews</u> – the student interviews are a useful source of evidence to determine how the delivery was structured, and how much time the students spent undertaking self-directed study. We acknowledge that a student's recollection of the amount of time they spent completing self-directed study may not be 100% accurate. This is because students do not often keep logs of their time completing self-directed study. Accordingly, we reduce the risk that our assessment of the self-directed study is understated by only relying on the <u>highest</u> estimates that were provided by students. As an example, we interviewed 21 students that were enrolled in the Certificate in Finfish Culture during 2013 to 2015. Their responses varied from below four hours per week (lowest 75% of the students we interviewed) up to 15, 15, and 20 hours per week (the highest three responses from

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[12] Telephone call with TEC on 01 August 2016

students we interviewed). In this instance we have relied on the highest three responses that were estimated by the students;

c)   <u>Tutor interviews</u> – if the tutor interviews indicated that the students' responses may have understated the learning hours received, we have adjusted our assessment upwards.

2.17   In addition to considering the documentary and interview evidence for each of the learning components, we have also considered EnterpriseMIT's submissions in respect of each programme. In some instances, such as the National Certificate in Maritime (Commercial Inshore Vessel Operations) qualification, we have accepted EnterpriseMIT's submission and adjusted our findings.

2.18   There were some instances where we have not accepted EnterpriseMIT's submissions. In these instances, we have included a description of EnterpriseMIT's position. We recommend that TEC considers both our assessment, and EnterpriseMIT's submission carefully to determine which assessment is appropriate when determining whether there has been under-delivery in relation to any of the programmes.

Scope of this Report

2.19   TEC engaged Deloitte to undertake an investigation of EnterpriseMIT focussing on three programmes, which were the National Certificate in Maritime (Commercial Inshore Vessel Operations), National Certificate in Employment and Certificate in Finfish Culture.

2.20   The purpose of the investigation was to provide information to enable TEC to establish whether the delivery of these programmes during 2013, 2014 and 2015 was compliant with NZQA's and TEC's programme and funding approval requirements. This included:

a)   Ensuring that programmes are taught in accordance with and comply with the learning hours and weeks entered into STEO and therefore meet the TEC funding conditions;

b)   Verifying the existence of a sample of students, including the legitimacy of enrolment and assessment records, ensuring that students have actually enrolled, attended and been assessed;

c)   Identifying any subcontracting relationships that were in place and, if such relationships were identified, understand the relationship between the parties and gain an insight of EnterpriseMIT's oversight of those activities; and

d)   Ensuring that EnterpriseMIT's internal quality assurance and control processes regarding these programmes were robust and fit for purpose.

Limitations of this Report

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

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

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

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

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

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

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

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

Compliance with NZQA Approval and TEC Funding Requirements

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

a)　Complied with the learning hours and weeks entered into the TEC database "**STEO**"; and

b)　Were taught in accordance with the programme documents, NZQA documents and TEC's funding requirements during 2013, 2014 and 2015.

Compliance with Teaching Weeks, Hours and Sites
Programme Alignment with Approval and Funding Requirements

3.2　A comparison of the learning hours recorded in the programme approval documents, NZQA R0482 forms and STEO is set out in Table 4.

Table 4: Programme approval, R0482 and STEO - learning hours reconciliation

Programme	Latest version of programme document (EnterpriseMIT)	R0482 (NZQA)	STEO (TEC)	Does STEO reconcile?
National Certificate in Maritime (Commercial Inshore Vessel Operations) Level 3 91 credits (NC1136)	Duration: 24 weeks Teaching: 15 / week (360 hours total) Self-dir.: 10 / week (240 hours total) Work exp.: 15 / week (360 hours total) **Total: 960 hours**	Duration: not recorded Delivery mode is described as blended. R0482 form does not record duration or learning hour split. Only includes total learning hours. **Total: 960 hours**	Duration: 24 weeks Teaching: 15 / week (360 hours total) Self-dir.: 10 / week (240 hours total) Work exp.: 15 / week (360 hours total) **Total: 960 hours**	✓ Total hours reconcile between programme document, R0482 and STEO
National Certificate in Employment Skills Level 1 60 credits (NC5432)	We received timetables which recorded: 2014: 19 week duration (60% classroom; 40% work experience). 2015: 12 weeks of classes, followed by 7 weeks of catch-up and job hunting	Duration: 19 weeks R0482 only includes total learning hours: no less than 60% face to face classroom lectures, practical onsite (15%), role-playing (5%) and work based up to 40%. **Total: 600 hours**	Duration: 19 weeks Teaching: 28 / week (532 hours total) Self-dir.: 4 / week (76 hours total) **Total: 608 hours**	− Minor variance between R0482 and STEO
Certificate in Finfish Culture Level 3 70 credits (PC8322)	Duration: 52 weeks Delivery mode described as distance. Effective from July 2009 No # of hours recorded.	Duration: not recorded Distance learning programme providing theoretical training, tutor visits and observations. **Total: 680 hours**	Duration: 40 weeks Teaching: 1 / week (40 hours total) Self-dir.: 16 / week (640 hours total) **Total: 680 hours**	✓ Total hours reconcile between R0482 and STEO

3.3   We note that there is a minor discrepancy between the total learning hours recorded in STEO and the R0482 provided by New Zealand Qualifications Authority ("**NZQA**") for the National Certificate in Employment Skills.

3.4   The National Certificate in Employment Skills was amended through Type 2 Changes that were approved by NZQA on 1 October 2014.   These changes included[13]:

   a)   Reducing the duration of the programme from 24 to 19 weeks (moving from students attending classes for three 7.5 hour days and attending work experience the other two days, to classes five days per week and an option of work experience towards the end of the programme);

   b)   Stating that delivery is face to face with optional work experience provided for; and

   c)   Adding automotive, hospitality, literacy and numeracy electives to the programme.

3.5   The R0482 form for the National Certificate in Employment Skills that was provided to us by the NZQA states that the programme requires 600 total learning hours during 19 weeks.   These learning hours are not split into self-directed or teaching hours per week, although the delivery method states that the following methods can be used[14]:

   •   Face to face classroom lectures – no less than 60%;

   •   Practical onsite experience (15%) or role-playing (5%); and

   •   Work based – up to 40%.

Duration and Learning Hours Analysis

3.6   We have been advised by TEC that an important part of the funding provided to Tertiary Education Providers is based on the total learning hours delivered to the student (approximately 1,200 hours per year for a full time course).   This is reflected in the funding condition SAC3+/013[15].

3.7   The learning hours recorded in STEO for the programmes we reviewed were comprised of teaching hours, self-directed hours and work experience hours[16].   Our review focussed on all three of these components and, where available, relied primarily on course timetables, attendance registers, tutor interviews, student interviews and curriculum documents to quantify each aspect.

3.8   We note that the self-directed component differs between each student, depending on a number of factors such as age, prior knowledge, motivation and experience.   However, it is an important part of the total learning hours that the funding is based on.   When we have assessed the self-directed hours that are required, we have relied on the highest estimates provided by independent students that we interviewed.   This is a conservative approach, as it increases the volume of hours we have assessed as being delivered to students compared to using other methods (e.g. the average student estimate).

3.9   We note that EnterpriseMIT's position on self-directed learning is that it[17]:

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[13] Doc 4a – 7166 – NC5432 – Employment Skills Change Approval – Oct 2014 (NZQA to EnterpriseMIT letter 1 October 2014)
[14] National Certificate in Employment Skills R0482, run on 22 March 2016. Provided by NZQA.
[15] Tertiary Education Commission, letter to EnterpriseMIT, dated 4 December 2014 – *"Confirmation of 2015 Investment Plan funding"*, page 13
[16] We note that these three fields are the only options available in STEO for breaking down the types of learning hours
[17] EnterpriseMIT response to Draft Deloitte Report (13 January 2017), page 6

"...does not believe that any provider can 'deliver' self-directed learning. Instead, providers develop structures, frameworks and activities that a student may undertake outside structured teaching such as homework, practical activities, readings, suggested revision periods, projects and assignments that a student is advised to undertake to optimise their prospects of succeeding in the course. Students are, however, expected to also be developing as self-directed learners through undertaking additional activities other than those prescribed by teaching staff and these activities are also part of the learning requirement for students".

3.10 Our assessment includes the structured teaching that students were advised to undertake, which is referred to by EnterpriseMIT in the first portion of the response quoted above. However, in our view, the second component of EnterpriseMIT's position, being what we interpret to be a general expectation that students would undertake additional activities has not been incorporated into our assessment. This is because our assessment of the self-directed learning hours focusses on those learning hours that have a nexus to the provider's relationship with the student.

3.11 We recommend that TEC considers both our findings and EnterpriseMIT's response when it determines the appropriate level of self-directed hours that TEC is funding for this programme. We note that EnterpriseMIT has requested that TEC consider whether the relevant test is to assess a student's self-directed learning hours based on their actual time studying, or what a provider would anticipate a notional learner would require to complete the activities that were structured and advised to the learners by the provider.

3.12 Our assessment of self-directed learning is generous and reflects "best case" scenarios of the actual learners funded by TEC. This is the approach that we have consistently applied in engagements for TEC where we have been instructed to assess actual delivery, not theoretical delivery to a hypothetical notional learner.

3.13 Our assessment of the total delivered learning hours has calculated an under-delivery of learning hours provided to students enrolled in the National Certificate in Employment Skills and Certificate in Finfish Culture programmes.

3.14 We note that EnterpriseMIT:

a) Disagrees with our assessment of the learning hours that were delivered to students enrolled in these programmes. Accordingly, we have included sections for each programme which provide EnterpriseMIT's position on the learning hours that were delivered; and

b) Queries whether funding condition SAC3+/013 "*provides a valid basis for using learning hours as a basis for delivery compliance, when the EFTS value for the programmes and courses approved by TEC was based on credit value and not the learning hours estimated by the provider*"[18]. In this regard, we note that we were engaged to investigate the learning hours that were actually delivered to students that studied the programme. Further, we note that if EnterpriseMIT considers that the approved learning hours for a programme do not reconcile with the credit value or points value of an approved programme, then it may wish to re-evaluate the approved learning hours for the programme.

3.15 We have summarised our assessment of the actual learning hours delivered for each of the programmes that we investigated as:

Table 5: Assessment of learning hours delivered

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[18] EnterpriseMIT response to Draft Deloitte Report (13 January 2017), page 6

	Maritime (CIVO)	Finfish Culture[19]	Employment Skills
Credits recorded in STEO	85[20]	70	60
Level	3	3	1
EFTS delivered (2013, 2014 & 2015)	104.80	106.14	88.88
Weeks (excluding holiday weeks)	24	40	19[21]
Learning hours recorded in STEO			
Teaching hours per week (total)	15 (360)	1 (40)	28 (532)
Self-directed hours per week (total)	10 (240)	16 (640)	4 (76)
Work-experience hours per week (total)	15 (360)	- (0)	- (0)
Total learning hours required (STEO)	**960**	**680**	**608**
Learning hours delivered			
- Scheduled classroom and tutorials	N/A	-	405*[22]
- Online learning module / self-directed learning	N/A	497	34
- Work experience / learning in employment	N/A	-	0*
- Allowance for unscheduled tutor contact	N/A	40	-
Total learning hours delivered	**N/A**	**537**	**439**
Assessment of learning hours delivered to students (as a % of hours recorded in STEO)	**N/A**	**78.97%**	**72.20%**

National Certificate in Maritime (Commercial Inshore Vessel Operations)

3.16 The National Certificate in Maritime (Commercial Inshore Vessel Operations) is described in its approval document as a programme that will prepare students for the Maritime NZ Local Launch Operator and Inshore Launch Master examinations upon completion of the required sea-time[23]. All of the students that we interviewed were employed in the maritime industry. Our impression was that the students viewed the

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[19] 36.8% of the students that completed Certificate in Finfish Culture assessments during 2014 or 2015 were orally examined. Letters sent by EnterpriseMIT to students offering them the opportunity to be orally examined state that it reduces the study hours "immensely". Our assessment of the hours delivered in Table 5 assumes the student was not orally examined. We discuss the oral examinations at paragraph 3.46.

[20] The NZQA R0482 records the full 91 credits, which includes the optional business strand that EnterpriseMIT has never offered or been funded for. Revisions in credit value have been notified to TEC and NZQA and delivery reduced to 85 credits as reflected in STEO

[21] Note that this was 24 weeks in 2013, but EnterpriseMIT has advised us that the overall teaching hours were the same.

[22] The scheduled hours and work experience hours may be interchangeable for Employment Skills (see paragraphs 3.90 onwards)

[23] NZ CVO Certificate Application Document, effective from June 2009, page 3

National Certificate in Maritime (Commercial Inshore Vessel Operations) as an important qualification in order to obtain their Skipper Restricted Licence through Maritime New Zealand. EnterpriseMIT explained to us that[24]:

a)   During 2013 and 2014, students who were enrolled in the National Certificate in Maritime (Commercial Inshore Vessel Operations) Programme would have intended to achieve the Maritime New Zealand operator licences that were referred to in the programme documentation;

b)   In April 2014, these external licences were replaced by Maritime New Zealand with the Skipper Restricted Limited licence. EnterpriseMIT continued to deliver the programme aligned to the older licences until the end of 2014. The material impact of the change in alignment between the programme that was offered and the external licence linked to this (which was not part of the approved programme) was minimal, with the exception of mandatory attendance at a face to face Restricted Radar course.

3.17   The programme document, which was amended by a Type 2 change in 2012, states that the programme was delivered as one course. We were advised that the course was structured into four compulsory components, which must be studied full-time over a 24 week period[25]. Students were required to complete approximately 19 weeks intensive sea time prior to attending five weeks of theory and practical work at the Mahurangi Technical Institute campus[26]. This reflects the blended delivery nature of the programme.

3.18   We note that six out of the eleven students who we interviewed stated that they attended a block course that was between two and five days length, which was usually held in Westport in the South Island. EnterpriseMIT advised us that this model of delivery was consistent with an approval that was sought from NZQA, TEC, Maritime New Zealand and Competenz in 2014[27].

<u>Assessment of delivery for students who complete 3 ½ to 4 ½ week block course</u>

3.19   We cannot form a view on the actual learning hours that have been delivered to students who have studied the National Certificate in Maritime (Commercial Inshore Vessel Operations). This is because the assessment of this programme relies heavily on the student's recollection of the time that was spent completing the online training module and self-directed study in relation to the Maritime New Zealand Training Record book while they were onboard their vessel.

3.20   We note that EnterpriseMIT has provided a submission in respect of the learning hours that are delivered to students who study this programme. EnterpriseMIT's submission is attached at **Appendix C**, and quantifies the total learning hours that students have received as 1,088 hours (or 113.3% delivery). Because we are not able to quantify the hours that students have studied the online training module, we recommend that TEC considers EnterpriseMIT's submission in this respect.

3.21   For completeness, we have set out below a description of the components of the delivery of this programme:

a)   <u>On-site training</u> - Five out of the eleven students who we interviewed referred to a 3 ½ week block training course that was held at Mahurangi Technical Institute, Warkworth. This is consistent with the description that was provided to us by two EnterpriseMIT tutors, who stated that students attended two weeks of nautical training, one week of engineering training, and three days of first aid and radar training. EnterpriseMIT also advised us that, until the end of 2014, students who required the Maritime

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[24] EnterpriseMIT Response to Draft Deloitte Report (13 January 2017), page 8
[25] EnterpriseMIT tutors explained to us that the four components were Nautical, Radio, Engineering and First Aid.
[26] NZ CVO Certificate Application Document, effective from June 2009, page 5
[27] EnterpriseMIT Response to Draft Deloitte Report (13 January 2017), page 8

New Zealand Inshore Launchmaster Licence were also required to attend a one week Restricted Radar course, which was a mandatory requirement of Maritime New Zealand for licencing purposes. This would mean that, up to the end of 2014, students would have been required to attend approximately 4 ½ weeks of on-site training[28].

The students and tutors also referred to a "couple of" hours of homework or self-directed study outside class hours per day during the block course.

We emphasise that these 3 ½ (or 4 ½ for 2013 and 2014 students) weeks of on-site training are not reflective of the teaching hours that were delivered to the students referred to in paragraph 3.18 who completed a shorter duration block course.

b)   Students were required to complete a Maritime New Zealand Training Record Book in order to complete the programme[29]. The Training Record Book states that the minimum duration of service required for the Skipper Restricted Limits licence is 200 hours on an appropriate vessel. However, the tutors, students and a representative of Maritime New Zealand that we interviewed advised us that students would realistically require a significantly higher number of hours at sea in order to complete the tasks required and reach the appropriate level of competency.

We note that all students, irrespective of the duration of their block course, were required to complete the Training Record Book.

c)   The third component of this programme is an online training module[30], which was usually completed by students while working on their respective vessels. The online learning includes four modules, which are all assessed. We interviewed three tutors and eleven students to get an understanding of the amount of hours that students are required to undertake in order to complete the online training modules. We were advised that:

- The administrator responsible for monitoring the students that are completing the online modules stated that students would take different hours depending on their background. However, the administrator estimated that a standard student may take between 40 and 60 hours; and that some students could take up to 80 hours.

- The head tutor for the programme advised that the online course could be done within 40 hours, however, some students may take longer (a higher estimate was not provided).

- The eleven students who we interviewed estimated a range between 20 and 80 hours, which was usually done while they were working on their respective vessels.

d)   We note that students would likely have spent one hour per week undertaking general tutor contact throughout the duration of the programme. This reflects contact that students may have with the tutors during the first 19 weeks of the programme when they are completing work-experience and the

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[28] EnterpriseMIT Response to Draft Deloitte Report (13 January 2017), page 10
[29] Accessed online at: https://www.maritimenz.govt.nz/Publications-and-forms/Commercial-operations/Seafarer-licensing/Seafarer-training-record-book-skipper-restricted-limits.pdf
We were advised that in 2013 the form of the task book (Training Record Book) would have been different but with the same range of activities (and therefore learning hours).
[30] Note that because the online module was introduced in early-2013, some students who completed CIVO in 2013 would have completed the same content but paper-based.

online component whilst employed on their vessel; and an allowance for unscheduled contact during the balance of the programme.

3.22   As discussed above, we have not been able to assess the actual delivery of learning hours to these students. This is because the estimates for the self-directed component of this programme, undertaken in respect of the tasks required for the Maritime New Zealand Task Book, could not be reliably quantified. We note that EnterpriseMIT has provided a submission in respect of this programme, which is attached in **Appendix C**.

Delivery for students who complete shorter block courses

3.23   The tutors that we interviewed advised us that some students complete shorter block courses which were all held at Westport. The tutors estimated that approximately 15% of students completed these shorter block courses. Six out of the eleven students who we interviewed described attending these shorter duration block courses, which usually involved between two and five days of training.

3.24   EnterpriseMIT subsequently informed us that 21 out of the 163 students (12.9%) that enrolled in the programme during the time period covered by our investigation undertook a shortened block course at Westport[31], which is consistent with the tutor's estimate.

3.25   The six students that completed a shorter block course advised us that they were still required to complete the Training Record Book and Online Module. Accordingly, the only impact on learning hours delivered to these students is a reduction in the teaching hours delivered during the shorter block course and a reduced amount of self-directed learning done during the shorter block course.

3.26   If a student completed a 3.5 full-day block course at Westport then this would reduce the direct teaching hours that they had received during the block course by approximately four weeks (which is 150 hours or 15.6% of the learning hours that were entered into STEO for this programme).

3.27   Five out of the six students that we interviewed, who described a block course duration of one week or less, have been recorded in EnterpriseMIT's SDR as consuming .7083 EFTS, which is the full EFTS value of the programme that is recorded in STEO. This indicates that EnterpriseMIT has not reduced the consumption of EFTS that have been claimed for these students. EnterpriseMIT advised us that it *"did not reduce the EFTS value of these students because there was no reduction in the amount of learning made available to these students and therefore no requirement to do so"*[32].

3.28   TEC may wish to consider whether or not these 21 students who have completed shorter block courses should be funded for a reduced EFTS value to reflect the fact that a lower number of learning hours have been delivered to these students.

EnterpriseMIT response

3.29   We provided EnterpriseMIT with the opportunity to respond to our assessment of the delivery of learning hours under this programme.

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[31] EnterpriseMIT Response to Draft Deloitte Report (13 January 2017), page 18
[32] EnterpriseMIT Response to Draft Deloitte Report (13 January 2017), page 19

3.30   EnterpriseMIT completed its own assessment of the delivery of CIVO and provided TEC and Deloitte with this response. We have included the assessment and supporting information provided by EnterpriseMIT as **Appendix C**. EnterpriseMIT further noted in a response to TEC that[33]:

> *"There is always going to be misalignment of the approval documentation and the data entered into STEO until such time as the STEO system is amended to accept more than one version of programme delivery. At present STEO only accepts one version of programme delivery even if several flexible delivery options have been approved."*

3.31   We have reproduced the breakdown of EnterpriseMIT's assessment for CIVO as follows:

Table 6: EnterpriseMIT's assessment of CIVO[34]

CIVO	STEO	EnterpriseMIT
Teaching:		
Face-to-face		143
Other Directed Activity		260
Total teaching	**360**	**403**
Self-directed learning	240	85
Work-experience	360	600
Total	**960**	**1088**

3.32   EnterpriseMIT also engaged 9(2)(a) to make an assessment of the hours of learning that a student would be expected to undertake. 9(2)(a) 's assessment is included in **Appendix C**.

3.33   We have considered 9(2)(a) 's assessment, and note the following regarding this information:

a)   EnterpriseMIT's assessment estimates 260 hours of 'Other Directed Activity'[35] and 600 hours 'Work-experience'[36]. The additional break down provided as part of a copy of the training record book splits the hours into 'learning required prior to activity' and 'activity'. Further explanation from EnterpriseMIT notes that the learning hours are intended to include considerable discussion with other crew on board the vessel and time researching equipment, operating manuals, and processes on the vessel. The response also notes a multitude of other generally available web or physical learning materials.

We note that most of the students we interviewed referred to the 200 hours minimum sea-time requirement as being 'too low' to complete the Training Record Book. A few students estimated that it would take approximately six months' service at sea to fully complete the book. In other words, the

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[33] Email from EMIT 9(2)(a) to TEC 1 June 2017 '00 Cover letter response TEC 30 May 17.pdf' and '01 Response to TEC table.pdf'
[34] From 29 August 2016 letter to TEC.
[35] This 260 hours is in addition to the 143 hours of face-to-face teaching during the block course.
[36] EnterpriseMIT has explained that it does not consider the hours to be 'work experience' but have used this category for convenience to describe the learning hours surrounding the training record book.

students were at sea working for all of the time required to complete this. We do not consider that all of this time is learning hours, when the majority of the time will be spent completing tasks that would be required of the student without completing the CIVO course. These responses did not allow us to accurately calculate the specific learning hours while on the vessel.

b) 9(2)(a)'s assessment estimated that it would take 347.50 hours to complete the tasks required by the Training Record Book. However, 9(2)(a) has also included an additional allowance of 200 hours sea time in order to complete the Training Record Book.

We note that it is possible that there is an element of double-counting to this additional allowance. This is because the tasks that are performed to complete the Training Record Book are undertaken by the student while they are working on their vessel (i.e. while they are engaged in sea time hours).

c) 9(2)(a) has estimated that the online training module would take a student 255 hours to complete. Comments made by 9(2)(a) in respect of activities required to complete the online training module include the fact that students would need to review content several times to understand it, watch videos several times and re-read content before fully understanding the material[37].

We note that 9(2)(a)'s estimate is over three times higher than the highest estimates that were provided by EnterpriseMIT's online training administrator, tutor and eleven randomly selected students that we interviewed.

3.34 We recommend that TEC considers our findings and all of the information provided by EnterpriseMIT to determine if it accepts EnterpriseMIT's assessment of the delivery of CIVO.

3.35 In summary, we assessed:

a) that 21 students undertook 202.5 learning hours to complete the block course (including 45 hours of self-directed learning)[38];

b) the remaining students undertook 31.5 learning hours to complete the block course (including 7 hours of self-directed learning);

c) that students undertook 80 learning hours to complete the online learning module.

That is, we assessed that between 111.5 and 282.5 learning hours (11.6%% or 29.4%% of total learning hours) were completed through the block course and learning module. We are not able to assess the learning hours component that was undertaken by students during their time working at sea.

3.36 What we can assess, is that if the full learning hours are delivered, then at least 70% of the student's learning in relation to this programme is undertaken by the student by learning through their work at sea. In fact, 19 out of the 24 weeks of the programme duration, are undertaken whilst the student is employed. TEC may wish to consider whether the delivery of this programme is more closely aligned with an industry training model rather than a SAC funded model of delivery. We say this because:

a) Students are all employed in related workplaces before they start studying the programme;

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[37] Response to CIVO – May 2016, pages 7 - 10
[38] Assuming the course was 4.5 weeks (a 3.5 week course would be 157.5 hours including self-directed learning)

b)   The training helps the development of skills that meet industry needs;

c)   Actual delivery of the programme involves a high component of work experience and practice of skills whilst employed; and

d)   Actual delivery of the programme involves the student being employed fulltime, and based on their vessel, for 19 out of the 24 weeks.

Certificate in Finfish Culture

3.37   The Certificate in Finfish Culture is a part-time, self-paced distance learning programme that provides students with an opportunity to learn about the aquatic industry, breeding and maintaining finfish livestock. Most of the students who we interviewed were working in pet stores and had enrolled in the programme through their employer[39]. We were advised that one of the EnterpriseMIT tutors visits pet retail stores, talks to managers at each of the branches and recruits students throughout the country during various site visits. The tutor also provides support and assesses students who are working at the pet stores.

3.38   Our review has highlighted three issues regarding the delivery of the Certificate in Finfish Culture which we discuss in further detail in this section. In summary the three issues are:

a)   STEO records that the duration of this programme is 40 weeks, and is described as part-time. However, some of the student enrolment records we reviewed included letters that had been sent to students indicating they were given a materially shorter duration to complete the programme. The shortest durations, for the students who we randomly selected for our initial review of enrolment records, were 27 weeks. This is 67% of the duration that is recorded in STEO. EnterpriseMIT advised us that the longest duration between programme enrolment and completion for this programme was an 81 week study duration.

       EnterpriseMIT advised us that the duration that is stated in the approval documentation for the Certificate in Finfish Culture is a notional length that is based on the best assessments of experienced providers, which indicated that an average learner would spend one hour per week in "taught" activity, and 16 hours per week in self-directed activity. EnterpriseMIT noted that some students may be able to commit more time to their training, or learn faster, and that those students could complete the programme in a shorter duration;

b)   Through its assessment of prior learning process, EMIT did not find any students to have Recognised Prior Learning, and therefore did not grant credit to any students or reduce any funding claimed. During phone interviews, we asked 17 students if there was anything in the course that they already knew from previous experience, and to estimate the percentage of the total material that the student already knew. Eight students (47%) reported knowing 50% or more, and five students (a further 29%) reported knowing 30% or more. None of those students reported going through a formal RPL process.

       Students were invited to complete their assessments orally, rather than through the submission of written workbooks. Letters sent to students advising them of this oral examination stated that this would reduce the students' study time "immensely". We discuss this letter in further detail below at paragraph 3.39, and have attached an example of one of these letters at **Appendix D**; and

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[39] The largest contributor being a pet retail store chain

c)   STEO records that students are required to undertake one teaching hour per week plus 16 self-directed learning hours per week, for a total of forty weeks. This was the information submitted to TEC when funding was approved. A large majority of the students we interviewed indicated that a much lower level of self-directed study was required.

Truncated course duration

3.39   During the course of our enrolment review, we identified that letters had been sent to students stating that the students' courses were due to finish within a shorter timeframe than would have been expected if the student was given 40 weeks to complete the programme from the date their enrolment form was signed.

3.40   To provide an example, two of the randomly selected students we received records for signed their enrolment forms on 13 June 2014[40]. On 13 October 2014 both of these students were sent letters by EnterpriseMIT stating that:

> "[Y]our Certificate in Finfish course is due to finish on 14 December 2014. We advise you to submit your assessment as soon as possible to ensure completion, and allow us to award you with your certificate"

3.41   These letters suggest that the students' duration of study may have been shortened to approximately 27 weeks[41], which is significantly lower than the 40 week duration recorded in STEO. This is an important issue because it suggests that these students have been required to complete the Certificate in Finfish Culture in approximately 67% of the standard programme duration. It appears that certificates for the course cohorts were issued at the same time (in December). This truncated delivery may lead to an under-delivery of learning hours to these students.

3.42   We also note that both of these students have course start dates recorded in EnterpriseMIT's SDR of 1 February 2014 (i.e. approximately four months prior to the student's signing of their enrolment forms). We discuss the discrepancy between the student's enrolment form dates and the SDR course start dates in section 4, as it is an issue at EnterpriseMIT that is prevalent in all of the programmes we investigated. It is possible that the inaccurate early SDR course start date has driven a requirement for these students to complete the programme in a shorter timeframe.

3.43   We have not individually assessed every potential instance of truncated delivery for the Certificate in Finfish Culture. Due to the nature of the delivery of the course (being by distance) it would be necessary to review the records for each student to determine those for whom there has been under delivery. We have assessed that there are 37 students that have potentially had truncated delivery, our analysis is included as **Appendix E**.

3.44   In respect of the truncated course delivery that we have identified, EnterpriseMIT's position is that the same learning materials and requirements were provided to these students. Accordingly, EnterpriseMIT's position is that this does not lead to any reduction in the learning hours required to complete the programme.

3.45   TEC may wish to consider investigating the enrolment records for all of the students that have enrolled in the Certificate in Finfish Culture (specifically those who have a programme duration of less than 40 weeks from enrolment signature to course end date in the SDR) to determine whether or not those students have been required or directed to complete their study in a shorter timeframe.

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[40] NSNs: 9(2)(a) and 9(2)(a)
[41] From 13 June 2014, when they signed their enrolment forms, to 14 December 2014

Recognised Prior Learning and oral examinations

3.46 During the course of our enrolment review we noted that a large number of students' files included a letter that stated[42]:

> "If you feel confident in your knowledge about the course, I would encourage you to apply for an Oral Examination. This would entail a tutor visiting and asking a series of questions relating to the course materials, and cut down your study time immensely. Please call to discuss this with us if you feel you would like to apply."

3.47 We have attached an example of this letter, redacting the student's details, in **Appendix D**.

3.48 We completed additional work to determine the possibility of reduced learning hours because of the oral examination and to determine if students should have been assessed (and funding reduced) for RPL.

3.49 EnterpriseMIT advised us that it believed the wording of this letter arose from a previous audit of Mahurangi Technical Institute by TEC, as a "*corrective action to a recommendation to strengthen the process for ensuring that funding was not claimed where a student could complete the programme through an assessment of prior learning. Where students did respond to this letter seeking an assessment of prior learning, their enrolment in the programme was cancelled and they were assessed under RPL provisions accordingly*"[43]. However, as discussed below, we note that students who have completed the oral examinations have been funded at the full EFTS value, which suggests that no funding deduction has been made for the student's recognised prior learning. EMIT has confirmed that no student was assessed to have RPL during the review period and that there was no reduction in funding claimed.[44]

3.50 We investigated this matter further and identified that a number of the student files we reviewed had oral examination papers on the file. During our phone interviews with students, students also referred to having completed the oral examination (see paragraph 3.53 below).

3.51 We examined this further because, at face value, the letters suggested that students who undertook an oral examination rather than submitting workbooks would have their study time cut down "*immensely*". In our opinion, the students who undertake the oral examination are at higher risk of not undertaking the learning hours that TEC is funding for delivery, as set out in STEO. This is particularly the case for students that had prior competency through working with fish every day (refer paragraph 3.58(b)).

3.52 We asked EnterpriseMIT to provide us with the number of students that complete oral examinations rather than written workbooks so that we could identify the proportion of students who are orally assessed. In response, EnterpriseMIT provided us with two spreadsheets, which recorded that 36.8% of completed Finfish courses during 2014 and 2015 were orally assessed[45]. EnterpriseMIT's review of the 2013 student files found that eight of the 36 student files had an oral assessment on file. The spreadsheet that EnterpriseMIT provided to us recorded that 158 courses were orally assessed in 2014 and 44 courses were orally assessed in 2015.

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[42] For example, letter sent to NSN 9(2)(a) by EnterpriseMIT on 15 July 2014. We note also that the ability to complete an oral examination is referenced in a number of different letters sent to students, and that this is one example of the contents only.
[43] EnterpriseMIT Response to Draft Deloitte Report (13 January 2017), page 22
[44] Email from 9(2)(a), MIT 9(2)(a), 2 June 2017
[45] Finfish 2014 Files – For Audit.xlsx and Finfish 2015 Files – For Audit.xlsx. The calculations per year were: 2014 – 41.8% and 2015 – 25.73% and the spreadsheet states "*Course orally assessed*" as a field, which is beside the three course names for the programme.

The funding for these courses was 27.01 EFTS[46]. We recommend that TEC consider whether assessing this proportion of students through oral examinations is appropriate.

3.53   During the course of our initial review we interviewed 21 students who had enrolled in the Certificate in Finfish Culture. Twelve of these students had completed the programme[47]. Of the twelve students that had completed the programme, three had completed it through oral examination. The first student that we interviewed, who was funded for the full 0.582 EFTS of this programme, advised us that:

a)   He finished about half of the content in the workbooks and then did a separate "aptitude" test;

b)   He usually took his books with him to work to study, and would do between 3 to 4 hours study per week. However, he was spending less time studying per week towards the end when he wasn't finishing the workbooks;

c)   The person running the course gave him a call, and advised the student that he was going to be in Hamilton in two days' time and that the student could do an oral aptitude test. The student did not get much time to prepare or finish the other books, so just skimmed over them;

d)   The oral examination was approximately an hour and a half; and

e)   The amount of work the student put in before-hand would probably not be sufficient to pass the oral exam if he did not work with fish.

3.54   After interviewing the second student that had been orally assessed, we discovered that she was a current employee of EnterpriseMIT and had been employed by EnterpriseMIT when she studied the Certificate in Finfish Culture[48]. This fact was not disclosed to us during the student interview. Accordingly, we have not relied on this student's responses regarding the hours delivered under the programme or what was required for the oral examination, as the person was not sufficiently independent.

3.55   The third student that we interviewed who had completed the oral examination, told us that they were initially spending approximately 2-4 hours to complete each workbook, but then elected to be assessed by the tutors through an oral examination. We note that this student was also funded for the full 0.582 EFTS of this programme.

3.56   We found that a large number of the oral examinations were completed near the end of the course dates (e.g. where the course was set to end in late-December, many oral examinations for that cohort were completed in mid-late-December). EnterpriseMIT contended that this was not an issue, as "*the intention of oral assessment was to encourage students who were not appearing to progress well with written assessment, it should be anticipated that the majority of such assessment*[s] *would occur towards the end of a course period*"[49].

3.57   Some oral examinations on file had evidence of observation being completed (for example photographs taken by the tutor of the student doing tasks). However, we identified a number of examples where there was no clear evidence on file of the student having completed the oral examination, beyond the oral examination form being signed by the tutor[50]. We note in section 5 our concerns around some of the signatures on oral examination documents. EnterpriseMIT stated that the concerns in relation to these signatures did not

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[46] 20.62 EFTS in 2013 and 6.4688 EFTS in 2015
[47] The other nine students either withdrew or were still studying the programme
[48] This person is not a Certificate in Finfish Culture tutor. She manages the administration of the CIVO online learning modules.
[49] EnterpriseMIT Response to Deloitte Report (13 January 2017), page 28
[50] For example NSN 9(2)(a) and NSN 9(2)(a)

compromise the validity of the assessments undertaken, as the concerns relate to the attestation that the student makes (being that they have completed sufficient learning and are ready to undertake the assessment). However, in our view, these concerns raise serious credibility issues about the form.

3.58   We estimate that approximately one third of the files we reviewed during the enrolment review included oral examination records. The oral examination application forms asked the student to explain why they think they should be considered for an oral examination. As an example, we noted that example explanations were (summarised):

a)   Not being able to successfully complete the workbooks on time e.g. no time to complete due to multiple hospital stays[51], not completing the workbooks on time[52], and too busy to complete workbooks[53]; and

b)   Having prior competency e.g. working with fish every day[54], or having previously completed aquatic studies at Mahurangi Technical Institute[55]. We also note that the EnterpriseMIT tutor we interviewed estimated that 90% of students worked at pet retail stores.

3.59   We also identified one example of a student who initially asked to withdraw but then completed the oral examination to successfully complete the course[56]. EnterpriseMIT contends that this is an example of its commitment to encouraging students at risk of not completing a programme to finish[57].

3.60   In our view, it is possible that the oral examination process is being used to ensure that students who were at risk of not completing the programme, complete the programme, regardless of whether or not they had been actively engaged in learning.

3.61   We discuss further potential issues identified with the oral examination documentation in section 5.

3.62   We raised the concerns surrounding the oral examinations with TEC during the course of the review. In April 2017 TEC instructed us to complete a further review of the Certificate in Finfish Culture, focussing on the topic of RPL. The additional review and investigative steps included conducting further student interviews that asked specific questions surrounding RPL, and reviewing relevant EMIT documentation and policies on RPL.

3.63   EMIT provided Deloitte with a copy of its RPL policy and guidelines under its Student Regulations. EMIT, through MIT's 9(2)(a)   , has completed its own review of student files for the Certificate in Finfish Culture between 2013 and 2015. This review considered the course start and finish dates, identified whether an oral assessment was held on file and recorded comments on indicators for and against the potential for the student to have RPL. EnterpriseMIT's review considered that when students had participated in other written assessments, or had completed the oral examination towards the expected end of the programme that this indicated there may not be RPL[58]. We do not accept this view and expand on this further at paragraph 3.76.

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[51] NSN 9(2)(a) – funded for 0.582 EFTS under this programme
[52] NSN 9(2)(a) – funded for 0.582 EFTS under this programme
[53] NSN 9(2)(a) – funded for 0.582 EFTS under this programme
[54] NSN 9(2)(a) – funded for 0.582 EFTS under this programme
[55] NSN 9(2)(a) – funded for 0.582 EFTS under this programme
[56] NSN 9(2)(a) – funded for 0.582 EFTS under this programme
[57] EnterpriseMIT Response to Draft Deloitte Report (13 January 2017), page 28
[58] Documents provided by EMIT 1 June 2017 – 03 Finfish RPL testing 2013.pdf, 04 Finfish RPL testing 2014.pdf, 05 Finish RPL testing 2015.pfd and 06 Finfish RPL testing roll over to 2016.pdf

3.64 EnterpriseMIT's review identified five students that EMIT described as having "possible RPL". Four of those students had completed an oral examination and therefore completed the qualification in a shorter than expected time.[59] One student had completed an oral examination and provided evidence of having an equivalent or superior qualification.[60] We note again for completeness that each of these five students was funded for the full 0.582 EFTS for the Certificate in Finish Culture.

3.65 Through the 17 additional phone interviews with students who had studied the Certificate in Finfish Culture, we asked the students questions surrounding RPL. We found:

   a) Eight students reported knowing 50% or more of the total course material before commencing study. Five students reported knowing 30% or more. One of these students reported knowing 95% of the total course material.

   b) None of those students reported going through a formal RPL process. The same student who reported knowing 95% of the course material said he was informally questioned about existing knowledge, but said there was nothing that seemed like it would affect whether he would receive a place in the course or not.

   c) 15 of the 17 students were enrolled in the Certificate in Finfish Culture via their pet shop employer.

   d) 10 of the 17 students completed the oral examination.

3.66 Based on the comments from the initial interviews we conducted, we identified that it was possible that the students were relying on their experience rather than the learning that TEC is funding. The additional 17 interviews focussing on RPL, further found that eight students indicated they knew 50% or more of the total course material before commencing study. The reason provided for this knowledge was primarily that the students had experience in working with fish through their employment.

3.67 We note that the students we have referred to above were funded for the full 0.582 EFTS under this programme. Oral examinations have been done in respect of 202 course enrolments, which were funded for 27.01 EFTS[61].

3.68 EnterpriseMIT states that the same learning materials were available to the students, and so this means that the oral examination (and the learning required to complete that examination) is no less valid than the written assessments. Accordingly, we recommend that TEC considers whether students that complete the oral assessment should be funded based on the learning hours that were made available (as EnterpriseMIT contends) or the learning hours that were actually undertaken (which has been our approach).

3.69 EnterpriseMIT advised that it has an RPL process and it disputes that this is an example of RPL. However, if there are students who are able to complete an assessment without having worked through the required teaching material it seems to us that this is a likely explanation. Particularly for those students who have prior experience in a pet shop and state on their forms that this is what enables them to take the oral examination – listing experience such as being the head of aquatics at pet shops, having worked with finfish for many years, or working for a large aquarium. Our view is that the factors listed above, including the letter to students regarding "immensely" reduced study time, explanations on forms regarding previous

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[59] NSN 9(2)(a)
[60] NSN 9(2)(a)
[61] For clarity, we note that students were enrolled in three "courses" within the Certificate in Finfish Culture, being Finfish Equipment and Maintenance (usually 0.25 EFTS), Finfish Husbandry (usually 0.166 EFTS) and Finfish Introduction to Aquatics (usually 0.166 EFTS) for a combined 0.582 EFTS

experience and the interviewee's responses indicate that the oral assessment could be used for those with prior learning which was not reflected.

3.70   Section 3 of EnterpriseMIT's Student Regulations outlines EnterpriseMIT's process and policy for the assessment of prior learning. This section states[62]:

>   3.1.1   The process by which formal learning and experience is matched against learning outcomes is called the assessment of prior learning (APL) and includes credit transfer (CT), cross credit (CC) and recognition of prior learning (RPL).

>   3.1.2   Credit may be granted for prior learning where appropriate evidence can be supplied by students that they meet the learning outcomes of a course. Prior learning might be work based, experiential, attested skills or formal learning.

>   3.1.5   Students who wish to seek assessment of prior learning for sources in which they intend to enrol must enter into an agreement with EMIT for the provision of assessment of prior learning services before the start of the course unless otherwise agreed by the PTE Manager.

3.71   We asked EnterpriseMIT who we could talk to, to walk us through the RPL provisions at EnterpriseMIT in practice. EnterpriseMIT's response stated:

>   *"The Policy sets out how Recognition of Prior Learning (RPL) process worked for the period under investigation. Different administrators now operate the RPL process than those that worked here during the time period that the scope of the investigation covered."*

The wording of EnterpriseMIT's policy suggests that students need to initiate the RPL process (Regulation 3.1.5). This indicates that EnterpriseMIT may not be proactively identifying students that have prior experience. In our view, because almost all of the students studying the Certificate in Finfish Culture are working at a pet store (and potentially regularly with fish), we would expect EnterpriseMIT to take a more proactive approach to identifying RPL with these prospective students because of the increased chances of the students having prior knowledge of the subject matter.

3.72   EnterpriseMIT advised us that the oral assessment of the Certificate in Finfish Culture was discussed with TEC during a review in 2012, and that changes were made to the oral assessment format to accommodate improvement suggestions.

3.73   At Deloitte's request, EnterpriseMIT provided information on the dates that students were sent the different workbooks, and dates that the student completed the oral examination. This analysis is included in **Appendix C**. Four examples from this analysis where an oral examination may have caused a significantly reduced course duration are:

a)   A student who EnterpriseMIT identified as having been sent all three modules on 9 November 2015, who then completed the oral examination on 12 February 2016 (being approximately three months later)[63];

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[62] Scanned extract provided to Deloitte via email 1 June 2017 '02 RPL policy for EMIT.pdf'
[63] NSN 9(2)(a)

b) A student who EnterpriseMIT identified as having been sent all three modules on 9 November 2015, who then completed the oral examination on 16 February 2016 (being approximately three months later)[64]; and

c) Two students 9(2)(a) who EnterpriseMIT identified as having been sent all three modules between 16 and 18 November 2015, who then completed the oral examination on 11 March 2016 (being approximately four months later)[65].

3.74 We acknowledge that some students could complete the programme in a short duration (i.e. less weeks), but still meet the required learning hours by increasing their study time per week. Additionally, EnterpriseMIT noted that these are four students and could represent a normal distribution of student learning[66].

3.75 EnterpriseMIT provided a further response to TEC on 1 June 2017 that outlined EnterpriseMIT's findings from testing student files for the Certificate in Finfish Culture[67]. EnterpriseMIT's response stated:

> "Our testing identified whether an oral examination was completed and at what point in the programme it was completed… This showed that for the most part, the oral examination occurs close to the end of the programme by which time the student will have gained more work experience and engaged with the workbooks provided as part of the programme. Also a number of these students also undertook assessments throughout the programme before undertaking the oral examination for part of the programme. On that basis, it would be difficult to state that Recognition of Prior learning should have been awarded. Our testing showed only 5 possible RPL cases that may not have been treated correctly but even they did not occur at the commencement of the programme."

3.76 EnterpriseMIT's view is inconsistent with our findings surrounding RPL. A student completing the oral examination near the end of the expected timeframe of the programme does not necessarily indicate that the specific student did not have prior knowledge that meets the learning outcomes for the course. In our sample of 17 students, three of the eight students that reported having 50% or more prior knowledge did not complete the oral examination. We found that the 17 students we interviewed did not go through a formal test or assessment of prior knowledge before commencing the Certificate in Finfish Culture. The Certificate in Finfish Culture is (in 90% of instances) completed by current employees of pet stores or aquariums, yet no students were found by EnterpriseMIT to have RPL.

Under-delivery of learning hours

3.77 STEO records that the Certificate in Finfish Culture is delivered through a combination of one teaching hour and sixteen self-directed hours per week. The course duration is 40 weeks and, accordingly, 680 total learning hours are recorded in STEO.

3.78 We emphasise that our assessment of the learning hours that were actually delivered to students is conservative. This is because we have relied on the highest estimates that were provided by the three students out of the 21 students that we interviewed. Accordingly, our assessment of the learning hours delivered is based on the 85.7% percentile and above estimate from the students we interviewed. Our assessment is consistent with the Methodology that we outlined in Section 2 of this report.

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[64] NSN 9(2)(a)
[65] NSN 9(2)(a) and NSN 9(2)(a)
[66] EnterpriseMIT Reponses to Draft Deloitte Report (13 January 2017), page 32
[67] Email from EMIT 9(2)(a) to TEC 1 June 2017 '00 Cover letter response TEC 30 May 17.pdf' and '01 Response to TEC table.pdf'

3.79 The students that we interviewed referred to being visited by one of EnterpriseMIT's tutors occasionally throughout the duration of their study. We were advised that, during these visits, the tutor would assist students with queries, provide quizzes and undertake some observations or oral assessments. For the purpose of our assessment we have assumed that each student received one hour per week of tutor contact and that this time appears to be tutor directed teaching hours.

3.80 As this is a distance learning course, the bulk of the learning required is self-directed learning. We have relied on the following sources when assessing the self-directed learning:

a) The three <u>highest</u> estimates provided by students were[68]:

   • 20 hours per week (duration of 32 weeks), which equals 640 self-directed hours

   • 15 hours per week (duration of 30 weeks), which equals 450 self-directed hours

   • 10 hours per week (duration of 40 weeks), which equals 400 self-directed hours

   Our standard process when we assess self-directed learning is to rely on the average of the estimates provided by the three students with the highest estimates of self-directed hours required. This would be 497 self-directed learning hours[69].

b) The tutor that we interviewed advised us that:

   • 90% of the Finfish students would be recruited through pet stores;

   • A typical student would take between 9 and 12 months to complete the programme;

   • It was difficult to calculate how many hours would be required on a weekly basis, however, she would expect 10 to 20 hours of study per week; and

   • The completion rate is between 85 – 95%, and that she works hard to get maximum completion.

3.81 However, we note that the other students we interviewed estimated substantially lower levels of self-directed learning were required. The estimates provided by these students were usually between 3 and 7 hours per week. This would indicate between 120 and 280 total self-directed study hours, assuming that the programme was studied across 40 weeks.

3.82 These lower estimates may reflect the fact that most of these students were employed in a pet retail store and that they were able to progress through the content quickly due to prior learning that they had done whilst employed.

<u>EnterpriseMIT response</u>

3.83 We asked EnterpriseMIT for an explanation of the learning hours that are required to complete the Certificate in Finfish Culture. In response, EnterpriseMIT provided us with a spreadsheet setting out the hours required for each learning objective and stated that[70]:

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[68] We have excluded the answers provided by the student who was also employed by EnterpriseMIT on the basis that the person was not sufficiently independent. Refer paragraph 3.45.
[69] Calculated as: (640 + 450 + 400) / 3
[70] Finfish RFI.pdf, letter dated 11 May 2016

> *"The learning hours for a programme are set based on the assumption that a learner has no knowledge of the topics being covered. This has been validated through the programme and accreditation documentation and through the involvement of the major industry players in the sector. This robust analysis of the learning components highlights the integrated learning undertaken by a distance learning student."*

3.84   EnterpriseMIT further provided a report it commissioned from 9(2)(a) (9(2)(a) Qualserv) assessing the content of the course and estimated learning hours. We have included this in **Appendix C**. We have not independently verified 9(2)(a) 's findings.

3.85   We have included information provided by EnterpriseMIT in **Appendix C**. EnterpriseMIT's assessment of the delivery for Finfish is as follows:[71]

Table 7: EnterpriseMIT's assessment of Finfish[72]

Finfish	STEO	EnterpriseMIT
Teaching:		
Face-to-face		Min 20, max 50
Other Directed Activity		661
Total teaching	**40**	**681-711**
Self-directed learning	640	50
Work-experience	-	-
Total	**680**	**731-761**

3.86   We have carefully considered the extra information and assessment provided by EnterpriseMIT. However, we have not increased our assessment of the learning hours delivered to higher than the hours determined through the highest estimates provided by the students we interviewed.

3.87   We accept that learning hours are set on the assumption that a learner has no knowledge of the topics that are being covered. However, we note that a Certificate in Finfish Culture tutor estimated that approximately 90% of the students that EnterpriseMIT recruits to study the Certificate in Finfish Culture were already working in pet retail stores[73]. Accordingly, it is likely that the majority of students possess some degree of prior knowledge and learning from their employment when they enrol[74]. We tested this assumption

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[71] EnterpriseMIT engaged 9(2)(a) (9(2)(a) Qualserv) to assess the course. The Qualserv covering letter dated 10 August 2016 notes that 9(2)(a) has worked in tertiary education specification and design since 1995.
[72] From 29 August 2016 letter to TEC.
[73] Refer tutor interview response, paragraph 3.59(b)
[74] Refer student interview response, paragraph 3.44

during our additional 17 interviews with students, where students reported having significant levels of prior knowledge.

3.88   As such, the assumption that most learners have no knowledge of the topics being covered does not appear to be applicable for most of EnterpriseMIT's Certificate in Finfish Culture students. This could be the reason that most of the students we spoke to estimated significantly lower levels of self-directed study required to complete the programme.

3.89   TEC may wish to consider whether:

a)   EnterpriseMIT has been overfunded for the delivery of learning hours delivered to students enrolled in the Certificate in Finfish Culture during 2013, 2014 and 2015[75]; and

b)   EnterpriseMIT has taken proactive steps to identify students that have prior experience that should be assessed as RPL and/or whether EnterpriseMIT should have received less funding for students that have prior learning, including through previous employment at a pet store[76].

National Certificate in Employment Skills

3.90   The National Certificate in Employment Skills is a level 1 programme that is aimed at learners aged between 15 and 20 years old who have been unsuccessful in the schooling system. The certificate includes a compulsory 45 credit section, which includes reading, writing, listening and speaking credits. Students also complete a 15 credit section which focusses on one of three electives (automotive, hospitality and literacy and numeracy). The certificate is designed so that learners will be able to transfer into employment[77].

3.91   The latest version of the National Certificate in Employment Skills R0482 form states that the delivery of the programme will be made up of:

- Face-to-face classroom lectures (no less than 60%)

- Practical onsite experience (15%) and role-playing (5%)

- Work based (up to 40%)

3.92   The impression we got from our interviews with the tutors was that this programme is primarily focussed at providing students with the opportunity to develop the skills to successfully enter the workplace. This is achieved through day courses, described by the tutors as "touches", where the students are given the opportunity to learn basic skills in various industries.

3.93   We spoke to three tutors who have been involved in the delivery of the National Certificate in Employment Skills since June 2015, and were advised that:

- The programme had recently been restructured. We note that the three tutors who currently deliver the programme were all employed between June and August 2015. The previous tutors are no longer employed by EnterpriseMIT;

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[75] Refer Table 5, paragraph 3.15
[76] Funding Condition SAC3+/022 states that a TEO must not seek SAC funding for recognised prior learning
[77] National Certificate in Employment Skills R0482, run on 22 March 2016. Provided by NZQA.

- The standard programme involves between 10 and 12 weeks of classroom learning. Only a small percentage of students (approximately 5%) attend the course for the full 19 week duration;

- After the 12 week programme the next phase is transitioning students into work experience;

- The tutors did not expect tutors to complete self-directed learning outside classroom hours; and

- Approximately 50 to 60% of students do the work experience component of the programme.

3.94 We also interviewed 15 randomly selected students so that we could get a better understanding of the duration of the programme, learning hours that are delivered to students, and to determine how many students complete the work experience component of the programme. We have summarised the responses provided by the students as:

- **Duration** – the students referred to a programme duration of between 10 and 19 weeks. There was a significant degree of variation between the student's estimations of the duration of the scheduled class time, although the average for the students that were able to provide a definitive answer was 15 weeks;

- **Classroom hours** – classroom hours were usually 9am to 3.30pm on Monday to Thursday, with a half day (9am to 12pm) on Fridays;

- **Work experience** – only two out of the eleven students that had finished their study (either completed or withdrawn) had done work experience. The impression we got from students was that they would attend work experience instead of going to scheduled classes; and

- **Self-directed learning** – homework was occasionally set and sometimes there was a requirement to catch up on learning that had not been completed in class. This could be up to an hour and a half per week.

3.95 We also reviewed the tutor handbook and class timetables for the National Certificate in Employment Skills, which referred to a 19 week programme:

a) The example timetable we were provided with by EnterpriseMIT for the delivery of the National Certificate in Employment Skills during 2014 recorded that scheduled classes were Monday, Tuesday and Wednesday, with work experience expected on Thursdays and Fridays[78];

b) The example timetable we were provided with by EnterpriseMIT for the delivery of the National Certificate in Employment Skills during 2015 recorded that scheduled classes were Monday to Friday for the first 12 weeks of the programme. The final seven weeks of the programme were expected to focus on catch-up, generic units, job hunting and further study[79]. Classes were scheduled for 9am to 3pm.

3.96 EnterpriseMIT explained to us that in 2013, the programme was approved and run over 24 teaching weeks, with students attending classes for three 7.5 hour days per week, and attending work experience the other two days. In early 2014, the programme was amended (via type 2 approval) for a change in delivery to a

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[78] Doc 11 – 2014 Employment Skills Delivery Schedule.pdf.
[79] Doc 11 19 week plan example 2015.docx

19 week programme with five days per week of attendance, and an option of work experience towards the end of the programme.

3.97   For the purpose of our assessment, we have relied on the following evidence sources:

a)   **Scheduled classes** – the tutors that we interviewed estimated that 95% of the students attended classroom learning for 10 to 12 weeks and the average duration of the programme estimated by the students was 15 weeks.

For the purpose of our assessment we have assumed that the students attended the classroom days for 15 weeks. The timetables and student interviews consistently referred to scheduled classes between 9am and 3pm, Monday to Thursday (24 hours). The students and tutors both referred to a shorter day on Fridays, when class would finish at 12pm (3 hours).

Accordingly, we have assessed that students attend 15 weeks of scheduled classes, with 27 teaching hours per week. This equals total delivered hours of 405 teaching hours per student.

b)   **Self-directed learning** - the tutors did not expect students to complete self-directed learning and this was supported by 12 out of the 14 student interviews, who stated that there was no homework, or that the homework required was minimal. However, two students referred to 1.5 hours and 3 hours per week respectively.

For the purpose of our assessment, we have relied on the midpoint between the two students that completed homework during the course, which is 2.25 hours per week. We have assumed that this homework was required throughout the duration of the 15 weeks of scheduled learning. In total, this means that we have assumed that students are required to complete 34 hours of self-directed learning. This is conservative, because the tutors did not expect students to complete this stream of learning.

c)   **Work-experience** – although the tutors estimated that 50% to 60% of students complete work experience, only two of the students we spoke to that had completed the programme had been required to do this form of learning.

However, we have not included an additional allowance of learning hours to complete the work experience component of the programme. This is because the students that we spoke to did work experience hours instead of attending the scheduled classes.   Put another way, students that were on work experience were completing this activity instead of attending class.

3.98   In total, we have assessed that EnterpriseMIT delivers 439 total learning hours to students, which is 72.20% of the total learning hours recorded in STEO for this programme.

EnterpriseMIT response

3.99   We have included information provided by EnterpriseMIT in **Appendix C**. EnterpriseMIT's assessment of the delivery for Employment Skills is as follows:

Table 8: EnterpriseMIT's assessment of Employment Skills[80]

Employment Skills	STEO	EnterpriseMIT
Teaching:		
Face-to-face		570
Other Directed Activity		N/A
Total teaching	**532**	**570**
Self-directed learning	76	76
Work-experience	-	-
Total	**608**	**646**

3.100 TEC may wish to consider whether EnterpriseMIT has been overfunded for the delivery of learning hours delivered to students enrolled in the National Certificate in Employment Skills during the review period[81].

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[80] From 29 August 2016 letter to TEC.
[81] Refer Table 5, paragraph 3.15

Verification of Students and Student Data

Introduction

4.1   In this section, we set out the findings from our review of the underlying enrolment records for the randomly selected students that we investigated. This involved:

a)   Sighting the enrolment application form for each student;

b)   Checking that appropriate supporting documentation (e.g. birth certificate, passport) had been provided by the student to support their application;

c)   Reviewing the student details in the enrolment forms to determine whether they reconciled with the details recorded in TEC's database;

d)   Reviewing the student's assessment and course completion records; and

e)   Analysing the authenticity of the records that were provided.

4.2   We initially received documents relating to 45 students who had been enrolled with EnterpriseMIT in the selected programmes during 2014 and 2015. Our analysis of these records included all of the tasks that are recorded in paragraph 4.1.

4.3   During this analysis, we discovered discrepancies between the dates of study for students that had been entered into EnterpriseMIT's SDR and the dates on which the enrolment forms had been signed. We also observed that a number of enrolment records contained inconsistent signatures, handwriting and correction fluid or "twink" that had changed enrolment details.

4.4   We verbally advised TEC of these findings in April 2016. Following this, we were instructed by TEC to increase our sample size of enrolment records. Accordingly, during the initial review and subsequently during the investigation we requested enrolment and assessment records from EnterpriseMIT for a further 60 randomly selected students relating to 2014/2015, and 72 relating to 2013 enrolments. This brought our total sample to 177 student records[82]. The purpose of requesting these records was to determine whether or not the issues identified and set out in paragraph 4.3 were localised or more widespread.

4.5   For the purpose of our report we have separated the issues we have examined into two sections:

• Section 4 – focusses on administration, student validation, data accuracy and SDR reporting issues; and

• Section 5 – focusses on the authenticity of student enrolment records and assessment records, and describes the work we have carried out to verify the authenticity of these records.

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[82] The randomly selected students were chosen using a random number generator.

Key Findings

4.6   Our key findings from the review of the enrolment records are:

a)   55% of the 177 enrolment forms we reviewed were signed on a date that is later than the students' earliest course start date recorded for that programme in EnterpriseMIT's SDR. This means that EnterpriseMIT received funding for these students for a period in time that was earlier than when the student had signed the enrolment form;

b)   One student had been recorded as successfully completing all three of the courses that are delivered under the Certificate in Finfish Culture (NSN 9(2)(a)). However, when we interviewed this student she advised that she had only completed the first set of assignments. If this student's course completions have been incorrectly recorded in EnterpriseMIT's SDR then that will incorrectly increase EnterpriseMIT's course completion educational performance indicator for the 2014 calendar year;

c)   Twelve students recorded in the SDR as enrolled in Employment Skills or Finfish have no record of completing any assessments and some of these students do not appear to have attended past the 10% date required for funding purposes; and

d)   All of the student enrolment forms were supported by copies of passports, birth certificates, or entries in the Register of Births.

4.7   We discuss our analysis of each of these issues below.

4.8   We note that EnterpriseMIT:

a)   Advised us on 5 May 2016 that learners were only enrolled after they had been engaged in learning. This was due to the fact that a proportion of the learners did not complete the initial task book phase of the learning. EnterpriseMIT stated that it did not claim funding for these learners and only claimed funding for learners that had a more than reasonable chance of completing the programme of study. Learners were historically enrolled in the cohort that was current rather than creating a separate occurrence for each individual student based on the date of the enrolment form[83];

b)   Advised that the Certificate in Finfish Culture is offered as a part time distance delivery in which students are able to commence study on any day... students were enrolled into cohorts with fixed course start and finish dates for the purpose of cohort management and monitoring of educational progress and achievement; and

c)   Stated on 13 January 2017 that it accepted that there were discrepancies between the dates that some enrolment forms were signed and the dates on which students had commenced study. EnterpriseMIT stated that there is no funding rule which states that the dates of study entered into the SDR have to be the same as the dates on which the enrolment forms are signed[84].

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[83] EnterpriseMIT Response to CIVO 5 May 2016. Page 13, section headed "*Response to Enrolment Date query*"
[84] EnterpriseMIT Response to Draft Deloitte Report 13 January 2017 (page 39)
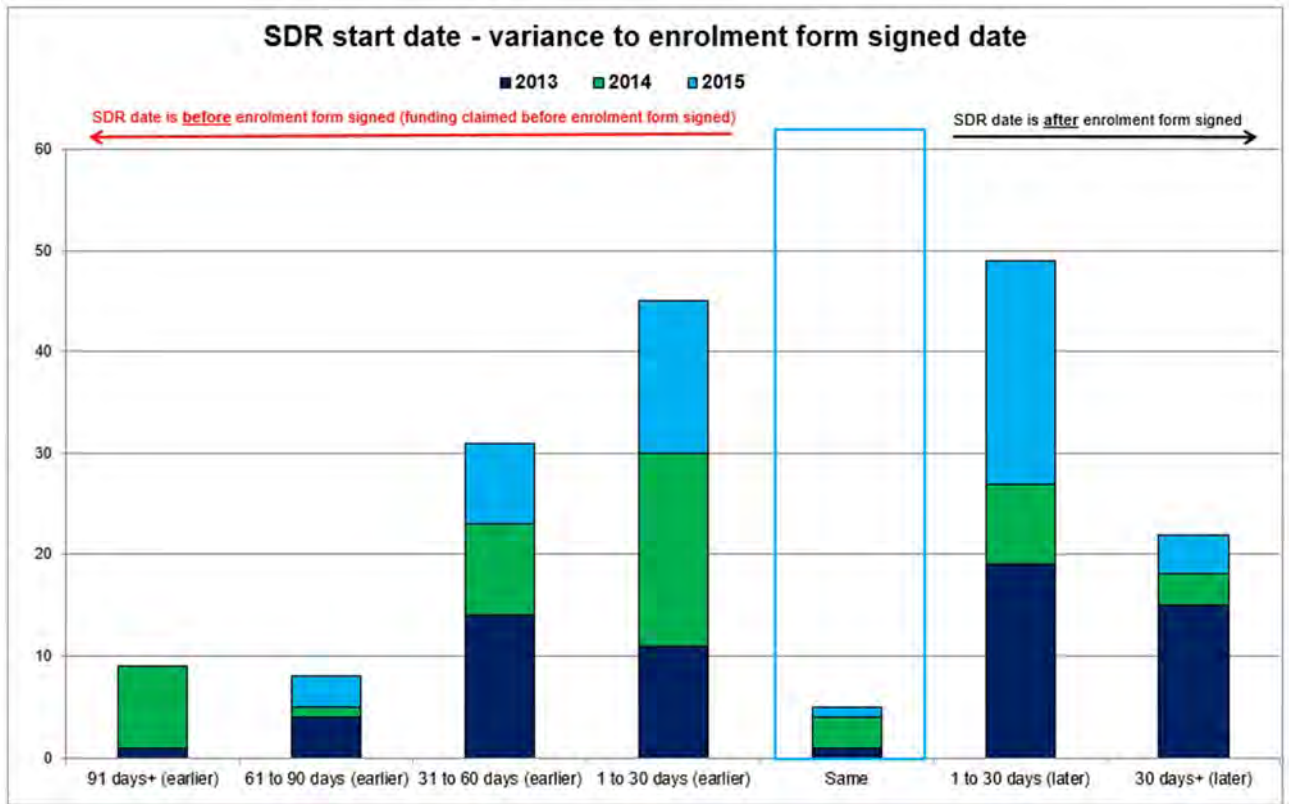
SDR course start date and enrolment form signature date

4.9   Providers are required to enter the course start dates for each student in their SDR. The SDR is used to calculate how many EFTS have been delivered to each student and is submitted by the provider three times a year.

4.10   The Ministry of Education's Single Data Return manual states that the course start date field is the *"officially notified beginning date of instruction and/or structured supervision associated with each student's course(s) at a tertiary education organisation"*. The field is used to ascertain the length of a student's course enrolments and to monitor student intake patterns throughout the year. Additionally, the field is used by TEC to produce performance information for investing, funding and monitoring purposes[85].

4.11   During the course of our initial enrolment review, it became apparent that the course start dates for most of the 45 randomly selected students recorded in EnterpriseMIT's SDR did not reconcile with the date that the student had signed the enrolment form. Over half of the SDR course start dates were before the student signed the enrolment form and in many cases the discrepancy was greater than a month.

4.12   In April 2016, we provided TEC with a verbal update which set out our analysis regarding this issue at that date. TEC instructed us to obtain a larger sample of enrolment records from EnterpriseMIT in order to determine whether or not this issue was more widespread. Accordingly, we requested a further 60 randomly selected records from EnterpriseMIT for students who had studied the programmes within scope during 2014 or 2015. On extension of the review into an investigation, we reviewed a further 72 records relating to 2013.

4.13   The graph below visualises our findings in relation to our reconciliation of the date that the 169 selected student enrolment forms were signed against the earliest course start date recorded in the SDR for those students[86].

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[85] Ministry of Education, Single Data Return Manual 2015, page 69. Available online at
http://services.education.govt.nz/assets/STEO-files/SDR/2015-manuals/Single-Data-Return-Manual-2015-ver-1.2-PDF.pdf
[86] We note that eight out of the 177 enrolment forms we reviewed were dated during the 2012 calendar year. These eight enrolments have been excluded from the graph, which leaves a balance of 169 enrolment records we reviewed that were dated during the 2013 to 2015 calendar years

Graph 1: Variance between SDR course start dates and enrolment form dates

SDR start date - variance to enrolment form signed date

■2013   ■2014   ■2015

SDR date is **before** enrolment form signed (funding claimed before enrolment form signed)

SDR date is **after** enrolment form signed

91 days+ (earlier)   61 to 90 days (earlier)   31 to 60 days (earlier)   1 to 30 days (earlier)   Same   1 to 30 days (later)   30 days+ (later)

4.14   In summary, 55% of the 169 sample student's course start dates in EnterpriseMIT's SDR were earlier than the date that the student had signed their enrolment forms[87]. This is shown by the columns on the left hand side of the graph. A table is set out below recording the students that had the largest variances (over 61 days earlier).

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[87] Student enrolments that we reviewed for the 2013 to 2015 calendar years only

Table 9: 17 students with variance greater than 61 days earlier (over two months)

NSN	Programme	Course start date (SDR)	Enrolment form signed	Variance
9(2)(a)	Certificate in Finfish Culture	01/02/2014	08/08/2014	188 days
	Employment Skills	21/01/2013	26/06/2013	156 days
	Certificate in Finfish Culture	01/02/2014	02/07/2014	151 days
	Certificate in Finfish Culture	01/02/2014	13/06/2014	132 days
	Certificate in Finfish Culture	01/02/2014	13/06/2014	132 days
	CIVO	23/07/2014	20/11/2014	120 days
	Certificate in Finfish Culture	01/02/2014	21/05/2014	109 days
	Employment Skills	03/06/2014	19/09/2014	108 days
	CIVO	23/07/2014	29/10/2014	98 days
	Certificate in Finfish Culture	01/02/2013	10/05/2013	98 days
	Certificate in Finfish Culture	13/01/2014	30/03/2014	76 days
	Certificate in Finfish Culture	01/02/2013	12/04/2013	70 days
	Certificate in Finfish Culture	07/09/2015	13/11/2015	67 days
	Certificate in Finfish Culture	01/02/2013	09/04/2013	67 days
	Certificate in Finfish Culture	07/09/2015	12/11/2015	66 days
	Employment Skills	28/09/2015	01/12/2015	64 days
	Certificate in Finfish Culture	01/02/2013	5/04/2013	63 days

4.15   We make the following observations regarding this analysis:

a)   This issue was prevalent during 2013, 2014 and 2015, as well as across all of the three programmes that we reviewed. We say this because 55% of the enrolment records that we reviewed were signed after EnterpriseMIT started receiving funding for that student, and 17 out of the 177 enrolment records we reviewed (approximately 10%) were signed over two months after the commencement of EnterpriseMIT receiving funding;

b)   The earlier course start dates may have affected the calendar year that EFTS were consumed in. For example, if NSN 9(2)(a) had studied the Certificate in Finfish Culture for 40 weeks starting on the 8th of August 2014, her expected completion date would have been 15 May 2015. This means that approximately half of the student's EFTS should regularly have been consumed in the 2015 calendar year. However, due to the earlier course start date, the student's course end date was in 2014 and, consequently, the EFTS were all consumed during the 2014 calendar year; and

c)   As discussed in paragraph 3.42, the earlier course start dates may have been the catalyst for requiring some of the students studying the Certificate in Finfish Culture to complete their study earlier than the standard 40 week timeframe.

Why is this important?

4.16   The accuracy of SDR course start dates is important because:

a)   The SDR needs to be accurate and reliable. We note that providers are required to submit an attestation when they complete an SDR, which states that the person who submits the SDR has made every effort to ensure the accuracy and integrity of the information that has been provided[88];

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[88] Summary Report Certification and Authorisation attestation. Version provided by TEC on 15 March 2017

b)   The SDR determines which calendar year the funded EFTS are consumed in and also provides TEC with accurate information regarding student intake numbers throughout the year. TEC and EnterpriseMIT agree the EFTS level that will be funded each year and if there is over or under-delivery this will impact funding. Further, if there is extensive misreporting of course dates, this is likely to influence the performance indicators for EnterpriseMIT; and

c)   EnterpriseMIT has received funding earlier than it was entitled to. Whilst the total funding that EnterpriseMIT has received as a result of this practice should not be materially different, we note that the year the funding was received in would not have been correct in some instances. Effectively, this means that EnterpriseMIT is receiving a use of money benefit from receiving TEC funds before it is entitled to

4.17   Attached in **Appendix F** is a list of the student NSNs from our sample that had a course start date that was greater than one month earlier than the date the enrolment form was signed[89].

4.18   We have set out below a description of the impact this has had on one student's enrolment dates for each programme that we investigated[90]:

a)   **NSN** 9(2)(a) – student was recorded in EnterpriseMIT's SDR as enrolled in the Certificate of Finfish Culture from 1 February 2014. However, the recorded date beside the student's signature in the enrolment form is 2 July 2014, approximately 5 months later than the SDR course start date.   As a result of the earlier course start date, the student's course end date was recorded in the SDR as 19 December 2014. Consequently, all of the student's funded EFTS were recorded in the 2014 calendar year.

If the student's course start date had been recorded as 2 July 2014 then her expected course end date would have been on 8 April 2015[91]. This would have resulted in some of the student's funded EFTS being allocated to the 2015 calendar year.

b)   **NSN** 9(2)(a) – student was recorded in EnterpriseMIT's SDR as enrolled in the National Certificate in Employment Skills from 3 June 2014. However, the recorded date beside the student's signature in the enrolment form is 19 September 2014. As a result of the earlier course start date, the student's course end date was recorded in the SDR as 14 November 2014.

If the student's course start date had been recorded as 3 June 2014, then his expected course end date would have been 30 January 2015[92]. This would have resulted in some of the student's funded EFTS being allocated to the 2015 calendar year.

c)   **NSN** 9(2)(a) – student was recorded in EnterpriseMIT's SDR as enrolled in the National Certificate in Maritime (Commercial Inshore Vessel Operations) from 23 July 2014. However the recorded date beside the student's signature is 20 November 2014. As a result of the earlier course start date, the student's course end date was recorded in the SDR as 31 December 2014.

This person was one of the students that we interviewed during the course of our review. He advised us that he couldn't remember the month he enrolled, but that it was probably about November 2014. The student also advised that he finished the programme around April or May 2015. We note that

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[89] This analysis is limited to the 177 students that were selected during our review
[90] The comments below assume that the student would have completed the relevant programme in the number of weeks that are entered into STEO
[91] Assuming a course duration of 40 weeks
[92] Assuming a course duration of 19 weeks, continuing through all of the Christmas holidays

these dates are not consistent with the course start and end dates recorded in EnterpriseMIT's SDR. Rather, they are consistent with the date his enrolment form was signed.

If the student's course start date had been recorded as 20 November 2014, then his expected course end date would have been 7 May 2015[93]. This would have resulted in most of the student's funded EFTS being allocated to the 2015 calendar year and reflects the actual duration that the student recalled he studied the programme.

EnterpriseMIT's response

4.19   On 14 April 2016, we provided EnterpriseMIT with a spreadsheet setting out 19 examples of students that had discrepancies of over a month between their course start dates in the SDR and the dates on which their enrolment forms were signed. We asked EnterpriseMIT for an explanation for these variances.

4.20   On 5 May 2016, EnterpriseMIT responded to us, and stated that[94]:

"Learners are generally only enrolled after they have been engaged in learning for some [sic]. *This is due to the fact that a fair proportion of learners do not include the initial task book phase of the learning. EnterpriseMIT claim no funding for these learners and only claim funding for learners that have a more than reasonable chance of completing the programme of study. Learners have historically been enrolled on the cohort that is current rather than creating a separate occurrence for each individual student based on the date of the enrolment form".*

4.21   EnterpriseMIT completed its own analysis surrounding the SDR start date issue. This is included in **Appendix G**. We note that in this analysis EnterpriseMIT has calculated the potential funding impacts as being immaterial. EnterpriseMIT also explained that the impact of the enrolment practices would be offset by unfunded delivery (i.e. learners that started studying a programme, but no funding was claimed because they did not complete the enrolment)[95].

4.22   EnterpriseMIT has advised that the differences we noted between the enrolment forms and the SDR start dates arise from three causes:

a)   It does not complete the enrolment process for students until it is sure that the student is able to make a sufficient commitment to complete the programme and has a realistic prospect of completing the programme[96];

b)   Students who commence studying but have delayed enrolment completion (e.g. because of delays in providing a valid identification document); and

c)   Cohort management, due to the programmes allowing students to start study on any date, EnterpriseMIT's practice during 2013-2015 was to enrol students in cohorts at two month intervals.

4.23   These explanations do not satisfactorily explain the instances we identified where the start dates were more than two months prior to the date of the enrolment form.

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[93] Assuming a course duration of 24 weeks, continuing through all of the Christmas holidays
[94] EnterpriseMIT letter dated 5 May 2016, page 13. We note that this comment was made by EnterpriseMIT in response to a table that we sent to EnterpriseMIT with students that were enrolled in all of the programmes we reviewed
[95] EnterpriseMIT Response to Draft Deloitte Report (13 January 2017), page 42
[96] EnterpriseMIT Response to Draft Deloitte Report (13 January 2017), page 42

Recommendation

4.24   The discrepancy for approximately 10% of the sampled students is in excess of two months. These variances could potentially effect the year that EFTS are consumed by EnterpriseMIT and the year in which educational performance indicators are calculated. Alternatively, if the students are required to complete their programmes in a truncated time (so that they finish at or around their SDR course end date), then the actual delivery of learning hours to those students is likely to be reduced or compressed.

4.25   We also emphasise that we interviewed a student who had an earlier course start date recorded in EnterpriseMIT's SDR[97]. This student's recollection of the period of his study was not consistent with the dates that are recorded in EnterpriseMIT's SDR. Rather, the student's recollection was consistent with commencing on the date that his enrolment form was signed and continuing until the programme would expect to have been finished if it was delivered within the standard 24 week duration.

4.26   We recommend that TEC assesses whether or not EnterpriseMIT has been funded for EFTS delivered in calendar years that were different to the actual delivery of learning occurring for the students that we have identified, and further considers the need to review this for every student. We further recommend that TEC considers the information put forward by EnterpriseMIT in **Appendix C** and **Appendix G** to determine if it agrees with EnterpriseMIT's assessment of the potential funding impact.

Student course completions

4.27   During the course of our review we interviewed 46 randomly selected students that had been enrolled in the programmes within our scope. The purpose of these interviews was to get an understanding of how the programmes were delivered from the student's perspective.

NSN 9(2)(a)

4.28   One student that we interviewed advised that she had enrolled in the Certificate in Finfish Culture in 2014 and had completed some of the assessments. However, the student stated to us during an interview that she had not completed the entire programme and was still studying.

4.29   We received this student's enrolment and assessment records as part of our expanded scope. The student's enrolment record sheet states that she had only completed four out of the twelve assessments that are required to complete the programme (in other words, she had completed one third of the assessments required to complete the programme)[98].

4.30   However, EnterpriseMIT's SDR for 2014 recorded that this student had successfully completed all three of the underlying courses required to complete the Certificate in Finfish Culture[99].

4.31   We requested a spreadsheet from EnterpriseMIT setting out all of the course completions for the programmes that were within our scope during 2014 and 2015. The document that EnterpriseMIT provided to us in response to this request also stated that the student referred to above completed all three of the underlying courses required for the Certificate in Finfish Culture on 15 December 2014[100].

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[97] Refer paragraph 4.17(c)
[98] We understand the twelve assessments make up the three underlying courses
[99] 29.3.16 CharlesDW, 9565 and 8405 year 2015 qualification delivery as at 29 Mar 2016.xlsx. This document does not state the date on which the courses were completed.
[100] TEC Audit27-4-2016.xlsx. Worksheet "Courses and SDR Quals", rows 465 to 467

4.32   From our review to date, it appears as though this student has been recorded in EnterpriseMIT's SDR and student management system as successfully completing three Certificate in Finfish courses, which are all of the courses required to complete the programme. However, this does not reconcile with the student's statements to us during her interview that she had not completed all of the workbooks. Additionally, the student's recollection of the number of workbooks done was supported by an absence of completed assessments on her enrolment file.

NSN 9(2)(a)

4.33   A student we interviewed advised us that she did not finish the course, estimating that she had about a third left to complete and had not finished the complete programme.

4.34   We noted when reviewing the student's file that the cover sheet stated on 7 November 2013 that the student was no longer at her employer and would not be completing the course. However, we also identified that the certificate for completing the course was on the file.

4.35   We checked this against EnterpriseMIT's SDR, which records that the student successfully completed the entire Finfish course. It appears that the student has been reported as having successfully completed the course, when they are unlikely to have completed all of the requirements.

NSN 9(2)(a)

4.36   Another student we interviewed advised us that he did not finish the course.

4.37   We did not locate any supporting documents to show that this student had successfully completed the course. However, EnterpriseMIT investigated this matter and advised us that it identified an oral assessment on the file[101].

4.38   We checked this against EnterpriseMIT's SDR, which records that the student successfully completed the entire Finfish course. It appears that the student has been reported as having successfully completed the courses, when they are unlikely to have completed all of the requirements.

4.39   TEC may wish to consider whether these students should have been recorded as unsuccessful completions. If it is determined that the students' completions have been recorded incorrectly on EnterpriseMIT's SDR then TEC may wish to consider whether this overstates EnterpriseMIT's educational performance indicators.

4.40   Additionally, TEC may wish to consider whether this matter should be investigated further to determine whether the potential issue is more widespread. This would require further review of student records to identify those who have missing assessments and then attempting to verify this with the student in question.

Enrolment Data Validation and Eligibility to Enter a TEC Funded Programme

4.41   We initially requested documentation supporting the enrolment of 45 randomly selected students that were recorded in EnterpriseMIT's SDR for 2014 or 2015. Once expanded to an investigation, we requested 100% of the records from 2013 (being 72 records). For each enrolment, we requested the student's:

    a)   NSN number;

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[101] EnterpriseMIT Response to Draft Deloitte Report (13 January 2017), page 44

b) Enrolment form and appropriate information to support the enrolment;

c) Assessment records to support the qualification completion;

d) Information supporting the date the qualification was awarded, and when the certificate was received; and

e) Any other relevant records from the student management system.

Results from Testing

4.42 We have summarised our findings as:

Table 10: Summary of enrolment records

Programme	Documents supporting enrolment[102]	Details reconcile in SMS and STEO[103]	Evidence of assessment records	Students believe document not authentic[104]
National Certificate in Maritime (Commercial Inshore Vessel Operations)	✓ No issues	✓ No issues	✓ No issues	✓ No identified issues
National Certificate in Employment Skills	✓ No issues	✓ No issues	✗ 9 issues	- No confirmed issues
Certificate in Finfish Culture	✓ No issues	✓ No issues	✗ 3 issues	✗ 5 confirmed issues

Level of Evidence Retained

4.43 We note that twelve of the student's records that we received contain no evidence of any assessments being completed by the students, and the recorded attendance for these students was limited.

4.44 Table 11 sets out the NSNs, dates of enrolment and EFTS that were recorded in EnterpriseMIT's SDR for the twelve students that we identified as being of concern.

Table 11: Students with no evidence of assessment records

NSN Programme	Enrolment form signed	EFTS in SDR (2013 to 2015)	Comments
9(2)(a) National Certificate in Employment Skills	7 October 2015	0.2997	No evidence of any assessments completed by the student. No attendance records on file. Three unsuccessful attempts by EnterpriseMIT to contact student in February 2016.

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[102] Refer funding condition SAC3+/016. Analysis conducted over initial 45 randomly selected students, and all (72) 2013 enrolments.
[103] Analysis conducted over initial 45 randomly selected students only. As no issues were identified we did not conduct this analysis over the expanded set of enrolment records
[104] Refer Section 5.

NSN Programme	Enrolment form signed	EFTS in SDR (2013 to 2015)	Comments
9(2)(a) National Certificate in Employment Skills	23 September 2015	0.3996	No evidence of any assessments completed by student. Attendance records indicate student attended for 6 days.
9(2)(a) National Certificate in Employment Skills	21 September 2015	0.3328	No evidence of any assessments completed by the student. Student obtained job and then moved to 9(2)(a) . No evidence of class attendance.
9(2)(a) National Certificate in Employment Skills	24 July 2015	0.5000	No evidence of any assessments completed by student. Attendance records indicate student attended for 3 days.
9(2)(a) National Certificate in Employment Skills	24 November 2014	0.5813	No evidence of any assessments completed by student. Attendance records do not show the student has attended any days.
9(2)(a) National Certificate in Employment Skills	23 September 2014	0.5813	No evidence of any assessments completed by the student. Contact sheet records student attended for 2 ½ weeks before leaving due to an incident with another student.
9(2)(a) National Certificate in Employment Skills	28 July 2014	0.5813	No evidence of any assessments completed by student. Attendance records indicate student attended for 11 days.
9(2)(a) National Certificate in Employment Skills	22 July 2014	0.5813	No evidence of any assessments completed by the student. Student is recorded in attendance registers as attending class during 5 weeks.
9(2)(a) National Certificate in Employment Skills	4 July 2014	0.5813	No evidence of any assessments completed by the student. Student is recorded in attendance registers as attending class for 9 days. Withdrawal form is on file (although with an obviously different signature to the enrolment form).
9(2)(a) Certificate in Finfish Culture	6 August 2014	0.5820	No evidence of any assessments completed by the student. Distance learning programme, so no attendance records relate to this programme.
9(2)(a) Certificate in Finfish Culture	31 March 2014	0.5820	No evidence of any assessments completed by the student. Distance learning programme, so no attendance records relate to this programme.
9(2)(a) Certificate in Finfish Culture	5 March 2013	0.5820	No evidence of any assessments completed by the student. Distance learning programme, so no attendance records relate to this programme.

4.45   The Certificate in Finfish Culture was funded through a mixture of SAC and Youth Guarantee funding during 2014 and 2015. Funding condition SAC3+/016 states that a TEO must not claim funding for a learner who withdraws from any course, eligible for SAC-funding, before the appropriate withdrawal date.

4.46   We understand that for the period of our investigation, a PTE was required to include course records in the SDR for all valid enrolments. However, a PTE may not claim funding for a student unless the student has studied for 10% of the course (or one month for a full year course)[105].

4.47   The National Certificate in Employment Skills was funded through Youth Guarantee funding.   The EnterpriseMIT 2015 Otara Handbook[106] applies to the National Certificate in Employment Skills and states that students will be automatically withdrawn if they have attended less than 80% of the programme by the end of the first 10% of the programme[107].   We note that:

a)   10% of the standard programme length for the National Certificate in Employment Skills would be 1.9 weeks; and

b)   Five of the National Certificate in Employment Skills students recorded in Table 11 do not have evidence recorded on their enrolment files suggesting that they have attended class for this period of time.

4.48   The Certificate in Finfish Culture is a distance learning programme and, accordingly, students do not have attendance records.

4.49   Given the lack of evidence supporting the student's engagement with study (and in some cases minimal recorded attendance) TEC may wish to consider whether all, or some, of these students should have been withdrawn by EnterpriseMIT.

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[105] SDR Manuals 2013 to 2015
[106] Doc 15 – Otara Handbook 2015.doc, page 5
[107] The minimum time period for a student to withdraw from any course without the TEO needing to pay back Youth Guarantee funding to the TEC is 10% of the course completed or one month completed, whoever is the lesser (as outlined in the SDR manual). (refer: http://www.tec.govt.nz/Funding/Fund-finder/Youth-Guarantee/Funding-payments/)

Authenticity of enrolment and assessment records

Summary of key findings

5.1   During the course of our review, we observed that some student enrolment and assessment records contained inconsistent handwriting and signatures.   Most of the records that appeared to contain inconsistencies related to students that had been enrolled in the Certificate in Finfish Culture[108].

5.2   There is a risk that these records may contain forgeries and/or be false documents.

5.3   We initially attempted to contact twelve students whose records we had concerns over, so that we could ask them whether they recognised the documents contained in their records and whether they recognised the handwriting and signatures on those documents.

5.4   As part of our initial review we successfully spoke to five of the twelve students.   We were advised of the following:

   a)   One student confirmed that a signature on an <u>enrolment form</u> purporting to be their signature was not authentic;

   b)   One student confirmed that a signature on an <u>assessment record</u> purporting to be their signature was not authentic; and

   c)   Four students did not believe that it was their signature or handwriting on documents purporting to be authored by them.

5.5   We attempted to get in contact with seven other students whose records appeared to contain inconsistent handwriting or signatures.   These students did not respond to our messages. Given the passage of time, some students were unable to state with any certainty whether the signature or handwriting was theirs or not.   As such, we have recognised in paragraph 5.4 the distinction between students who were able to authoritatively state the signature or handwriting was not theirs; and students who believed the signature or handwriting was not theirs.

5.6   Our further investigation found that discrepancies with signatures and handwriting on records relating to the Certificate in Finfish Culture course were widespread through all of the years we reviewed.   These issues are indicative of forgeries or potentially false documents.   The issues identified were:

   a)   Enrolment forms that did not appear to be authored by the student – noting that the handwriting identified across a large number of student enrolment forms appeared to be the same author;

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[108] We also identified some inconsistencies in National Certificate in Employment Skills records. However, our attempts to contact these students were not successful, and the issues were not obviously widespread. EMIT has also put forward potential explanations for signature inconsistencies for students in the National Certificate in Employment Skills, including that these young students may not have yet developed a formal signature when completing the forms. The vast majority of the issues that we identified relate to the Certificate in Finfish Culture and our findings focus on this.

b)   Enrolment forms where the students' signatures were inconsistent, indicating they were likely to have been completed by a different author to the student;

c)   Assessment records (including observation records, assessments, and oral examination applications) where the students' signatures were inconsistent, indicating they were likely to have been completed by a different author to the student;

d)   Correction fluid used on student signatures, including to change the appearance of students' signatures; and

e)   Correction fluid used to change dates on various records (including enrolment form dates signed, letters, assessments, but primarily changing the course start dates on enrolment forms).

5.7   After we informed EnterpriseMIT of this issue, MIT conducted a review of EnterpriseMIT's student records. MIT has made similar findings to our review and as part of the investigation phase we checked a sample of MIT's findings. In August 2016, MIT advised TEC that it found 48 instances where 'student signatures varied across the student file', with 22 of these relating to the Finfish course. The overall findings are largely consistent with those we have made. MIT's review was primarily focused on identifying *any* discrepancies with signatures, or evidence of correction fluid being used, and because of this, has identified a larger number of records in the National Certificate in Employment Skills. We have included MIT's findings in **Appendix C**[109].

5.8   We have not comprehensively assessed MIT's findings, but note that we did not identify any material issues with what was recorded. Largely, MIT's overall findings were similar to our own; we would describe these as issues with the veracity of signatures, and that correction fluid had been used to amend a number of forms.

5.9   We asked EnterpriseMIT for any possible causes or explanations for the issues identified, and EnterpriseMIT has noted the following:

a)   In cases with duplicate enrolment forms the Finfish Administrator may have completed the replacement form personally;

b)   Course dates were changed on enrolment forms to align information with the course occurrence that students were actually enrolled in, and enrolment form dates were changed to the date that ID requirements were met or the student actually enrolled;

c)   For the National Certificate in Employment Skills, the students are very young and often do not have an established signature at enrolment[110]; and

d)   Students often made errors relating to the programme course or details, often confusing one for the other or not using the formal programme or other course names, and that these errors were corrected by administration staff to ensure that the enrolments were processed in a timely manner[111].

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[109] Referenced in the letter to TEC dated 29 August 2016. MIT has also provided us with copies of manual spreadsheets created as part of its analysis. We requested these in electronic format but have not received them. MIT may be able to provide these to TEC on request.
[110] We note that the vast majority of the issues we identified relate to the Finfish Certificate.
[111] In our view, this explanation does not explain amendments that have been made to the student's signatures.

5.10   Both EnterpriseMIT and Deloitte have identified that it appears likely that an EnterpriseMIT employee was the author of a large number of the potentially false documents. We have also identified examples where the issues we identified indicate a different author to the EnterpriseMIT employee referred to above.

5.11   In our view, EnterpriseMIT's explanations do not address the core issues surrounding assessment records, issues surrounding date changes of multiple documents, and issues identified where only one enrolment form exists. As accepted by EnterpriseMIT, this is not an acceptable practice regardless of the explanations provided. We also note that creating a false document with the intent of gaining some form of benefit, or with the intent it would be used as genuine, is unlawful[112].

Approach

5.12   We reviewed the physical enrolment and assessment records for 177 students that had been enrolled during 2013, 2014 or 2015 in the programmes that were within the scope of our review.

5.13   We initially identified 15 student records that appeared to contain inconsistent handwriting or signatures across the students' files. Once expanded to an investigation, we identified approximately 30 other records with similar issues. The analysis was primarily completed through a visual comparison of student records, in which we looked for noticeable differences. This included comparing all of the student records on file, comparing any reference handwriting or signatures (for instance on scans of passports, or on written assessment material), and comparing handwriting across multiple files, including on the cover sheets. Where necessary, we used a light to reveal any handwriting underneath correction fluid. We familiarised ourselves with the common handwriting across numerous student records, and identified where, in our view, this handwriting was evident in parts of a document ostensibly authored by a student. We note that we are not qualified document examiners. A qualified document examiner may have identified more or less records, using different techniques.

5.14   We then visited two students in person and asked them whether they recognised particular records that were held on their enrolment file. Both of these students were enrolled in the Certificate in Finfish Culture[113]. We also attempted to make contact by phone or email with ten other students. A redacted version of the template email that we sent to the students is attached marked **Appendix H**[114]. We have noted in Table 12 (below) where the students responded to us (either by phone or email) and what their response was.

5.15   We did not disclose to the students what our specific concerns were regarding their records.

Sample of issues identified and student responses

5.16   The following table outlines 21 examples where we identified issues with the documentation:[115]

Table 12: Sample of issues identified

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[112] S256, Crimes Act
[113] The interviews were conducted face to face and were not transcribed. File notes were taken at the time.
[114] The email has been partially redacted to preserve the student's privacy.
[115] We have limited this table to the 21 students where we identified the most serious issues with the documentation we reviewed.

Student NSN	Issues identified	Additional information or Deloitte observations
9(2)(a)	Inconsistent signatures and handwriting between Competency Assessment form and Enrolment Form.	The student said that the Competency Assessment form looks like it has been 'fraudulently signed'. The student noted the signature on the form was not his. The student did not remember dating the form, and said that the handwriting of the date on the Competency Assessment form is not his.
9(2)(a)	Name, date of birth, and NSI have correction tape over them and have been amended on the Youth Guarantee form. Part of signature has correction tape over it (to change the look of the signature) and name has correction tape over it and then amended on the Youth Guarantee form. Inconsistent handwriting and signature between Youth Guarantee and Enrolment Form.	The student had not seen the green Youth Guarantee form before, and said she had not signed the form and that it was not her signature or handwriting on the form. The student noted that she thought that some of the handwriting was her younger sister's, but that she could not identify the handwriting on top of the areas with correction tape/fluid.
9(2)(a)	Signatures on both the Enrolment Form and Competency Assessment form have correction tape over the end of them. Handwriting inconsistent between two Enrolment Forms.	The student said his partner may have filled in the Enrolment forms for him. The student's partner said she filled in the New Student Enrolment form but did not fill in the Distance Learning Enrolment form and that the handwriting on that form is not her handwriting or the student's. The student's partner said that the handwriting looks a lot like the handwriting of the tutor of the course.
9(2)(a)	The signature on the Observation Record form is inconsistent with all other signatures on the various forms, passport, and assessment documents.	The student remembered signing the forms, but noted that 'That document was signed on my [be]half by the assessors... [The] assessments... get signed on my behalf (with my consent) so as to allow for a smooth handling of paper work'. We note for clarity that the inconsistent signature we identified was not noted as 'pp.' and appears to form the student's name in a flowing signature style. We view this as an attempt to make it appear that the student had signed the form personally, when they in fact had not.

Student NSN	Issues identified	Additional information or Deloitte observations
9(2)(a)	Inconsistent signatures and handwriting between two enrolment forms.	The student did not recognise the handwriting on the Distance Learning Enrolment form. The student said the signature looks like her signature but that the date does not look like it is her handwriting.
9(2)(a)	Oral assessment application form dates changed from 13/12/13 to 13/12/14. Letters and certificate all changed (manually) from 2013 to 2014.	The student appears to have signed both of the forms, but it is likely that the student completed the course in 2013 based on when assessments were completed and when documentation was signed (and not 2014). However, the SDR records that this student was enrolled in the Finfish Certificate through EnterpriseMIT between 1 February 2014 and 12 December 2014 The SDR information that we received from TEC also records that this student completed: • 0.582 EFTS at EMIT in 2014 • 0.417 EFTS at the University of Waikato in 2014 (being 0.999 total) • 1.0004 EFTS at the University of Waikato in 2013
9(2)(a)	There is an 9(2)(a) ' signature on the assessment form but it has been removed with correction fluid. The date on the assessment form does not appear to be in the student's handwriting.	It appears the date on the assessment form could, in our view, be in an EnterpriseMIT tutor's handwriting.
9(2)(a)	The assessment signature varies from the enrolment form. The Competency Assessment Application is not in the student's handwriting.	The Assessment Application form may, in our view, have been completed by a person other than the student, and could be consistent with the handwriting of an EnterpriseMIT tutor (including the student's signature).
9(2)(a)	The blue MTI form appears to be authored in the same handwriting as a number of the other forms with issues identified. Enrolment form does not match passport or assessment signatures. Assessment 'learner details' signature does not match.	Oral Assessment application notes 'due to multiple hospital stays, no time to complete'.

Student NSN	Issues identified	Additional information or Deloitte observations
9(2)(a)	Oral Examination signature does not match other signatures.	In our view, it is possible that the Oral Examination form was signed and filled in by an author other than the student.
9(2)(a)	Oral Examination signature date changed (with correction fluid) from 18/3/2015 to 18/11/2014.	A 'congratulations' letter (for completion) was sent 15/12/2014. This may have been before the student had completed the oral examination. SDR records course end date as 19 December 2014.
9(2)(a)	Green EMIT form handwriting inconsistent and signature does not match.	No second enrolment form on record. A withdrawal/transfer form on file has been signed with 'pp'. SDR records end date as June 2016.
9(2)(a)	Signature on observation record does not match others. Green EMIT form not in consistent student's handwriting, and signature is inconsistent.	Observation record signature may have, in our view, been completed by an EnterpriseMIT employee or contractor. The green EMIT form may have, in our view, been completed by a different EnterpriseMIT employee or contractor to the one referred to above. There is no evidence on the file that the student completed the oral examination.
9(2)(a)	Signature on the oral examination is inconsistent.	Oral examination signature may have, in our view, been completed by an EnterpriseMIT employee or contractor. Welcome letter suggests the student started in September 2015, and course finished in December 2015. SDR records ended in June 2016.
9(2)(a)	Signature on Oral Examination inconsistent with passport and Enrolment Form. Inconsistent handwriting on Youth Guarantee form.	
9(2)(a)	Inconsistent signature and handwriting between enrolment form and assessment documents. Dates have been amended using correction tape on the Observation Record Form.	

Student NSN	Issues identified	Additional information or Deloitte observations
9(2)(a)	Handwriting and signature on Oral Examination form are inconsistent with two Enrolment Forms and passport.	
9(2)(a)	Signature on withdrawal form is very different to signature on enrolment form.	
9(2)(a)	Signature and handwriting on assessment dated 17 July, 21 August, 19 September and 26 September 2014 is very different to other documents.	We note that there is a student contact sheet stating that the student did not complete the KeyStep course and obtained a fulltime job, dated 10 September 2014. However, two of the assessments referred to above are after this date. The timesheet records for this student also record that he stopped attending on 5 September 2014 (before the date of two of the assessments).
9(2)(a)	Dates have been covered with correction tape and amended including the Enrolment Form signed date for both the student and MTI representative. Start and finish dates have been amended with correction tape and, inconsistent with assessment dates.	
9(2)(a)	Inconsistent signatures and handwriting between Assessment form and Enrolment Form.	We note that it appears this student is or was an EMIT (or MTI) employee.

5.17 EnterpriseMIT has provided responses directly to TEC on the specific issues identified above. We have considered these responses and some of the comments are not consistent with our observations of the forms that we reviewed. We have amended the table where we considered it to be appropriate. In summary, these comments included:

- It "is not an issue" if the form (e.g. Competency Assessment Application) is not completed for a funding requirement;
- It is accepted that the practice of not using the legal and business practice of the initials "p.p." is not good practice;
- EnterpriseMIT do not condone the use of correction fluid for the enrolment process and this practice has been changed;
- Employment Skills students signatures often change and mature over the programme duration;
- The original enrolment form was attached to the new form and the original enrolment form had been signed by the learner;

    o   There was a legitimate relationship between EnterpriseMIT and the students including those where irregularities with the signatures were found.

Observations

5.18   We also make the following observations regarding our review:

    a)   The majority of signatures that we have concerns about are completed in a way that is very similar to what we understand is the student's original signature. These appear to be attempts at copying the signatures, or disguising the true author of the signatures. This suggests a reasonable degree of sophistication and increases the risk that other documents could potentially have been created that have not been identified to date.[116]

    b)   The inconsistent signatures we identified are not qualified with 'pp' or 'signed on behalf of'. This, combined with our observation at a), indicates to us that the intention was to pass off the signatures as being those of the student.

    c)   Course start dates, course end dates, dates on other documents, and signatures on forms have had correction tape used on them and/or been amended. This could lead to issues such as, if these alterations have been made without the student's knowledge then it is possible that the enrolment form does not accurately reflect the student's actual period of study.

    d)   A significant amount of correction fluid or correction tape has been used on administrative forms such as cover sheets.

    e)   EnterpriseMIT has informed us that an employee that was involved with the Certificate in Finfish Culture is no longer employed by EnterpriseMIT (or MIT).

    f)   We identified instances with issues where there were not two different enrolment forms on the file. A potential explanation of being motivated to ensure the correct form was on the file cannot explain these instances.

    g)   The issues we identified surrounding assessment records raises the risk that students may not have appropriately completed the required assessments.

    h)   The issues we identified surrounding date changes may increase the risk of funding being claimed in years when students did not actually complete the course.

Recommendations

5.19   We have not taken steps to verify these findings beyond contacting some of the relevant students, and receiving responses from EnterpriseMIT on our concerns. In our view, there are two options for TEC to further consider:

    a)   Interviewing the relevant EnterpriseMIT personnel (including the employee who has left) who are potentially involved with altering the Certificate in Finfish Culture records to better understand any potential explanations; and/or

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[116] MIT notes that it has carried out a full analysis of all the documentation for the three programmes for the period 2013-2015

b) Referring the matter to the New Zealand Police to consider if any potential offences may have been committed, such as forgery offences.

Summary of recommendations

Table 13: Summary of recommendations

Issue	Recommendations
Under-delivery of learning hours provided to students across the Certificate in Finfish Culture and National Certificate in Employment Skills during 2013, 2014 and 2015.	1. Consider whether EnterpriseMIT has been overfunded for the delivery of these programmes.
Additional under-delivery of learning hours provided to Finfish students that are orally examined	2. Consider whether it is appropriate to reduce EFTS consumed (and thereby funding provided) by Finfish students that are orally examined (on basis that there is a degree of recognised prior learning, or a reduced number of learning hours).
Certificate of Finfish Culture students that have prior learning	3. Consider whether funding has been provided for students that should have been found by EnterpriseMIT to have recognised prior learning.
SAC funding for CIVO	4. Consider whether the delivery style of the National Certificate in Maritime (Commercial Inshore Vessel Operations) is more consistent with an ITO style of delivery, based on the findings that the: i. Students are all employed in related workplaces before they start studying the programme; ii. The training helps the development of skills that meet industry needs; iii. Actual delivery of the programme involves a high component of work experience and practice of skills whilst employed; and iv. Actual delivery of the programme involves the student being employed fulltime, and based on their vessel, for 19 out of the 24 weeks.
Truncated delivery of programmes to students	5. Assess whether students that have been required to complete programmes within a shorter timeframe should have been funded at a reduced EFTS value.

Issue	Recommendations
Oral examinations	6. Consider whether the percentage of Certificate in Finfish Culture students that are orally examined is appropriate and if funding of these students should be reviewed
SDR course enrolment dates	7. Determine whether the earlier enrolment form dates have resulted in funding being provided to EnterpriseMIT for periods that do not reflect the student's learning.
Course completions	8. Determine whether earlier SDR course start dates (and therefore earlier SDR course end dates) have resulted in course completions being reported in the wrong calendar year, which would affect EnterpriseMIT's educational performance indicators and may affect whether or not the funded level of EFTS were delivered in each year.
	9. Determine whether EnterpriseMIT's educational performance indicators are overstated due to the Certificate in Finfish Culture students who were recorded as successfully completing three courses in EnterpriseMIT's SDR but advised they did not finish the course.
Potentially forged or false enrolment and assessment records	10. Consider the need to interview relevant staff at EnterpriseMIT.
	11. Determine whether it is appropriate to make a complaint to the New Zealand Police.

Appendix A: STEO Returns

Qualification Details

Provider Code:	7166 EnterpriseMIT Ltd
Qualification Code:	NC1136
Qualification Title:	Maritime (Commercial Inshore Vessel Operations)
Date Created:	23/12/2012

Tertiary Resourcing Advisor:	Service Centre

Status

Qualification Status:	Active	First Taught Date:	24/12/2012
EFTS Based Funding:	Approved	Approval Date:	01/11/2012
Student Allowances:	Approved	Approval Date:	01/11/2012
Student Loans:	Approved	Approval Date:	01/11/2012
Qualification Approval Body:	NZQA	Teacher Registration Board Approval:	N/A

Duration

Tuition/Teaching (FTE) Weeks:	24	Teaching Hrs/Wk:	15
Vacation/Recess Weeks:	0	Work Experience Hrs/Wk:	15
Total Gross Weeks:	24	Self-Directed Learning Hrs/Wk:	10
Number of Years:	1	Total Learning Hrs/Wk:	40

Total Length:	24 Wks x 40 Hrs/Wk x 1 Years = 960 Hrs

Provider Credit/Points:	85	NQF Credits:	85
EFTS Value:	0.7083	Full/Part Time:	Full Time

Description

Brief Outcome:	Students will obtain the National Certificate in Commercial Vessel Operations.
Brief Contents:	Maritime navigation, seamanship and engineering.
Brief Assessment Mode:	Observations of practical skills recorded in a maritime New Zealand Task Book, verbal and written assessment. Summative assessment is competency based.
Brief Entry Requirements:	18 years old plus.

Qualification Classification

Qualification Award Category:	41 National Certificate Levels 1-3
NZQF Level:	3
ISCED Level:	3 (3 - CERTIFICATE, NATIONAL CERTIFICATE LEVELS 1-3)
ISCED Subsequent Destination:	C (C: designed to lead direct to the labour market)
NZSCED:	031705
ISCED:	Transport services (84)
Source of Funding:	M MINISTRY FUNDED
Distance Learning Available:	Y
Certifying Authority:	

Qualification Details

Identity

Provider Code:	7166 EnterpriseMIT Ltd
Qualification Code:	NC5432
Qualification Title:	Employment Skills
Date Created:	18/01/2013

Tertiary Resourcing Advisor: Service Centre

Status

Qualification Status:	Active	First Taught Date:	18/01/2013
EFTS Based Funding:	Approved	Approval Date:	01/11/2012
Student Allowances:	Approved	Approval Date:	01/12/2012
Student Loans:	Approved	Approval Date:	01/11/2012
Qualification Approval Body:	NZQA	Teacher Registration Board Approval:	N/A

Duration

Tuition/Teaching (FTE) Weeks:	19	Teaching Hrs/Wk:	28
Vacation/Recess Weeks:	0	Work Experience Hrs/Wk:	0
Total Gross Weeks:	19	Self-Directed Learning Hrs/Wk:	4
Number of Years:	1	Total Learning Hrs/Wk:	32

Total Length:	19 Wks x 32 Hrs/Wk x 1 Years = 608 Hrs

Provider Credit/Points:	60	NQF Credits:	60
EFTS Value:	0.5	Full/Part Time:	Full Time

Description

Brief Outcome:	Students will obtain the National Certificate in Employment Skills with elective units focused on Automotive, Hospitality or Literacy/Numeracy.
Brief Contents:	Literacy and Numeracy core Unit Standards that are compulsory for the National Certificate plus unit standard elective options to suit the learners requirements based on their personal aspirations and work focus .
Brief Assessment Mode:	Through observations, written and oralassessment.
Brief Entry Requirements:	16 years to 25 years.

Qualification Classification

Qualification Award Category:	41 National Certificate Levels 1-3
NZQF Level:	1
ISCED Level:	3 (3 - CERTIFICATE, NATIONAL CERTIFICATE LEVELS 1-3)
ISCED Subsequent Destination:	C (C: designed to lead direct to the labour market)
NZSCED:	120599
ISCED:	Personal development (09)
Source of Funding:	M MINISTRY FUNDED
Distance Learning Available:	
Certifying Authority:	

Qualification Details

Identity

Provider Code:	7166 EnterpriseMIT Ltd
Qualification Code:	PC8322
Qualification Title:	Certificate in Finfish Culture
Date Created:	18/01/2013

Tertiary Resourcing Advisor: Service Centre

Status

Qualification Status:	Active	First Taught Date:	01/06/2012
EFTS Based Funding:	Approved	Approval Date:	01/06/2012
Student Allowances:	Not Sought	Approval Date:	
Student Loans:	Not Sought	Approval Date:	
Qualification Approval Body:	NZQA	Teacher Registration Board Approval:	N/A

Duration

Tuition/Teaching (FTE) Weeks:	40	Teaching Hrs/Wk:	1
Vacation/Recess Weeks:	12	Work Experience Hrs/Wk:	0
Total Gross Weeks:	52	Self-Directed Learning Hrs/Wk:	16
Number of Years:	1	Total Learning Hrs/Wk:	17

Total Length: 40 Wks x 17 Hrs/Wk x 1 Years = 680 Hrs

Provider Credit/Points:	70	NQF Credits:	50
EFTS Value:	0.5833	Full/Part Time:	Part Time

Description

Brief Outcome:	This course will give students the basic knowledge and skills in operating a land based finfish aquaculture facility. This will enable them to work in the aquatic industry, breeding and maintaining finfish livestock.
Brief Contents:	This course will give students the basic knowledge and skills in operating a land based finfish aquaculture facility. This will enable them to work in the aquatic industry, breeding and maintaining finfish livestock.
Brief Assessment Mode:	This course will give students the basic knowledge and skills in operating a land based finfish aquaculture facility. This will enable them to work in the aquatic industry, breeding and maintaining finfish livestock.
Brief Entry Requirements:	This course will give students the basic knowledge and skills in operating a land based finfish aquaculture facility. This will enable them to work in the aquatic industry, breeding and maintaining finfish livestock.

Qualification Classification

Qualification Award Category:	46 Certificate issued by TEO
NZQF Level:	3
ISCED Level:	3 (3 - CERTIFICATE, NATIONAL CERTIFICATE LEVELS 1-3)
ISCED Subsequent Destination:	C (C: designed to lead direct to the labour market)
NZSCED:	050799
ISCED:	Agriculture, forestry and fishery (62)
Source of Funding:	M MINISTRY FUNDED
Distance Learning Available:	Y
Certifying Authority:	7166 EnterpriseMIT Ltd

Appendix B: NZQA R0482 Programme Details Documents

R0482 Programme Details

![NZQA logo] NZQA
NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

QUALIFY FOR THE FUTURE WORLD
KIA NOHO TAKATŪ KI TŌ ĀMUA AO!

Programme Overview

Programme number	112145
Title	National Certificate in Maritime (Commercial Inshore Vessel Operation)
Type	Certificate
Owner	EnterpriseMIT Ltd (7166)
Level	03
Total credits	91
Total learning hours	960
Aim	The aim of the course is enable students to gain the National Certificate in Maritime (Commercial Inshore Vessel Operation) (Level 3), and to prepare mariners for the Maritime NZ In-Shore Launchmaster and Local Launch Master Operators licences.
Content	
Outcome	
Entry requirement	Applicants for entry must be 18 years of age or older; be physically capable of crew duties aboard a vessel (medical certificate required); hold MNZ examination permit and clear eyesight test; and have basic numeracy/literacy skills. Applicants will be interviewed by MTI and show motivation to work in the vessel operations industry. Applicants for whom English is a second language must have IELTS 6-6.5 or equivalent.

Standards

The standards assessed in this programme are:

Number	Title	Version	Level	Credits
4103	Operate and monitor a vessel's engines and auxiliary equipment	6	4	10
4117	Navigate a vessel within sight of land	5	4	15
4139	Maintain on board fire fighting equipment and carry out fire safety planning	3	3	4
4144	Respond to and signal distress	3	3	2
6400	Manage first aid in an emergency situation	6	3	2
6401	Provide first aid	6	2	1
6402	Provide basic life support	8	1	1
8126	Operate a restricted limits vessel	5	4	19
19490	Use marine radar on a restricted limits vessel	2	3	10
19491	Demonstrate knowledge in using VHF marine radio and an EPIRB	3	3	3
19493	Perform maintenance and repairs on a vessel's mechanical and electrical systems	3	4	5
19628	Identify and describe legal requirements to operate a restricted limits vessel	3	3	4
			Total Credits	76

Qualifications

Qualification(s) completed as part of this programme:

Number	Title	Level	Credits
1136	National Certificate in Maritime (Commercial Inshore Vessel Operations with an optional strand in Business Operations	3	91

Delivery and Assessment

Provider   EnterpriseMIT Ltd (7166/1)

Delivery mode type   Blended

Delivery method

Assessment Method

Programme length

   Total length   Including holiday weeks

   Teaching weeks   Excluding holiday weeks

   Self Directed Learning Hours   Avg per week

   Total Learning Hours   960

R0482 Programme Details

Programme Overview

Programme number	112251
Title	Certificate in Finfish Culture
Type	Certificate
Owner	EnterpriseMIT Ltd (7166)
Level	03
Total credits	70
Total learning hours	680
Aim	To give students the basic knowledge and skills in operating a land based finfish aquaculture facility. This will enable them to work in the aquatic industry, breeding and maintaining finfish livestock.
Content	This distance learning programme provides theoretical training, supported by tutor visits and observations, in the culture of finfish species and the operation of a land-based aquaculture facility.
Outcome	Graduates will be able to describe reticulated water systems for onshore aquaculture or holding facilities; monitor the reticulated water system in an onshore aquaculture or holding facility; and maintain the reticulated water system in an onshore aquaculture or holding facility.
	Graduates will be able to describe water quality requirements for an aquaculture facility; carry out water testing procedures; and interpret and describe action to take on water test results.
	Graduates will be able to describe the principles of feeding farmed fin fish; the factors affecting feeding, and the impacts of poor feeding practices; and feed types used for farming fin fish.
	Graduates will be able to demonstrate knowledge of abnormal characteristics and behaviours of a fin fish population; and assess and document key external and internal characteristics of an individual fish out of water.
Entry requirement	Applicants must be at least 16 years (international applicants 18 years) of age at time of programme commencement, and have basic numeracy and literacy skills.
	Applicants with English as a second language must have IELTS 5.0 or equivalent.

Standards

The standards assessed in this programme are:

Number	Title	Version	Level	Credits
17252	Monitor and maintain reticulated water systems for onshore aquaculture or holding facilities	3	3	20
17255	Test for water quality in an aquaculture facility	3	3	10
18483	Describe the feeding of farmed fin fish	4	3	15
25310	Assess fin fish health in an aquaculture facility	1	4	5
			Total Credits	50

Qualifications

Qualification(s) completed as part of this programme:

Number	Title	Level	Credits
PC8322	Certificate in Finfish Culture - EnterpriseMIT Ltd	3	69-70

Delivery and Assessment

Provider   EnterpriseMIT Ltd (7166/1)

Delivery mode type   Blended

Delivery method

Assessment Method

Programme length

   Total length   Including holiday weeks

   Teaching weeks   Excluding holiday weeks

   Self Directed Learning Hours   Avg per week

   Total Learning Hours   680

R0482 Programme Details

![NZQA logo] NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

QUALIFY FOR THE FUTURE WORLD
KIA NOHO TAKATŪ KI TŌ ĀMUA AO!

Programme Overview

Programme number	114357
Title	National Certificate in Employment Skills
Type	Certificate
Owner	EnterpriseMIT Ltd (7166)
Level	01
Total credits	60
Total learning hours	600

Aim
This Level 1 National Certificate is aimed at learners aged between 15 and 20 years old who have been unsuccessful in the schooling system. Students will learn basic core skills which have been identified by employers as being important for the workplace. The certificate has been designed so leaners will be able to transfer successfully into employment, community life and / or further study.
 The aim is to give the student flexibility in choosing a suitable industry focused pathway, or to enable them to pathway into further training at Level 2. A selection of elective unit standards in either, automotive, hospitality or literacy and numeracy will make up the balance of the credits allowed to a maximum of 60 credits.

Content
The compulsory section of 45 credits includes basic reading; writing; listening; speaking; numeracy and literacy unit standards assessed from everyday life skills.

The elective section of 15 credits provides for one of three options to be taken from:
The Automotive elective includes automotive lubrication, braking and cooling systems
The hospitality elective focuses on barista skills and knowledge.
The literacy and numeracy elective provides literacy and numeracy that assist learners to meet the literacy and numeracy requirements of NCEA.

Outcome
Graduates will be able to pathway into employment or further study at Level 2 or above. Specific pathways in the Automotive and Café industries or further training are provided for as well as a generic pathway into level 2 studies.

Students may also gain the NCEA L1 and / or NCEA L2 depending on any previous study undertaken. Successful completion of elective components combined with work experience placement may lead to employment, or an apprenticeship.

Entry requirement
Applicants must be:
Aged 16 - 19 years or 15 years (with a school leaving exemption.)

Standards

The standards assessed in this programme are:

Number	Title	Version	Level	Credits
167	Practise food safety methods in a food business under supervision	8	2	4
229	Identify the general locations and functions of motor vehicle systems and main components	9	2	4
231	Explain the operation of two and four stroke petrol and diesel engines	9	2	4
496	Manage personal wellbeing	9	1	3
497	Demonstrate knowledge of workplace health and safety requirements	8	1	3
1294	Be interviewed in a formal interview	6	2	2
1299	Be assertive in a range of specified situations	8	2	4

Number	Title	Version	Level	Credits
1978	Identify and describe basic employment rights and responsibilities, and sources of information and assistance	8	1	3
2780	Demonstrate and apply knowledge of a personal computer system	7	1	3
3501	Demon trate knowledge of and apply li tening technique	5	1	3
4248	Describe requirements and expectations faced by employees within the workplace	5	1	3
4249	Describe care and timeliness as an employee	7	1	3
4252	Produce a personal targeted CV (curriculum vitae)	7	2	2
7123	Apply a problem solving method to a problem	6	2	2
10781	Produce a plan for own future directions	5	2	3
14425	Prepare and serve hot and cold non-alcoholic drinks for a commercial hospitality establishment	6	2	5
14434	Prepare and clear areas for table service for a commerci hospitality establishment	6	2	3
16113	Demonstrate knowledge of safe working practices in an automotive workshop	5	2	2
17284	Demonstrate knowledge of coffee origin and production	6	3	3
17285	Demonstrate knowledge of commercial espresso coffee equipment and prepare espresso beverages under supervision	8	2	4
17288	Prepare and present espresso beverages for service	6	3	5
20666	Demonstrate basic knowledge of contamination hazards and control methods used in a food business	5	2	2
21680	Demonstrate knowledge of automotive lubricants and sealants	2	2	2
21686	Demonstrate knowledge of automotive cooling systems	2	2	2
21716	Select and apply lubricants and sealants for automotive and related industry applications	2	2	1
21720	Demonstrate knowledge of vehicle braking systems	1	2	2
24699	Make an informed decision relating to personal income and explain its consequences	2	2	2
24709	Produce a balanced budget to manage personal finance	3	1	3
26622	Write to communicate ideas for a purpose and audience	3	1	4
26623	Use number to solve problems	3	1	4
26624	Read texts with understanding	3	1	3
26625	Actively participate in spoken interactions	4	1	3
26626	Interpret statistical information for a purpose	3	1	3
26627	Use measurement to solve problems	3	1	3
			Total Credit	102

Qualifications

Qualification(s) completed as part of this programme:

Number	Title	Level	Credits
0231	National Certificate in Employment Skills	1	60

Delivery and Assessment

Provider	EnterpriseMIT Ltd (7166/2)
Delivery mode type	Face-to-Face
Delivery method	Theory will be delivered in the Classroom . Where relevant, practical hands on delivery for alternative strands of elective unit standards in automotive and hospitality and will be conducted in the schools purpose built facilities. Work experience will be utilised where appropriate in relevant industry workplaces.

The course will delivery will be made up as follows:
Face to Face Classroom lectures No less than 60%
Practical onsite experience 15%
Role-playing 5%
Work based up to 40%

Assessment Method	Integrated Assessment including practical assessment and practical observations with underpinning theory assessments

Programme length

Total length	19	Including holiday weeks
Teaching weeks	19	Excluding holiday weeks
Self Directed Learning Hours		Avg per week
Total Learning Hours	600	

Appendix C: MIT / EMIT information provided relating to course delivery and learning hours

5 May 2016

9(2)(a)
Deloitte
Private Bag 115033
Auckland
Email: 9(2)(a)

Dear 9(2)(a)

Thank you for the opportunity to further clarify the questions posed by you via your email dated 15 April 2016.

As agreed during our conversation on 28 April 2016 we have approached answering the questions separately as information and evidence portfolios are compiled rather than await the final outcome of our work and send a single substantial response.

Our approach to responding to your broader line of enquiry around CIVO we engaged an independent expert to comment on the structure of the programme, our delivery approach and to make an informed assessment of the hours of learning a student could be expected to undertake to complete the 3 components. The analysis provided by Captain Walker is included below.

Also attached are the finfish oral assessment records for 2014/2015 as requested on 15 April 2016. My apologies for the delays in providing these to you.

The additional student files you requested on 28 April 2016 will be made available to you on Friday 6 May 2016.

Please do not hesitate to contact me should you need any further information or clarification.

Yours faithfully

9(2)(a)

PTE Manager

Cc

> **Certificate in Maritime (Commercial Inshore Vessel Operator):**
>
> **(1)** At the moment we understand delivery of this programme is provided through:
>
> > a. Workplace training record and online module – delivered during the first ~20 weeks of the programme while the student is still working on their boat; and
> > b. 3.5 week block course with some daily homework – delivered onsite at Warkworth.
>
> **(2)** Are there any other streams of learning that we're missing? If there is, could we please get examples or a description of what extra learning the students are required to do.

Response Background

We noted during our discussion on Thursday 28 April 2016 that your interest was in further understanding how the 3 components of the delivery model integrated and how much learning (hours) each component was assigned.

We commissioned 9(2)(a) of the working Group that assisted in developing the Maritime New Zealand Task Book, to provide an independent opinion on the programme and to provide an assessment of the number of learning hours required to complete the online learning and task book. The hours assigned to the block course are evidenced by attendance records and your feedback over the phone led us to understand that you are less focussed on this element of the directed learning. Accordingly we have not asked for external advice on the block course.

We also draw to your attention that the learning hours have previously been reviewed by Competenz; the Industry Training Organisation who played a critical supporting role in developing the task book. The online learning has been moderated by the ITO and in their opinion meets the outcome requirements of the unit standards required to complete the programme of study.

Response to query 1

EnterpriseMIT offers the National Certificate in Maritime (Commercial Inshore Vessel Operations) with an optional strand in Business Operations qualification. This qualification (now expired) consists of a set of unit standards (develop by the ITO) which were aligned to the MNZ Competency tables for the sea-going licence.

As a consequence of developing our response to your inquiries we have noted that the CIVO qualification is registered on the NQF as containing 91 credits, however, EnterpriseMIT have only claimed for 85 credits via STEO.

Further points to note regarding the qualification are:
- The ITO developed the CIVO programme – not EnterpriseMIT.
- The ITO developed the Unit Standards and set their credit values.
- EnterpriseMIT is accredited by both the ITO and NZQA to deliver CIVO

Learning required to successfully achieving the CIVO qualification.

As noted in the paperwork provided to you previously and per our conversation the CIVO programme has 3 components:

1) practical observations (task book)
2) On-line learning with written assessments
3) Attendance at a XX week block course.

To be awarded the CIVO qualification the student must complete all components of the CIVO programme.

After all 3 components are completed an independent oral assessment must be undertaken to confirm that all practical and theory components have been completed by the individual student.

Further detail on each component is as follows:

Task book

- A task book is a form of directed learning applied by many institutions over a wide range of programmes.
- Students are required to undertake the tasks detailed in the task book and provide evidence of having done so
- During the development of the task book academic staff gave consideration to the learning progressions required to build knowledge and competence and assessed that learning as taking 600 hours for a learner with no prior knowledge of the subject matters
- The task book is the basis of instruction and engages the learner in structured learning.
- The sea time experience required by the programme is in addition to the time taken to learn and complete the task book.
- All practical observations recorded within the 'task book' are verified by EnterpriseMIT maritime tutorial staff and cross referenced against the practical components of the appropriate unit standard matrix.

In 2014 learners were required to complete 1200 hours of sea time as well as the task book prior to engaging in the second phase of the learning. A high proportion of students do not progress beyond this.   Our response to this pattern has been to delay enrolling learners on the programme until such time as they have shown there is a high likelihood of them being able to complete the task book. This avoids the learner having to withdraw from the programme and is an efficient operational approach for both the learner and EnterpriseMIT. The approach does however throw up the unusual enrolment paperwork that your team has identified.

Online learning

Upon completion of the task book the learner is then required to complete the online component of the programme. Our analysis indicates that in undertaking this component the learner would be engaged in a further 255 hours of directed learning. The online programme was moderated by the ITO and approved for the delivery of the CIVO qualification.

Block course

On completion of both of the task book and the online component the learner is required to attend the block course

The block course includes 36 direct contact hours a week and 24 Directed Study hours. The intensity of the block courses reflects two learner centric factors:

- The vast majority of learners are funding the programme of study themselves and therefore a short a time as possible away from work is required to ensure they can continue to earn
- The operational demands of the industry are such that extended periods away from the boat are not possible

As part of our enrolment process learners are made aware of the intensity of the block course and the need for them to pass this component in order to achieve the award.

Programme Duration

The ITO / NZQA / TEC approvals allowed for the student to have up to 24 weeks for completion of the programme

Response to Query (2)

The simple response to your question is there are no other streams of learning outside of those identified in the response above.

Report on the EnterpriseMIT delivery of the Commercial Inshore Vessel Operator qualification.

28 April 2016

Author: 9(2)(a) ███████████

- Master Mariner
- Associate Member Nautical Institute
- 8 years' experience in New Zealand maritime education management
- Certificate in Adult Teaching and Learning.
- Maritime New Zealand Examiner, including for Skipper Restricted Limit Certificate of Competency

The Certificate in Inshore Vessel Operations was accepted by Maritime New Zealand as meeting the training requirements for the MNZ Skipper Restricted Limits Certificate of Competency (SRL) in 2014 and 2015. The SRL is a sea-going licence, the privilege of which enables a person to be in command of a vessel of up to 24 metres in length carrying passengers, cargo, engaged in fishing operations or operating in other inshore vessel industries. Such vessel may operate up to 12 nautical miles off the coast of New Zealand, subject to their survey limitations and designated operating area.

EnterpriseMIT offered the Certificate in Inshore Vessel Operations qualification. This qualification (now expired) consists of a set of unit standards (develop by the ITO) which were aligned to the MNZ Competency tables for the sea-going licence.

The learning activities and tasks required in the EMIT online distance learning material and in the Task book, have been analysed, and it is considered that, an average learner with no prior knowledge of navigation, engineering, safety systems, legal compliance and management of a vessel, would be likely to require at least the following hours to complete the New Zealand Commercial Inshore Vessel Operations set of unit standards, as offered by EnterpriseMIT.

Learning Approach	Approximate hours to complete learning tasks	Comments
MNZ/MTI Task book (Directed Learning)	600 hours - To complete at least 695 tasks	See detailed comments in table below.
MTI online activities and learning resources (Directed Learning)	255 hours - Navigation module 82 hours - Vessel operations module – 110 hours - Engineering module – 47 hours - Radio module – 16 hours	
MTI 4-5 week block course (Directed Learning)	224 hours - 140 hours full time face-to-face - 84 hours self-directed learning	Additional hours may be required at the block course to assist students in any tasks they may not have been able to complete due vessel limitations. E.g. Radar not on-board.

Task Book – Required Time

THE MNZ Task book contains 6 sections and 16 Appendices, in which the total number of tasks is about 695.

Some of these tasks are simple tasks such as "locate X" (a few minutes). Others are more complex and time consuming such as "Undertake lookout duties on 10 separate occasions" or "describe the specific loading requirements the vessel has in order to maintain stability over the time of your voyage" – these more complex tasks require prior reading/knowledge to be prepared and able to assist in preparing the student for this task.

Overall, there are a significant number of tasks which will take several hours to complete.

MNZ TASK BOOK	Number of tasks	Estimated time to complete if tasks averaged 30 minutes
Section 1 tasks	110	55.0 hours
Section 2 tasks	38	19.0 hours
Section 3 tasks	27	13.5 hours
Section 4 tasks	5	2.5 hours
Section 5 tasks	64	32.0 hours
Section 6 tasks	21	10.5 hours
	265 tasks	**132.5 hours**
Appendices		
Appendix 1	33	16.5 hours
Appendix 2	145	72.5 hours
Appendix 3	15	7.5 hours
Appendix 4	13	6.5 hours
Appendix 5	36	18.0 hours
Appendix 6	19	9.5 hours
Appendix 7	13	6.5 hours
Appendix 8	18	9.0 hours
Appendix 9	9	4.5 hours
Appendix 10	17	8.5 hours
Appendix 11	36	18.0 hours
Appendix 12	20	10 hours
Appendix 13	17	8.5 hours
Appendix 14	20	10.0 hours
Appendix 15	6	3.0 hours
Appendix 16	13	6.5 hours
APPENDICES	**430 tasks**	**215 hours**
	695 TASKS	**347.50 hours completing tasks from the Record Book.** **This is the minimum. See Notes below** **Plus 200 hours Sea time**

Notes:

MNZ only require a seafarer to have completed a minimum of 200 hours sea-time before they can apply for their MNZ Skipper Restricted Limits licence.
However it is my view, that the sheer volume of tasks, and the complexity of some of them, that are required to be completed, means that it could take a new industry entrant, around close to 600 hours of sea-time to genuinely complete all tasks. Part of their normal working day would cover off some of the tasks, but the majority of the tasks require the student to actively pursue the learning in addition to his/her normal duties on board the vessel. Even 600 hours is a relatively short time in which to cover off all the learning activities that would prepare the student to take full command and safely operate a sea-going vessel, with up to 12 passengers.

This is due to a variety of factors including:

- the number and complexity of the tasks
- the seafarers are normally working to rigorous timetables whilst at sea, and there is not always opportunity, energy or appropriate weather to stop working and start the learning activities.
- Some Skippers are not as supportive and/or are not able to assist their trainees to progress in their careers due workload/rosters etc.
- Some of the tasks require the student to complete the online activities concurrently with the task book activities in order to have any idea what the terminology means within the task book, and what the task is actually requiring them to do.
- The privilege and responsibilities of the MNZ Skipper Restricted Limits licence is significant, and Skippers need to be fully competent in order to safely operate and manage such a vessel. They may be one of only 2-3 crew on board a vessel, and passengers/customers/fishing vessel operations will be the priority most of the time.

MTI Online Learning Modules – Analysis

NAVIGATION MODULE – 27 parts to complete	Activities	Approximate time required on directed learning activities (82 hours online)	Comments
Intro to Charts 3 elements	Readings, video, researching external links, video tutorial, assessment	10 hours	Complex navigational concepts to absorb, would need to review material several times.
Aids to Navigation 4 elements	Readings, 10 videos, researching external links, video tutorial, formative and summative assessment 4 additional resources	6 hours	
Magnetic Compass 4 elements	Readings, 9 videos, researching external links, video tutorial, formative and summative assessment 3 additional resources	10 hours	Complex concepts of magnetism included. would need to review several times to understand and practice.
Chart Plotting 5 elements	Readings, 3 videos, researching external links, video tutorial, formative and summative assessment.4 additional resources and 2 additional practice tests	20 hours	Significant practice required to gain competence and pass assessments.
Electronic Navigation 3 elements	Readings, 3 videos, researching external links, video tutorial, formative and summative assessment 2 additional resources	6 hours	
Passage Planning 4 elements	Readings, 3 videos, researching external links, video tutorial, formative and summative assessment 4 additional resources	20 hours	Significant planning and preparation required.
Radar 3 elements	Reading with introductory voice overs, over 10 videos, researching external links, video tutorials, assessment Also additional resources to review - 4	10 hours	I would expect that the student would have to watch the videos and re-read the material several times before fully understanding everything. They are likely to also have to refer back to the online resources in order to successfully complete the Radar assessment.

VESSEL OPERATIONS MODULE – 37 parts to complete	Activities	Approximate time required on activities TOTAL 110 hours online	Comments
Legal Requirements 9 elements	Reading, researching Maritime Rules on the maritimenz.govt.nz website, other external links, assessment 7 Extra resources to read through and research	30 hours	Requires substantial research of four of the Maritime Rules including Part 31. This would take a significant amount of time to navigate through in order to be able to answer the assessment correctly, and fully understand the Rules and their purpose.
Weather 4 elements	Reading, Met Office video, Earth Science video – fronts, animations of fronts, audio overviews of visuals, formative assessments, assessment	10 hours	Would need to be re-read at least twice, if not more to fully absorb learning. Assessments would require revision.
Manoeuvring 7 elements	Lesson 1 - at least 10 Videos, MNZ tide videos, formative assessment using video and analysis, assessment Lesson 2 – readings, MNZ Rules, MNZ Video, 11 other videos, assessment Lesson 3 – Lights Shapes and Sounds - readings, MNZ Rules, MNZ Video, 7 other videos, assessment	5 hours 10 hours 10 hours	Requires substantial research of Maritime Rule Part 22. This would take a significant amount of time and revision in order to be able to answer the assessment correctly, and fully understand the Rules and their purpose.
Stability 2 elements	Readings, video and audio animations, formative videos, assessment	10 hours	This can be a difficult subject to introduce at this level – would be re-visited and re-enforced during the block course.
Emergencies 3 elements	9 videos, readings, audio, assessment 2 Extra resources to read through and research	10 hours	
International Code of Signals 4 elements	2 videos, readings, specific flags to learn, assessment	5 hours	
Ropework 8 elements	Readings, animations, video of rope-work and knot tying, assessment 7 Extra resources to read through and research	20 hours	The resources provide important safety information and need to all be read, reviewed, and understood. Would have to review several times. Knows and splices need to be practiced until competent.

MARINE ENGINEERING MODULE – 17 parts to complete	Activities	Approximate time required on activities TOTAL 47 hours online	Comments
Introduction 2 elements	5 videos, reading, summative assessment 2 additional resources	2 hours	
Lubrication Systems 2 elements	2 videos, reading, animations, formative assessment, summative assessment 3 additional resources - reading	5 hours	
Cooling Systems 2 elements	2 videos, reading, formative assessment, summative assessment 4 additional resources – reading and video	5 hours	Detailed additional resources to read – would take several hours to absorb and relate to the vessel
Fuel Systems 2 elements	Videos, reading, formative assessment, summative assessment 4 additional resources – reading and video	5 hours	Detailed additional resources to read – would take several hours to absorb and relate to the vessel
Gearbox and Drivetrain 2 elements	Videos, reading, animations, formative assessment, summative assessment 2 additional resources – reading and video	5 hours	Animations would be reviewed several times.
Steering Systems 2 elements	Videos, reading, animations, formative assessment, summative assessment 5 additional resources – reading and video	5 hours	Detailed additional resources to read – would take several hours to absorb and relate to the vessel
Electrical Systems and Deck Systems 2 elements	Videos, reading, animations, formative assessment, summative assessment 4 additional resources – reading and video	5 hours	Significant safety information, will need to be reviewed several times.
Engine Operation 2 elements	Videos, animations, formative assessment, and assessment Additional assessment within the lesson.	15 hours	Significant amount of learning in this section. will need to be reviewed several times. Has more assessment that the other parts, will need revision to complete.

MROC MODULE – 14 parts to complete	Activities	Approximate time required on activities TOTAL 16 hours online	Comments
Introduction	2 videos, audio voice over readings, assessment	1 hour	
Radio Theory	6 videos, audio voice over readings, formative assessments, assessment	4 hours	Significant theory to cover.
Phonetics	2 videos, audio voice over readings, formative assessments, assessment	2 hours	
VHF SSB operation	2 videos, audio voice over readings, formative assessments, external links to resources, assessment	2 hours	
Standard Voice procedures	audio voice over readings, formative assessments, external links to resources, assessment	1 hour	Repeat practice assessments within this lesson
Special Transmissions	5 videos, audio voice over readings, formative assessments, , assessment	4 hours	Repeat practice assessments within this lesson
Communication systems	5 videos, readings, audio voice over readings, formative assessments, external links to resources, assessment	2 hours	

Unit Standard Based analysis

We have included an assessment of the requirements needed to adequately complete the unit standards in the integrated package of learning.

Unit Standard Outcomes

The programme is a unit standard based integrated package of

1) Practical observations (task book)

2) On-line learning with written assessments

3) Tutorial attendance.

The completion of the tasks would be assessed in an integrated sense and the total learning would be reflected in the table below.

Table of Unit Standards

The table below gives a suggested breakdown of teaching hours v self-directed learning hours that I would consider appropriate for this set of Unit standards.

Course	NZQF Unit Standard	NZQF Unit Standard Credits	Total teaching Hours	Total self-directed learning	Total Learning Hours	Course Delivery Mode	MNZ Function (from SRL Competency table)
Engineering for Inshore vessels	4103	9	40	50	90	Blended	Manage Operation of Vessel Machinery and Systems
	19493	10	45	55	100	Blended	Manage Maintenance of Vessel Machinery and Systems
Sea Survival for Inshore Vessels	4139	2	10	10	20	Blended	Manage Vessel Safety and Compliance
Fire Extinguisher Training	4144	4	10	30	40	Blended	Manage Vessel Safety and Compliance
Maritime Restricted Operators Certificate	19491	5	16	36	50	Blended	Electronic Navigation Systems
Navigation – Inshore vessels including	4117	20	125	75	200	Blended	Navigate the vessel at the Management Level
Electronic Aids & Navigation Systems	19490	10	60	40	100	Blended	Electronic Navigation Systems
Restricted Vessel Operations	8126	23	130	100	230	Blended	Manage Vessel Operations
	19628	4	20	20	40	Blended	Manage Legal Compliance on a Restricted Limits Vessel
First Aid	6400	2	10	10	20	Face-to-face	Manage Vessel Safety and Compliance
	6401	1	5	5	10	Face-to-face	Manage Vessel Safety and Compliance
	6402	1	5	5	10	Face-to-face	Manage Vessel Safety and Compliance
INDICTATIVE TOTALS		91	476	434	910		

Response to Enrolment Date query

Query

SDR reporting vs. enrolment form signature date: I sent through the spreadsheet yesterday which set out 19 NSNs that were randomly selected as part of our enrolment review. The analysis was draft, however, it recorded that these students had an SDR course start date that preceded the date the enrolment form was signed by over a month. Could you please review the document I attached to my email yesterday and let us know whether there's an explanation for those variances?

Response

Learners are generally only enrolled after they have been engaged in learning for some. This is due to the fact that a fair proportion of learners do not complete the initial task book phase of the learning. EnterpriseMIT claim no funding for these learners and only claim funding for learners that have a more than reasonable chance of completing the programme of study. Learners have historically been enrolled on the cohort that is current rather than creating a separate occurrence for each individual student based on the date of the enrolment form.

22 July 2016

Graeme Cahalane
Manager, Monitoring and Crown Ownership
Tertiary Education Commission
P O Box 27048
Wellington 6141

By email: Graeme.Cahalane@tec.govt.nz

Dear Graeme

Your File Ref: A 1013471 Elevation of Deloitte Review to an Investigation

Thank you for your letter of 19 July 2016.

We note your decision to elevate the current Review to an Investigation and to extend the scope to include the 2012 and 2013 years. As you know, we consider there has been no wrongdoing by MIT and this response should not be taken as an acceptance that there is any need for further investigation.

We do not believe that EnterpriseMIT Ltd (initially registered as Mahurangi Technical Institute (2012) Ltd) received any funding through the Tertiary Education Commission in 2012. Mahurangi Technical Institute (2012) Ltd purchased the assets of Mahurangi Technical Institute (2005) Ltd from the former shareholders on 24 September 2012 but did not purchase the previous company as a going concern. TEC did not assign any of the funding agreements that were in place with the previous company during 2012 and continued to make payment to that company for the balance of 2012. We therefore believe that any investigation covering 2012 activity needs to be raised directly with Mahurangi Technical Institute (2005) Ltd and not us.

We note that a draft Deloitte report will be provided to us and that we will have an opportunity to provide feedback on this report before finalisation and publishing of this report. We welcome this opportunity and look forward to this draft report containing sufficient specific detail of any concerns identified to enable us to prepare a comprehensive response.

We note the power to redact portions of any report under the Official Information Act. In that regard, we record that the information supplied to date is highly confidential and its release would severally prejudice our commercial position.

Yours sincerely

Peter Quigg
Acting Chief Executive

cc: Deirdre Marshall, Chief Operating Officer, TEC
      Peter Winder, Chair, MIT
      Tim Wilson, Chief Executive, EMIT
      9(2)(a)   , MIT

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MANUKAU INSTITUTE OF TECHNOLOGY
Te Whare Takiura o Manukau

29 August 2016

Tim Fowler
Chief Executive
Tertiary Education Commission

Dear Tim,

Review and Investigation into EnterpriseMIT- CONFIDENTIAL

I am writing to request a meeting regarding the review and subsequent escalation to an investigation of EnterpriseMIT.

At the outset I need to make it clear that we fully understand the fundamental importance of our moral and legal obligations to TEC, to our students and to the taxpayers that fund the delivery of our programmes. It is essential that public bodies act with integrity and that public money is used for the purpose for which it is intended. As the funder of tertiary education, TEC needs to have confidence in those that provide services.

Through the initial review of EnterpriseMIT Deloitte has raised a number of issues with respect to the historic performance of the organisation. The issues they have raised are concerning. We accept that there have been some practices at EnterpriseMIT that are unacceptable, and that errors have been made.

Since I was first briefed on Deloitte's initial findings, the Council of MIT has taken a number of actions to understand the issues, to ensure that the causes are identified and that appropriate action is taken to ensure that they are corrected and cannot happen in the future.

However, we also have concerns over some aspects of the approach, methodology, materiality, and consequential impact of Deloitte's work particularly as these would appear to have significant implications for the wider tertiary education system including university provision.

The rest of this letter addresses the issues that Deloitte has raised. It provides explanation and analysis based on our own internal audit work and the actions that have been taken to address the issues. It also sets out our concerns over some aspects of Deloitte's work.

Given the significance of the issues I request an urgent meeting with you to discuss them, and how we can progress the resolution of them.

Initial Reaction

Since I was briefed on the concerns that Deloitte first raised we have taken a number of actions. We have changed the Board of EnterpriseMIT. The Board of EnterpriseMIT is now the same as the Council of MIT and I am now the chair of that Board. We undertook this measure to ensure that we have complete transparency of the business and have the scope to implement without delay any action that may be necessary to address issues within the company.

The second action that we have taken is to use the MIT internal auditor to take responsibility for all internal investigations and all liaison with your staff. This ensures that all of our internal review work is independent from the staff at EnterpriseMIT.

Thirdly, we used PWC to undertake a range of work to explore the issues that have been raised by Deloitte. We have taken the concerns very seriously. We have acted to deal with whatever issues have or may be found.

Fourthly, we have sought a range of assurances over:

- The processes that are now used to enrol students at EnterpriseMIT programmes;

- Whether any of the EnterpriseMIT staff that were directly involved are still employed by the company;

- Whether it was possible that any of the staff have benefitted personally from the enrolment issues and practices that Deloitte identified; and

- Whether the company could have benefitted from the enrolment issues and practices that Deloitte identified.

At this point we are assured that:

- Enrolments processes for all EnterpriseMIT programmes have been centralised at the Otara campus and now use the same systems and processes as the rest of MIT;

- None of the EnterpriseMIT staff that were directly involved in the enrolment issues and practices that Deloitte identified are still employed by the company or by MIT;

- There was no opportunity for the staff that were involved to receive any direct or indirect personal benefit from the enrolment issues and practices that Deloitte identified; and

- The company may have benefitted from the enrolment issues and practices that Deloitte identified but any benefit would be immaterial given the over-delivery that occurred.

Background

Before I explore what we have found from our investigations, it is important that we put EnterpriseMIT in context. MIT purchased the assets of Mahurangi Technical Institute (2005) Limited from its owners on 24 September 2012. We did not purchase a going concern. The new company, Mahurangi Technical Institute (2012) Limited, was established for the purposes of enacting the purchase. The company name Mahurangi Technical Institute (2012) Limited was subsequently changed to EnterpriseMIT Limited. Mahurangi Technical Institute (2012) Limited did not receive any funding from TEC directly until 2013. Arguably, the delivery of courses in 2012 is the responsibility of the previous owners.

EnterpriseMIT is a small training provider. Primarily it receives TEC funding for three programmes:

- **Maritime CIVO:** the National Certificate in Maritime (Certificate Inshore Vessel Operations) is a level 3 qualification that recognises that the holder has the marine engineering, seamanship and navigation skills necessary to take charge of a vessel, operate its radar and radio, and to maintain the sea safety of the vessel and its personnel including the sea survival functions of distress response and first aid.

- **Finfish Culture:** the Certificate in Finfish Culture is a level 3 distance learning qualification aimed at people working or wanting to work with ornamental and farmed fish.

- **Employment Skills:** a National Certificate in Employment Skills (Level 1), with core subjects such as communication and problem-solving, technology and career skills. This programme is completely orientated toward meeting the needs of the most disengaged of NEETS i.e. corrections, justice and welfare systems.

The following tables set out the level of funding received from TEC for these programmes by type of funding. As you will see from the table EnterpriseMIT over-delivered in 2014 and 2015.

Funding				
	2013	**2014**	**2015**	**Total**
SAC (CIVO and Finfish)	$614,726 *(61.86 EFTS)*	$645,377 (64.94 EFTS)	$645,377 *(64.94 EFTS)*	$1,905,480 *(191.74 EFTS)*
YG (Employment Skills)	$87,195 *(8.07 EFTS)*	$462,236 (42.8 EFTS)	$560,859 *(51.93 EFTS)*	$1,110,290 *(102.8 EFTS)*
Total	$701,921	$1,107,613	$1,206,236	$3,015,770
SAC Eligible Unfunded Delivery	-	$59,950 *(6.03 EFTS)*	$130,590 *(13.14 EFTS)*	$190,540 *(19.17 EFTS)*

As you can see the total cost to TEC of these programmes over 3 years is $3,015,770.

Concerns Raised by Deloitte

It is our understanding that Deloitte have raised concerns relating to:

1. The authenticity of the student enrolment and assessment records
2. The accuracy of data entered into EnterpriseMIT's Single Data Return
3. Under delivery of programmes
4. Unknown other matters

I will address the first 3 of these concerns in turn. We are not able to respond to the fourth because we have no knowledge of what these other matters are.

1. **Authenticity of Enrolment and Assessment Records**

Of the enrolment and assessment records of the 105 randomly selected students Deloitte found:

- inconsistent handwriting and signatures on 15 enrolment forms or assessment records across all three programmes
- use of correction fluid to change dates and other details
- dates that students were marked present on attendance registers that were not consistent with the estimated duration of the programmes that students provided at interview.

We believe that the concern relating to dates, attendance and student recollection reflects a broader methodological issue with the work that Deloitte has done. This is addressed below in relation to the delivery of programmes.

Since Deloitte raised concerns over the authenticity of enrolment and assessment records our internal auditor and/or PWC have reviewed the enrolment records for every student at Enterprise MIT over 2013, 2014 and 2015. That work confirmed the same issues that Deloitte have raised.

Specifically we have identified for each of the three programmes the following observations as shown in the following table.

Column A.   Instances where student signatures varied across the student file

Column B.   Files where student signatures in column A had a second valid enrolment form on file

Column C.   Files where there are variations in signatures but no second valid enrolment form on file

Column D.   Files where correction fluid has been used on a student signature

Column E.   Files where correction fluid has been used on a student signature and there is more than one valid enrolment form on file

Column F.   Files where correction fluid has been used on Miscellaneous items on enrolment form (e.g. qualification detailed name, phone number, work address etc.)

Column G.   Files where correction fluid has been used to alter Start/End dates of Programme

	Total enrolments	A Signature varies	B Signature varies & second valid form on file	C Only one form yet signature variations	D Correction fluid on signature	E Correction fluid on signature and second valid form on file	F Misc.	G Start/End dates of Programme
2013								
Finfish	42	3	0	0	1	0	6	12
CIVO	48	0	0	0	0	0	1	0
Emp. Skills	15	5	5	0	0	0	4	0
2014								
Finfish	82	14	12	2	2	2	11	22
CIVO	47	0	0	0	0	0	10	0
Emp. Skills	79	13	12	1	0	0	12	0
2015								
Finfish	48	5	2	3	0	0	6	3
CIVO	67	5	3	1	0	0	13	0
Emp. Skills	192	3	0	3	0	0	6	1
Totals	572	48	34	10	3	2	69	38

During this period:

i) Separate enrolment forms were being utilised for SAC and YG funding and that it was not uncommon for students to have completed the wrong form, and

ii) Mahurangi Technical Institute ran out of pre-printed enrolment forms and students had been asked to complete an MIT enrolment form with the provider details manually changed to Mahurangi Technical Institute. It was then subsequently realised that the policy and withdrawal requirements were different between the entities and students were later requested to complete a replacement Mahurangi Technical Institute form when these became available.

It appears that in the cases with duplicate enrolment forms in the files returned by Deloitte, the Finfish Administrator may have completed the replacement form personally rather than obtain a replacement form for the student (as appears to have happened correctly with other programmes where replacement forms were obtained).

In terms of the variations in signature identified in Employment Skills programmes in Column C, it should be noted that these are very young NEET students who often do not have an established signature at enrolment. In fact, the development of such a signature is an element of the programme and the variations observed may simply represent the evolution of a signature at different stages of development.

Clearly the administration practice that Deloitte found at EnterpriseMIT is unacceptable. We have now identified the full extent of this problem. The staff who were involved in this practice no longer work for EnterpriseMIT and do not work for MIT. There was no potential personal, or institutional benefit from the practice – other than to correct the inappropriate use of MIT enrolment forms, which had different terms and regulations. As far as we can tell all of the enrolments relate to legitimate students.

Since 2016 all EnterpriseMIT enrolments have been managed at the MIT Otara Campus within the same system as is used by MIT. We are confident that no such issues are possible within the core MIT student management system.

In terms of materiality, it is important to note that for 34 of the 48 instances where there are variations in signatures across enrolment forms there is a second valid enrolment form on the student's file. Of the other 14 instances of irregularities in student signatures a number may be explained by the factors noted above. The most critical issues appear to relate to the 3 enrolments where correction fluid was used on the student's signature. For two of these enrolments there is an accompanying MIT enrolment form on the student file.

Without defending the practice, I note that even if TEC were to come to the view that some or all of the instances of signature irregularities were **not** legitimate enrolments and that they should not have been funded, Enterprise MIT would still be able to claim funding of up to $190,540 for the legitimately enrolled students that it delivered over and above the funding that TEC provided.

In terms of methodology and approach, it is not obvious to us why Deloitte chose to characterise this issue in the way that they have. In the student files that Deloitte was working from there were instances of a second signed enrolment form in the file. This should surely have prompted a question of why that form was there. We suggest that rather than implying fraud at the outset, a better approach would have been to understand the root cause of signatures that appeared questionable. This could have prompted a different line of questioning and investigation seeking to understand why that was the case. Such an approach may well have led both Deloitte and TEC to different conclusions with respect to the nature of what took place. Instead we appear to have had a presumption of significant fraud for either personal or institutional gain.

I am anxious to discuss this with you to explore what we can to do resolve this issue.

2. Accuracy of the Single Data Return

The noted differences between enrolment form and course start dates in EnterpriseMIT arises from two causes:

a) **Students who commence studying but have delayed enrolment completion**

This is most prevalent in the Employment Skills programme where a large number of students need to apply for an ID document before they can enrol, however, this does also occur in a few cases in other programmes where students may initially fail to provide a fully completed form. In such cases, there should be attendance or engagement records that confirm that the student was undertaking study prior to enrolment completion. As specific issues have not been identified to EnterpriseMIT, it is not possible to identify the extent to which this cause may underpin any of the discrepancies identified by Deloitte.

b) **Cohort Management**

The 3 programmes reviewed by Deloitte/TEC each have very flexible delivery permitting students to start their study on any date rather than fit into on a specific course start date. It is not administratively feasible to establish a specific separate course occurrence in the student management system for each individual student. Even if it was possible, such an approach would create difficulties in monitoring educational performance that would compromise the evaluative approach to identifying and addressing student achievement issues that is used in EnterpriseMIT. For these reasons it was EnterpriseMIT practice during 2013-2015 to establish and enrol students in cohorts, normally at 2 month intervals. We would therefore anticipate that around half of enrolment forms would be dated up to 2 months after the nominal start date of the course into which the student was enrolled.

The practices that EnterpriseMIT adopted with respect to recording students in the SDR and completing its formal enrolment processes reflect the advice provided by the TEC at SDR roadshows and appear consistent with the SDR guidelines. There are some very real practical issues with completing the enrolment process for students who do not possess or have access to identity documentation and also where there are rolling cohorts that enable a learner to commence a course on any day.

Analysis of all enrolments other than those in the Deloitte samples has been completed to determine the potential funding impact arising from these causes and this was pro-rated to cover the files held by Deloitte. This analysis has adopted a worst case scenario in which the full approved programme length is considered to run from the date of the enrolment form. The maximum possible impact on the funding claimed in the 2013-2015 period has been determined as follows:

Maximum funding received that may have been more correctly claimed in the following year	2013	2014	2015
Finfish	$2,468	$15,299	$4,617
CIVO		$4,106	$29,302
Employment Skills		$9,659	$18,647
Total	**$2,468**	**$29,064**	**$52,566**

With the exception of the previously noted anomalies, the pattern and average difference between course start dates and enrolment form dates is similar in all years. The apparently deteriorating trend arises from overall enrolment growth and a larger proportion of enrolments into course dates that extend into the subsequent year over the 3 years.

When we apply a materiality test we conclude that:

- There was a genuine relationship with each student that was included in the SDR

- Each student that was included in the SDR was engaged in study and did enrol

- The most significant impact on TEC of the errors would be that funding was claimed and received in one financial year that should have been paid in the next

- With the exception of 2013, the maximum possible value of the funding that could have been received early is less than the value of the over-delivery of training in the year in question.

We have concluded that TEC has suffered no real loss. We are anxious to discuss with TEC what can be done to resolve the concerns that Deloitte has raised. We would be very happy to work through a funding reconciliation to set this matter straight.

3. Under delivery of programmes

Table 1 of the draft executive summary of the Deloitte Review explores what they term actual delivery of learning hours. We have now had the opportunity to discuss with Deloitte the methodology that they have used to reach their conclusions. We have a number of concerns with respect to methodology and to the way in which what they have done is presented and may be used by TEC.

Deloitte have quite properly used the STEO for each programme as the basis of the funding relationship between TEC and EnterpriseMIT. For each programme the STEO framework provides for notional learning hours made up of three key elements: teaching hours, self-directed learning and work experience. However, where NZQA approves several options in the delivery of teaching hours, self-directed learning and work experience, STEO only allows one set of data to be entered in terms of student learning for each of the face to face, blended or distance delivery components. The system does **not** allow for two variants of face to face delivery to be entered – as is the case for the Employment Skills course. Neither does it provide for part-time learners to undertake a more intensive study programme – as is the case with many Finfish students.

Teaching delivery is relatively easy to assess where programme content is delivered face to face. It is more difficult to assess for distance learning programmes where the assessment of learning delivery includes:

- the time that it takes to work through workbooks and on-line material developed and structured by the provider, **and**

- the self-directed learning necessary for the student to master the programme content, and complete the necessary assignments, learning tasks and assessments.

The NZQA approach and the customary practice adopted by providers, has been to define the 'directed' component (set, structured and monitored by a provider, e.g., completion of learning activities, assessments and practical tasks) separately from the 'self-directed' activity (where the student is deciding on the learning activities they engage in and completing the supporting learning necessary to undertake and complete the activities structured by the provider). The analysis below is also based on the generally accepted learning

principle that directed learning can take place both where directions are provided in a face-to-face environment and/or where directions are embedded in the learning resources.

Following a meeting with Deloitte to ensure that we understood their methodology we have now completed a reconciliation of their 'assessed delivery' with what we consider was actually delivered. The following table presents the assessment of learning hours from STEO, Deloitte and ourselves.

CIVO	STEO	Deloitte	EnterpriseMIT
Teaching:			
Face-to-face	360	143	143
Other Directed Activity			260
Total teaching	**360**	**143**	**403**
Self-directed learning	240	114	85
Work-experience	360	360	600
Total	**960**	**617**	**1088**

Finfish	STEO	Deloitte	EnterpriseMIT
Teaching:			
Face-to-face	40	40	min 20, max 50
Other Directed Activity			661
Total teaching	**40**	**40**	**681-711**
Self-directed learning	640	497	50
Work-experience	-	-	-
Total	**680**	**537**	**731-761**

Employment Skills	STEO	Deloitte	EnterpriseMIT
Teaching:			
Face-to-face	532	405	570
Other Directed Activity	na	na	na
Total teaching	**532**	**405**	**570**
Self-directed learning	76	34	76
Work-experience	-	-	-
Total	**608**	**439**	**646**

Comparison of Assessed of Face to Face Teaching Hours

The Deloitte assessment of teaching hours for CIVO is the same as our own assessment of face to face teaching. The difference between our assessment of face to face teaching hours for Finfish and the Deloitte assessment is that we have noted that the number of contact hours that a student receives does vary because they are delivered on site by a mobile tutor.

There is a significant difference between the assessed face to face teaching hours that Deloitte have calculated for the Employment Skills course and our assessment. The Employment Skills programme is a 19 week programme delivered primarily as a face to face experience across seven sites. Most students are transported to and from their course by EnterpriseMIT. This travel time includes an element of pastoral care support by staff. There is some minor variation in delivery hours across the seven sites and from cohort to cohort reflecting the transport logistics of each group of students.

The Deloitte assessment of teaching hours for Employment Skills is based on the judgement that the programme ends at lunchtime of Fridays and only lasts 14 weeks. However, where structured classes do end at lunchtime on Fridays the practice is for the students and staff to then participate in a shared lunch during which learning reflection and goal setting for the following week occurs. This is followed by catch up assessment for individuals during the afternoon. We believe that this component is valuable learning.

The NZQA programme approval for Employment Skills provides that up to 40% of the programme delivery can be done through work experience. Our records show that students who have made excellent progress in completing unit standard assessments and the development of work skills can be placed into work experience from week 14. Indeed, around 65% of students on the Employment Skills programme complete 14 weeks of face to face learning and then commence work experience. During work experience the work co-ordinator oversees the placement and completes supervision, pastoral care and any outstanding assessment necessary to complete the programme through visits and contact with the employer/student. The work experience element of this programme cannot be set up on STEO as a mandatory requirement because STEO only allows one set of data to be entered in terms of student learning for each of the face to face, blended or distance delivery components. We do not believe that this has been recognised by Deloitte in their assessment of delivery.

Including the group reflection and consolidation time that takes place on Friday afternoons, and the workplace delivery component of the Employment Skills programme in the assessment of teaching hours leads us to conclude that EnterpriseMIT has in fact over delivered.

Comparison of Assessed of Self-Directed and Other Directed Learning

There are considerable differences between what Deloitte has assessed as self-directed learning associated with each course and our view. Our view is supported by the initial approval by NZQA for each course and the independent assessment of recognised experts. We believe that the differences arise because Deloitte has adopted an approach to both what constitutes these aspects of learning and how to measure them that is significantly different from that used by NZQA and the sector. Accordingly, we believe that there are issues of interpretation that require urgent discussion with TEC.

To reach their estimate of the delivery of self directed learning Deloitte used semi-structured interviews with a very small number of students in each programme. The semi-structured interviews try to understand the nature and number of hours that students were involved in both face to face and self-directed learning. Whilst Deloitte has used the highest responses from students to estimate the 'maximum' amount of time spent in

study, their approach relies on the memory of students in relation to events that took place several years ago. We believe that this approach is methodologically fraught and unsound. Human memory is notoriously unreliable and the recall of events that happened some years ago will be even more unreliable. There are a number of areas of bias that will also result in students under estimating the time that they actually spent engaged in learning. It is therefore perhaps unsurprising that student recollection of attendance is at odds with what was recorded at the time.

Apart from the methodological issues associated with the use of interviews, we also consider that the Deloitte approach is at odds with existing formal processes for determining notional learning hours. NZQA has adopted the following approach:

> "All qualifications on the NZQF have a credit value. The credit value relates to the amount of learning in the qualification. In determining the amount of learning in a qualification, _**a qualification developer**_ _**estimates how long it would typically take a person to achieve the stated outcomes in the context**_ _**specified and to demonstrate that achievement through assessment**_ [emphasis added]. This determines the credit value for a qualification. One credit is equivalent to ten notional learning hours._
>
> _Notional learning hours include:_
>
> - _direct contact time with teachers and trainers ('directed learning')_
>
> - _time spent in studying, doing assignments, and undertaking practical tasks ('self-directed')_
>
> - _time spent in assessment."_ [1]

The formal NZQA process for determining the credit value of a course and all subsequent funding decisions rely on an estimate from a qualification developer of how long it would typically take a person to achieve the stated outcomes and demonstrate achievement. The formal processes for approval and funding do not rely on asking a small number of graduates how much time they thought they invested in learning that may have taken place several years ago.

We are also concerned that the Deloitte approach asks a different question than the one that TEC is seeking to answer through any review / investigation. Deloitte's methodology seeks to identify the hours that students spent engaged with study materials in learning. TEC, and indeed Deloitte, then appear to then be applying that answer to judge whether or not EnterpriseMIT provided the programme that it undertook to provide and was paid for. This is clearly reflected in Deloitte's introduction to their Table, which refers to _"learning hours that have been **delivered to students"**_ [emphasis added].

The actual hours that a student spends in study, particularly self-directed study is not something that any provider can control. The speed with which they work, their diligence in reading material etc., will vary considerably. I would have thought that the reasonable test in this is whether, in the context of the credit value of the programme, the approval from NZQA, and the STEO, recognised experts in teaching and learning consider that the material and approach delivered meets the requirements of the programme as approved by NZQA and funded by TEC.

As part of an initial response to the matters raised by Deloitte, EnterpriseMIT asked 9(2)(a) to review the CIVO programme. 9(2)(a) is a particularly relevant reviewer because 9(2)(a) the working group that assisted in developing the Maritime New Zealand task book. 9(2)(a) produced a higher estimate of the learning time that would be required to complete the programme than EnterpriseMIT

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[1] Page 8,Section 3, Credit Value, Qualification design features, The New Zealand Qualification Framework, NZQA, May 2016

has. Her assessment was provided to Deloitte in May 2016 but has not received any comment and appears to have been ignored during the review process. A copy of this report is attached for your information.

We approached 9(2)(a) to undertake a review of the Finfish programme. 9(2)(a) is a recognised freshwater aquaculture scientist of note. His findings were also provided to Deloitte in May 2016 and besides acknowledging the receipt of the report we have had no feedback or comment from them. A copy of the 9(2)(a) report is attached. We subsequently contacted 9(2)(a), a very experienced Contract Evaluator for NZQA and Contract Programme Developer to undertake an independent review of learning delivery. A copy of that report is also attached.

All of these independent and well recognised professionals have reached very different conclusions than Deloitte about the learning delivery provided by EnterpriseMIT and of the learning that is required to complete the Finfish and CIVO programmes.

We want to ensure that the programmes that we provide are of the highest quality, meet all relevant academic, contractual and ethical standards, and deliver real value to our students. We will do whatever is needed to achieve that goal. However, before we go any further I think we need absolute clarity on how delivery will be assessed.

Elevation of the Review into an Investigation

In a letter to Peter Quigg, Acting Chief Executive of MIT dated 19 July Graeme Cahalane advised that the review of EnterpriseMIT had been escalated to an investigation. That letter also noted that the scope of the investigation would include the 2012 and 2013 years.

In a letter dated 22 July (attached) Mr Quigg set out to Mr Cahalane the basis on which MIT purchased the assets of the Mahurangi Technical Institute (2005) Ltd in 2012. That letter notes that no funding relationship existed between EnterpriseMIT (initially registered as Mahurangi Technical Institute (2012) Ltd) until the following year. Accordingly, we question the basis of an investigation into delivery related to 2012.

Conclusion

When as Chair of the Manukau Institute of Technology I was first briefed on concerns over EnterpriseMIT I specifically asked the Deloitte representative and the TEC staff that were present, two really important questions:

- Have you found any evidence that would suggest that EnterpriseMIT had claimed funding for students that did not exist, or where there was no genuine relationship with the student? and

- Have you found any evidence to suggest that students received qualifications for which they had not passed the relevant assessments?

The answer that I was given to both of these questions was **no**.

Deloitte have raised a number of very important issues.

We have accepted that EnterpriseMIT's performance on the first of the four issues raised was unacceptable and that errors were made. We have taken action to ensure that those practices no longer take place. Indeed the adoption of MIT's core enrolment processes ensures that they cannot take place.
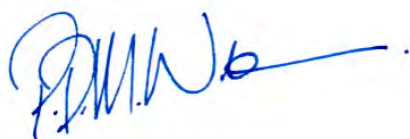
On the second issue of the accuracy of data entered into EnterpriseMIT's Single Data Return, the apparent discrepancy creates an issue of the timing of payments rather than the entitlement to payment. We have calculated the maximum possible impact of the discrepancy in terms of payments that were received in one year and arguably should have been paid in the following year. With the exception of 2013 (which is $2,468) the scale of this maximum possible miss timing of payments is significantly less than the level of unfunded over-delivery of eligible enrolments in each year. Further, we believe that there are underlying causes for much of the timing differences that require consideration.

On the third issue that Deloitte has raised with respect to programme delivery we have a different view of what was delivered and fundamental methodological concerns over the approach that Deloitte has adopted. We believe that adopting the Deloitte approach would have significant implications for the wider tertiary education system.

We have no knowledge of the fourth set of 'other issues' that Deloitte may have identified and are unable to address them at this time.

We are very concerned over the decision to escalate the review into an investigation, in particular into a year in which EnterpriseMIT had no funding relationship with TEC. Given the seriousness of the issues and our strong desire to resolve any and all issues as quickly as possible **we would like to meet you to discuss our concerns, how we may make progress and, ideally, de-escalate the investigation**.

Yours sincerely

Peter Winder
Chair
Manukau Institute of Technology

Attachments

Review of CIVO programme, 9(2)(a)

Review of the Finfish programme, 9(2)(a)

Review of the Finfish programme, 9(2)(a)

Letter 22 July 2016, Mr Quigg to Mr Cahalane

Appendix D: Letter – Oral Examination (Certificate in Finfish Culture)

15 July 2014

Hi

Just a quick note to welcome you to our course. Please find enclosed your course materials to start you off studying Certificate in Finfish Culture. The materials you have received are Course 1, and there are 2 more sets of course materials still to follow. Once we have received your assessments for marking, we will then send Course 2, and the same for Course 3.

If you feel that you are confident in your knowledge about the course, I would encourage you to apply for an Oral Examination. This would entail a tutor visiting and asking a series of questions relating to the course materials, and cut down your study time immensely. Please call to discuss this with us if you feel you would like to apply.

If you are having any problems or have any questions regarding your course, please don't hesitate to contact us on 0800 738 782 or via email at info@petquals.com.

Thank you for enrolling with us here at Mahurangi Technical Institute.

9(2)(a)
Head of Department
Distance Learning

Appendix E: List of FinFish students with potential truncated delivery

EMIT Data		TEC	Calculation
NSN	Enrolment form start date (2014/15 from EMIT, 2013 from DTT review)	SDR END DATE	Length (Months)
9(2)(a)	24/11/2015	12/12/2015	0.6
	12/11/2015	6/06/2016	6.8
	13/11/2015	6/06/2016	6.8
	16/11/2015	6/06/2016	6.7
	2/07/2014	19/12/2014	5.6
	6/08/2014	12/12/2014	4.2
	14/07/2014	31/12/2014	5.6
	11/11/2015	6/06/2016	6.8
	23/10/2015	6/06/2016	7.5
	11/11/2015	6/06/2016	6.8
	1/07/2014	19/12/2014	5.6
	5/11/2015	6/06/2016	7.0
	23/10/2015	6/06/2016	7.5
	30/06/2014	19/12/2014	5.7
	1/07/2014	19/12/2014	5.6
	1/07/2014	12/12/2014	5.4
	25/05/2014	19/12/2014	6.8
	7/07/2014	19/12/2014	5.4
	11/12/2014	19/12/2014	0.3
	13/06/2014	19/12/2014	6.2
	25/06/2014	19/12/2014	5.8
	24/06/2014	19/12/2014	5.9
	1/07/2014	12/12/2014	5.4
	30/06/2014	19/12/2014	5.7
	21/05/2014	19/12/2014	7.0
	28/10/2015	6/06/2016	7.3
	13/06/2014	19/12/2014	6.2
	1/07/2014	19/12/2014	5.6
	16/06/2014	19/12/2014	6.1
	30/06/2014	12/12/2014	5.4
	17/06/2014	12/12/2014	5.9
	13/11/2014	12/12/2014	1.0
	7/07/2014	19/12/2014	5.4
	8/08/2014	12/12/2014	4.1
	13/11/2015	6/06/2016	6.8
	21/05/2014	19/12/2014	7.0
	10/05/2013	13/12/2013	7.1

Appendix F: List of student NSNs with SDR course start date variance greater than 1 month earlier than enrolment form was signed

NSN	Programme Code	Programme	Year	SDR start date	Enrolment form signed date	Variance
		Appendix E: SDR course start date variance greater than 1 month earlier than enrolment form signed				
9(2)(a)	PC8322	Certificate in Finfish Culture	2014	1/02/2014	8/08/2014	**-188**
	NC5432	Employment Skills	2013	21/01/2013	26/06/2013	**-156**
	PC8322	Certificate in Finfish Culture	2014	1/02/2014	2/07/2014	**-151**
	PC8322	Certificate in Finfish Culture	2014	1/02/2014	13/06/2014	**-132**
	PC8322	Certificate in Finfish Culture	2014	1/02/2014	13/06/2014	**-132**
	NC1136	Maritime (Commercial Inshore Vessel Operations)	2014	23/07/2014	20/11/2014	**-120**
	PC8322	Certificate in Finfish Culture	2014	1/02/2014	21/05/2014	**-109**
	NC5432	Employment Skills	2014	3/06/2014	19/09/2014	**-108**
	NC1136	Maritime (Commercial Inshore Vessel Operations)	2014	23/07/2014	29/10/2014	**-98**
	PC8322	Certificate in Finfish Culture	2013	1/02/2013	10/05/2013	**-98**
	PC8322	Certificate in Finfish Culture	2014	13/01/2014	30/03/2014	**-76**
	PC8322	Certificate in Finfish Culture	2013	1/02/2013	12/04/2013	**-70**
	PC8322	Certificate in Finfish Culture	2015	7/09/2015	13/11/2015	**-67**
	PC8322	Certificate in Finfish Culture	2013	1/02/2013	9/04/2013	**-67**
	PC8322	Certificate in Finfish Culture	2015	7/09/2015	12/11/2015	**-66**
	NC5432	Employment Skills	2015	28/09/2015	1/12/2015	**-64**
	PC8322	Certificate in Finfish Culture	2013	1/02/2013	5/04/2013	**-63**
	NC1136	Maritime (Commercial Inshore Vessel Operations)	2014	23/07/2014	17/09/2014	**-56**
	NC5432	Employment Skills	2014	3/06/2014	28/07/2014	**-55**
	PC8322	Certificate in Finfish Culture	2013	1/02/2013	27/03/2013	**-54**
	PC8322	Certificate in Finfish Culture	2013	1/02/2013	26/03/2013	**-53**
	PC8322	Certificate in Finfish Culture	2013	1/02/2013	25/03/2013	**-52**
	PC8322	Certificate in Finfish Culture	2013	1/02/2013	25/03/2013	**-52**
	NC5432	Employment Skills	2014	4/08/2014	23/09/2014	**-50**
	NC5432	Employment Skills	2014	3/06/2014	22/07/2014	**-49**
	PC8322	Certificate in Finfish Culture	2013	1/02/2013	22/03/2013	**-49**
	NC5432	Employment Skills	2014	3/06/2014	21/07/2014	**-48**
	PC8322	Certificate in Finfish Culture	2013	1/02/2013	21/03/2013	**-48**
	PC8322	Certificate in Finfish Culture	2013	1/02/2013	21/03/2013	**-48**
	PC8322	Certificate in Finfish Culture	2015	2/02/2015	20/03/2015	**-46**
	PC8322	Certificate in Finfish Culture	2015	2/02/2015	20/03/2015	**-46**
	PC8322	Certificate in Finfish Culture	2013	1/02/2013	19/03/2013	**-46**
	PC8322	Certificate in Finfish Culture	2013	1/02/2013	19/03/2013	**-46**
	NC1136	Maritime (Commercial Inshore Vessel Operations)	2014	23/07/2014	5/09/2014	**-44**
	PC8322	Certificate in Finfish Culture	2015	18/05/2015	1/07/2015	**-44**
	PC8322	Certificate in Finfish Culture	2015	7/09/2015	20/10/2015	**-43**
	NC5432	Employment Skills	2014	4/08/2014	15/09/2014	**-42**
	PC8322	Certificate in Finfish Culture	2013	1/02/2013	14/03/2013	**-41**
	PC8322	Certificate in Finfish Culture	2013	1/02/2013	13/03/2013	**-40**
	PC8322	Certificate in Finfish Culture	2015	18/05/2015	26/06/2015	**-39**
	NC5432	Employment Skills	2015	6/07/2015	13/08/2015	**-38**
	NC5432	Employment Skills	2015	6/07/2015	10/08/2015	**-35**
	PC8322	Certificate in Finfish Culture	2013	1/02/2013	8/03/2013	**-35**
	NC1136	Maritime (Commercial Inshore Vessel Operations)	2015	6/07/2015	8/08/2015	**-33**
	PC8322	Certificate in Finfish Culture	2014	1/02/2014	5/03/2014	**-32**
	PC8322	Certificate in Finfish Culture	2013	1/02/2013	5/03/2013	**-32**
	NC5432	Employment Skills	2014	3/06/2014	4/07/2014	**-31**
	PC8322	Certificate in Finfish Culture	2013	1/02/2013	4/03/2013	**-31**
	NC1136	Maritime (Commercial Inshore Vessel Operations)	2015	6/07/2015	5/08/2015	**-30**
	NC5432	Employment Skills	2014	3/06/2014	3/07/2014	**-30**

Appendix G: EMIT's SDR calculations – available on request

Appendix H: Template email sent to students

Subject: FW: FinFish course review

Hi [STUDENT NAME]

Thanks for agreeing to take a look at a couple of the forms for us. The documents are from you enrolling in the FinFish course at Enterprise MIT / Mahurangi Technical Institute.

We are helping the Tertiary Education Commission with a review of the FinFish course and are keen to get you to run your eye over these forms to confirm the details are correct and that you recognise your own handwriting and signature etc. It is not anything you have done wrong so do not worry about that – we are just confirming that Enterprise MIT have been doing the paperwork properly at their end.

Whenever you have time, can you first have a look at the first attachment titled '**[FORM NAME]**' (the red form) and look at these questions:

Question
Do you remember filling in the form?
Is the handwriting on the form your handwriting?
Were your name / date of birth / address details correct at the time?
Is the signature on Page [#] your own signature?
Do you remember signing the form (page [#]) on the date listed ([DATE])?
Do you remember using 'Twink' on the form? ([NOTE ON WHERE TWINK WAS USED])
Any comments?

Can you then have a look at the second attachment titled '**[FORM NAME]**' (the green form) and look at these questions:

Question
Do you remember filling in the form?
Is the handwriting on the form your handwriting?
Were your name / date of birth / address details correct at the time?
Is the signature on Page [#] your own signature?
Do you remember signing the form on the date listed ([DATE])?
Do you remember using 'Twink' on the form? ([NOTE ON WHERE TWINK WAS USED])
Any comments?

If you have any questions or need any other information please feel free to give me a call or email on my details below.

Thanks again [STUDENT NAME] – feel free to give me a call / text / email if you have any questions or need any other information

9(2)(a)

[NAME]
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Please consider the environment before printing.

Appendix I: Key sources of information

Type	Details
Documents	• Documents provided by TEC: o EnterpriseMIT funding allocation letter (2015) o EnterpriseMIT recovery letter (2014) o EnterpriseMIT SDRs for 2013, 2014 and 2015 o EnterpriseMIT 2016 Investment Plan funding approval o STEO printouts for selected programmes • Documents provided by NZQA: o R0482 forms for selected programmes • Documents provided by EnterpriseMIT: o Programme documents for selected programmes o Enrolment and assessment records for 177 students o Engagement diagram for Certificate in Finfish Culture o Engagement flow chart for CIVO o Standard course structures and timetables for Employment Skills o Programme Development and Approval Policy o Campus handbooks (Otara and MTI) o Tutor Handbook (May 2015, West Auckland) o Course completions and qualification awards for 2014 & 2015 o Response to CIVO (May 2016) o Response regarding Finfish (April 2016) o Response regarding Finfish and SDR issues (May 2016) o Letter sent by MIT to TEC and supporting documents (September 2016) o Timetables and attendance records for 2013 (September 2016) o Further responses and analysis regarding SDR issues (September 2016) o Further responses regarding Finfish and CIVO delivery (September 2016) o Further responses regarding Finfish assessments (September 2016) o Response regarding course delivery in 2013 (October 2016) o Response to draft report (January 2017) o Response and MIT review regarding RPL (May and June 2017)
Staff	• Tim Wilson (Chief Executive – EnterpriseMIT) • 9(2)(a) • 9(2)(a) • 9(2)(a) • Peter Quigg (Director, Academic Operations – MIT) • Programme tutors: o 3 x Maritime (Commercial Inshore Vessel Operator) tutors o 1 x Maritime (Commercial Inshore Vessel Operator) adminstrator o 5 x National Certificate in Employment Skills tutors o 1 x Certificate in Finfish Culture tutor (Head of Department) • 1 x First Aid tutor
Other	• A total of 70 students were interviewed across the selected programmes • Graeme Cahalane (Tertiary Education Commission) • 9(2)(a) (Tertiary Education Commission) • 9(2)(a) (Maritime New Zealand) • Peter Winder (Director, MIT – McGredy Winder & Co)

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