



# TEC Investigation Report – National Council of YMCAs (YMCA)

## Executive Summary

1. In February 2017 the TEC received a complaint regarding YMCA's Whanganui site and their delivery and quality of Intensive Literacy and Numeracy (ILN), Adult Community Education (ACE) and Youth Guarantee (YG) funded provisions.
2. The TEC undertook an investigation, utilising Grant Thornton, into YMCA's assessed delivery for YG programmes. The investigation found that YMCA had no significant issues in relation to the delivery of YG programmes.
3. However, the investigation did identify significant issues in relation to 2016 ILN reporting and courses being delivered in a shorter timeframe than normal (compressed delivery) for YG courses. A total of 33 students were identified with compressed delivery in 2016, using a total of 25.22 EFTS.
4. In response to the investigation, YMCA took remedial action at YMCA Central to revise all education systems and processes to ensure all elements comply with NZQA and TEC regulations and conditions.
5. YMCA also investigated and reported on compressed delivery for all provider sites and identified that the issue solely existed at YMCA Central (Whanganui). The TEC accepted the rationale provided for rates of reporting for all provider sites other than YMCA Central.
6. The result is a re-payment of \$241,140.34 (GST inclusive) from YMCA for over-funding of compressed delivery at YMCA Central.

## Background

7. YMCA is a not-for-profit, community based organisation consisting of 12 independent member associations.
8. YMCA receives YG, Intensive Literacy and Numeracy (ILN), Workplace Literacy and Numeracy (WLN) and Adult Community Education (ACE) funding.
9. YMCA is a large funded private training establishment (PTE), with \$3.64 million of TEC funded delivery in 2017.
10. In mid-2016, YMCA was audited and a number of issues were identified, including incorrect reporting of delivery sites, lack of monitoring and consistency across YMCA sites, and lack of evidence for learners meeting eligibility requirements for ILN and WLN funding.
11. The audit resulted in YMCA presenting an action plan to TEC in December 2016, with actions being since completed or in progress.
12. In February 2017, TEC received a complaint regarding ILN, ACE and YG delivery and questioned whether funding claimed through the TEC matched actual delivery of tuition, and the quality of that delivery.

13. After looking into the data, TEC found merit in the complaint, and contacted YMCA, which commenced an internal investigation.
14. The TEC engaged Grant Thornton to undertake an on-site investigation of TEC funded education at YMCA Central.

## TEC's approach to the investigation

15. As announced in late 2017, we have re-aligned our methodology to take a more flexible approach to monitoring, including how we conduct investigations. What we used to call reviews have been blended into investigations. This is a more flexible approach designed to better match monitoring activities to the levels of risk.
16. Under the new approach, rather than outsourcing investigations, we are closely involved with tertiary education organisations (TEOs) throughout the process and use external parties to support our work. Our intention is to place as little burden on TEOs as possible, while still ensuring the interests of learners, government and the tertiary education system more broadly are protected. You can read more about our new approach [here](#).
17. Given the size of YMCA, the significant issues at the Central (Whanganui) site, previous issues with irregular delivery, and the lack of resource at its National Office, the TEC decided that the most effective approach was to engage Grant Thornton to investigate the specific issues raised in the complaint.
18. This report incorporates information directly from YMCA, the Grant Thornton report, and TEC subject matter experts.

## Scope of Grant Thornton report

19. The scope and approach was to:
  - review student enrolment and attendance of programmes
  - ensure programmes are taught in accordance with and comply with the learning hours and weeks entered into STEO<sup>1</sup> and therefore, meet the TEC funding requirements
  - ensure programmes are delivered in accordance with learning hours approved by New Zealand Qualifications Authority (NZQA)
  - make sure students awarded a qualification have been assessed and there is evidence of programme delivery
  - confirm YMCA Central's internal quality assurance and control processes (in relation to programme delivery) are robust and fit for purpose.

## Findings of the investigation

### 2016 Reporting

20. YMCA Central had significant issues in relation to 2016 reporting on ILN hours. This was mainly due to:
  - inaccurate recording of hours in the internal monitoring report and the hours reported to the TEC
  - inaccurate recording of instances where students' ILN delivery overlapped with YG delivery or where it would appear YG was delivered concurrently with ILN programmes.

### Compressed Delivery

21. The investigation also confirmed that YMCA Central had issues with compressed delivery for YG courses.

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<sup>1</sup> STEO is a website ([www.steo.govt.nz](http://www.steo.govt.nz)) managed by the MoE providing varied services to TEOs, including submitting the Single Data Return (SDR), accessing the SDR Manual, and managing courses, qualifications and delivery sites.

22. The investigation identified instances where the EFTS a student is enrolled in did not match the amount of time it would generally take for a student to complete them. This was particularly linked to students who had overlaps between YG and ILN as well as those who were only enrolled in YG courses.
23. There were other minor reporting issues identified including students being enrolled in a very high number of courses when there were not a lot of teaching weeks left in the year. This issue has been resolved to TEC's satisfaction by YMCA Central Management in 2017.

### Monitoring from YMCA National Office

24. The investigation identified issues around the monitoring and direction from YMCA's National Office regarding consistent delivery across all sites as well as teaching resources.
25. YMCA National was engaged as part of the investigation and discussed the monitoring process and procedures that could be implemented, including expansion of their team, to address this issue.

### Remedial actions

Issue	Remedial Action
<b>2016 lack of time and resourcing at YMCA Central to ensure full compliance and rigorous management</b>	<ul style="list-style-type: none"> <li>• Since that time YMCA Central has:               <ul style="list-style-type: none"> <li>○ revised all education systems and processes to ensure full compliance with NZQA and TEC regulations and conditions;</li> <li>○ tightened administrative practices to include requiring manager sign off for key documents to ensure compliance;</li> <li>○ hired qualified ILN teachers to show an immediate lift in standard delivery, occupancy and outcomes; and</li> <li>○ developed new reporting mechanisms along increased monitoring of providers.</li> </ul> </li> </ul>
<b>Compressed delivery</b>	<ul style="list-style-type: none"> <li>• YMCA checked data supplied by TEC against internal records and provided specific data to Associations. At that point, YMCA was able to confirm evidence of some compressed learning activity, notably at YMCA Central, which was consistent with YMCA's own review and Grant Thornton's work on behalf of TEC.</li> <li>• The TEC has received a recovery amount of \$241,140.34 (GST inclusive) for the over funding of compressed delivery at YMCA Central.</li> </ul>
<b>Monitoring from National</b>	<ul style="list-style-type: none"> <li>• Since the discussions regarding monitoring processes YMCA has:               <ul style="list-style-type: none"> <li>○ established an intranet that all staff have access to which includes key documents;</li> <li>○ increased number of face-to-face meetings with providers; and</li> <li>○ developed a series of webinars to maintain currency (knowledge, compliance and direction of travel) for providers.</li> </ul> </li> </ul>

### Next Steps

26. We have completed our investigation and will continue to engage with YMCA as part of our standard monitoring processes.

### Conclusion

27. YMCA collaborated with the TEC throughout this process. This has greatly aided the investigation and is a good example of the TEC and a TEO working together to ensure compliance.
28. We are satisfied that YMCA has undertaken all the necessary steps to address and resolve the issues identified, and we look forward to continue working with YMCA in a constructive way in the future.



**We ensure New Zealand's future success.**