



TEC review overview: Auckland Institute of Studies

The TEC invests almost \$3 billion into tertiary education each year – funding about 700 tertiary education organisations (TEOs). It's vital we have a high performing sector that provides excellent outcomes for New Zealanders. We continue to enhance our approach to monitoring to help ensure this happens. Monitoring is a 'business as usual' role for the TEC that contributes to both student success and sound stewardship of public money. We engage with TEOs on how they are delivering against their Investment Plans, their financial viability and their operational performance.

Our regular monitoring function includes some or all of the following:

- › Engagement – we are available to offer advice and assist TEOs
- › Audits – designed to ensure that a TEO is meeting its funding conditions
- › Reviews – if we become aware of potential issues or concerns relating to a TEO's activities
- › Investigations – a more in-depth examination of a TEO's activities, likely to be in response to specific concerns identified, or a complaint

You can read more about our monitoring framework [here](#).

Auckland Institute of Studies

Auckland Institute of Studies (AIS) is a Private Training Establishment (PTE) based in Auckland. AIS offer a range of qualifications in business, hospitality, tourism, IT, and English as a foreign language, at undergraduate and postgraduate levels. It receives Student Achievement Component (SAC) funding from the TEC.

Rationale for initiating the review

AIS were identified for review based on routine analysis of the August 2015 single data return (SDR). In March 2016, we engaged Grant Thornton to undertake a review of AIS.

The review looked into three programmes offered by AIS in 2014 and 2015:

- › Master of Business Administration (Level 9)
- › Bachelor of International Business (Level 7)
- › Graduate Diploma in Information Technology (Level 7)

Findings of the review and actions

Findings	Actions taken
Records › Actual delivery did not align with learning hour's information submitted to the TEC for the programmes. This difference was attributed to an administrative error during data entry.	› We are satisfied with the explanation provided by AIS of the data mismatch. We have provided the report to NZQA and advised of the issues raised. We have asked AIS to submit changes to NZQA to ensure that programme approval, information submitted to the TEC, and delivery are aligned.
Delivery › The report questioned two scholarships offered by AIS.	› AIS has updated its scholarships process as a result of the review's findings, and we are satisfied that it is compliant with the relevant funding condition.

Next Steps

This review has been completed. We are continuing to engage with AIS through our standard monitoring processes.

We work with the sector in an open and transparent way across this area of our work, to ensure TEOs are clear about our processes and expectations. To improve on this commitment, we intend to publish the reports of all reviews and investigations once complete



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Auckland Institute of Studies

Report to the Tertiary Education Commission
November 2016

Restrictions and disclaimers

This report has been prepared solely for the Tertiary Education Commission's (TEC) exclusive use specifically focused on the objective and scope as agreed.

The scope of our work has been limited both in terms of the areas of the qualifications which we have reviewed, and the extent to which we have reviewed them. There may be matters, other than those noted in this report, that might be relevant in the context of the Tertiary Education Commission's (TEC) funding and which a wider scope review might uncover.

This report is confidential and has been prepared exclusively for TEC. It should not be used, reproduced or circulated for any other purpose, in whole or in part, without prior written consent, and such consent will only be given after full consideration of the circumstances at the time. Events and circumstances occurring after the date of our report will, in due course, render our report out of date and, accordingly, we will not accept a duty of care nor assume a responsibility for decisions and actions which are based upon such an out of date report. Additionally, we have no responsibility to update this report for events and circumstances occurring after this date.

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Executive summary

Overall observations

- 1 Grant Thornton has been engaged by the Tertiary Education Commission (**TEC**) to conduct an impartial review of the Auckland Institute of Studies (**AIS**) in March 2016.
- 2 The objective of the review is to ensure that:
 - Students have actually enrolled and attended the programmes;
 - Programmes are taught in accordance with and comply with the learning hours and weeks entered into STEO and therefore, meet the TEC funding requirements;
 - Programmes are delivered in accordance with learning hours approved by New Zealand Qualifications Authority (**NZQA**) (if applicable);
 - Students awarded a qualification have been assessed and there is evidence of programme delivery; and
 - AIS's internal quality assurance and control processes (in relation to programme delivery are robust and fit for purpose).

Key findings

- 3 Overall, no issues were noted in relation to student enrolment verification and completion/assessment procedures.
- 4 We reviewed three programmes offered by AIS in 2014 and 2015. In all three programmes we identified that the breakdown in learning hours differs from what was actually delivered and teaching hours and self-directed learning hours are effectively delivered in reverse to what is entered into STEO. We therefore consider AIS' explanation plausible that the discrepancy is due to an administrative data entry error rather than a failure to deliver an approved programme. Further, these are graduate and post graduate programmes Level 7 and above, which one would expect to have a higher proportion of self-directed learning hours than teaching hours. In addition, NZQA approval documents do not specify the breakdown in learning hours and NZQA is comfortable that AIS has been delivering according to NZQA's accreditations.
- 5 In relation to the delivery of learning hours, we were also advised by AIS that the STEO information is out-of-date. However, as TEC's funding is based on the data entered into STEO, we have used this as the basis of comparison.

- 6 AIS has subsequently submitted revised programme details to the NZQA in June 2016. If these revised programmes are accepted for funding by TEC, information in STEO will need to be updated.

- 7 We summarise our overall findings in the table below:

Summary - learning hours delivery

Programme	STEO	Assessed delivery	Delivery percentage
PC9688 - Master of Business Administration (Level 9)			
Teaching hours	1,152	Between 547 to 416	
Self-directed hours	288	Between 1,209 to 1,551	
Learning hours	1,440	Between 1,756 to 1,967	121.9% to 136.6%
PC1781 - Bachelor of International Business (Level 7)			
Teaching hours	2,520	1,301	
Self-directed hours	1,260	2,054	
Learning hours	3,780	3,355	88.8%
PC3638 - Graduate Diploma in Information Technology (Level 7)			
Teaching hours	840	544	
Work experience hours	210	-	
Self-directed hours	210	605	
Learning hours	1,260	1,149	91.2%

- 8 Whilst the overall delivery percentage is between 88.8% and 136.6%, there is a significant difference in the make-up of the overall learning hours.
- 9 The proportion of teaching and self-directed study being delivered by AIS during 2014 and 2015 is more consistent with the revised information submitted to the NZQA.
- 10 AIS provided some of its students with a 25th Anniversary Scholarship or New Domestic Student Special (discounted tuition fees). These scholarships were primarily used to increase domestic student numbers as AIS's students are predominantly international students.
- 11 AIS considers that domestic students are important to the institute in order to create a balanced learning environment and improve learning outcomes for both international and domestic students. Accordingly, AIS considers that it meets part c) of the definition of scholarship¹ included in the TEC funding conditions.
- 12 While we agree with the rationale behind the importance of domestic students to the institute, we consider that the criteria for receiving such scholarships could be interpreted as a form of inducement. We recommend that any future such scholarships or discounts be either noted to the TEC in the investment plan or separately notified to the TEC. The information

¹ Definition of scholarship (per TEC Funding conditions SAC3+/019):

For the purposes of this condition, a scholarship means:

- a) A merit scholarship (or prize) that comprises financial aid given to a student as a result of high academic achievement exceeding that of his or her fellow students or cohort; and/or
- b) a needs scholarship that comprises financial aid given to a student who would otherwise be significantly disadvantaged in accessing education, where the need of the student has been demonstrated through a robust application and assessment process; and/or
- c) any scholarship that:
 - i) has a clear, focused rationale for its existence; and
 - ii) has a clearly identified philanthropic aim, or supports study in a particular area of importance to the donor.

communicated should outline an estimate of the total proportion of domestic students receiving any form of discounts or scholarships.

Introduction

Background

- 13 Auckland Institute of Studies (AIS) is a Private Training Establishment (PTE) that receives Student Achievement Component (SAC) Funding from the Tertiary Education Commission.
- 14 AIS offers a range of qualifications including both undergraduate and postgraduate programmes relating to the areas of Business Administration, International Business, Hospitality Management, Information Technology, Tourism Management and English language related courses.
- 15 It has two campuses, both located in Mt Albert, Auckland. The majority of its students are foreign fee paying students with domestic students accounting for only 11% of total students (based on AIS's 2015 Investment Plan).
- 16 The amount of SAC funding received by AIS for 2014 and 2015 is as follows:

AIS - TEC SAC funding summary

	2014 \$	2015 \$
Approved student achievement component level 3 and above	715,739	573,278
Delivered per recovery calculation	391,383	435,246

- 17 During both 2014 and 2015, actual delivery was lower than the approved level of funding.

Definitions

- 18 For the purposes of this report, the terms used are defined as follows based on the guidance provided within the NZQA Qualifications Framework:
- **Direct hours:** direct contact time with teachers and trainers;
 - **Teaching hours:** direct hours plus time spent in assessments or is equal to total learning hours less self-directed hours;
 - **Self-directed hours:** time spent studying and doing assignments and practical tasks; and
 - **Total learning hours:** Direct hours, self-directed hours and time spent in assessment.

Approach

- 19 Grant Thornton has been engaged by the TEC to conduct a review of the specific courses offered by AIS. The scope and objectives of our review are defined within the executive summary.
- 20 In determining our review approach, we reviewed the information received from TEC and selected three of the programmes offered by AIS for review based on the level of funding received in the 2015 year. Our approach to testing the three identified programmes was confirmed with TEC prior to contacting AIS. These programmes were:
- PC9688 - Master of Business Administration (**MBA**)
 - PC1781 - Bachelor of International Business (**BIB**)
 - PC3638 – Graduate Diploma in Information Technology (**GDIT**)
- 21 Based on AIS's TEC funding reconciliation, the combined funding received in each of the two years for the above three programmes was as follows:

AIS - Summary funding of the three programmes selected

	2014 \$	2015 \$
PC 9688 - Master of Business Administration	83,085	92,118
PC1781 - Bachelor of International Business	87,696	55,618
PC3638 - Graduate Diploma in Information Technology	22,287	52,785
Total	193,068	200,521
Percentage of total funding received by AIS for the 3 programmes	49.3%	46.1%

- 22 For each of the above listed programmes, we initially met with **Section 9(2)(a)** to gain an overall understanding of the programme and AIS. We obtained the SDR returns for 2014 and 2015 from **Section 9(2)(a)** for the three programmes and selected 40 students for testing.
- 23 In selecting our sample for review, we considered the fact that students can enrol in various courses to fulfil the requirements for gaining that qualification and in addition, AIS has 6 intakes a year for the MBA qualification and 3 intakes a year for the other programmes. Therefore, in our testing, we reviewed specific courses taken by the student during the year rather than all the courses taken throughout the two years for the same student. We verbally confirmed this arrangement with TEC to ensure this approach was appropriate.
- 24 We performed a site visit at the St Helens Campus on Linwood Avenue. While on site, we met with each of the Academic Heads of Programme for the three programmes we reviewed. We examined student enrolment and completion records, student attendance records on the student management system and reviewed various institute policies around attendance, moderation and scholarship information as well as the relevant sections of the AIS Policies and Procedures Manual.
- 25 For each of the courses selected, we obtained the corresponding module outline and examined the teaching hours and self-study guidelines contained within these documents. Where available, we have also obtained timetables to corroborate the information.

- 26 Based on this review, we then selected 11 lecturers/supervisors for further discussions.
- 27 In computing the total teaching hours for each course, we took total class time per week (inclusive of lectures and tutorials) multiplied by the number of weeks, then added the time for assessments if applicable. In addition to this, we made a further adjustment based on discussions with students and lecturers as to ‘outside of class contact hours’ such as: after class time, weekly consultation hours or other forms of communication (such as by emails). In most cases, we did not make such an adjustment, as the information from both the staff and students was insufficient to provide a reliable estimate on a per student basis. However, we do not consider this will make a material difference to the course given the total number of students involved (which when allocated on a per student basis, would not be material).

Limitations

- 28 The terms of this engagement and the scope of the work you have asked us to undertake does not constitute an assurance engagement in accordance with the requirements of the Chartered Accountants Australia and New Zealand (**CAANZ**), and is not designed to provide assurance under International or New Zealand Standards on Auditing or Assurance. Accordingly, no assurance opinion or conclusion has been provided.
- 29 The information contained in this report has been provided by AIS, TEC, NZQA, tutors and students. Our review was based on enquiries, analytical review procedures, interviews and exercise of judgement. Our review is also based on a small sample of students for each selected programme. Because of the test nature and other inherent limitations of our review, there is an unavoidable risk that some material misstatements or errors may remain undiscovered.
- 30 Given the number of courses in a programme we were unable to call a student on each course examined.
- 31 We have identified that a number of students, especially in the 2014 sample, did not recall the specifics of their courses as the particular student was enrolled in various courses at the same time. We found that students in the MBA programme were more likely to recall the details of their course than those enrolled in undergraduate studies.

Principal information relied upon

32 We list the principal information we have relied on in preparing our review below:

- AIS investment plan for 2014 and 2015
- Moderation report for 7.316 (Business Intelligence)
- APER report for MBA, BIB and IT programmes in 2014
- 25th Anniversary scholarship promotional material
- Listing of scholarships awarded
- TEC SDR data
- AIS's course information for MBA, GDIT and BIB programmes
- TEC funding reconciliation
- Student Study Skills booklet
- AIS policies and procedures manual
- AIS response letter dated 4 August 2016 together with associated supporting documentation
- Discussions with Section 9(2)(a) (Academic Registrar), Richard Goodall (President of AIS and Head of MBA), Section 9(2)(a) (Head of GDIT), Section 9(2)(a) (Head of BIB) and various staff and supervisors involved in the courses we have selected for review
- Interviews with various students enrolled in the courses examined
- TEC STEO information
- NZQA RO482 information
- NZQA Report of External Evaluation and Review dated 23 February 2015

Review of programme delivery and funding conditions

33 We set out below our findings on AIS's programme delivery.

Reconciliation of programme approval and funding requirements

- 34 As part of our review on AIS's programme delivery, it is important to ensure that the programme details as approved by NZQA are consistent with those approved by the TEC for funding purposes.
- 35 For each of the programme specified, we have compared the NZQA RO482 and the TEC funding requirements.
- 36 We summarise our reconciliation between the information included in NZQA's RO482, the revised information submitted to NZQA in June 2016 and TEC's STEO below:

Reconciliation of programme approval and funding requirements

Programme	Previous NZQA RO482 information	Amended programme details submitted to NZQA in June 2016	TEC STEO information
PC9688 - Master of Business Administration			
Time period (teaching weeks)	Not specified	74 weeks	72 weeks
Credits	156-180****	180 credits	180
EFTS equivalent	1.30 to 1.50*	1.5*	1.5
Teaching hours		6	16
Self-directed hours	Details of learning hours not specified	19	4
Learning hours		1,924***	1,440
PC1781 - Bachelor of International Business			
Time period (teaching weeks)	Not specified	42 weeks**	126 weeks
Credits	360	360	360
EFTS equivalent	3.0*	3.0*	3.0
Teaching hours		10	20
Self-directed hours	Details of learning hours not specified	19	10
Learning hours		3,716***	3,780
PC3638 - Graduate Diploma in Information Technology			
Time period (teaching weeks)	Not specified	42 weeks	42 weeks
Credits	135	135	135
EFTS equivalent	1.1*	1.1*	1.0
Teaching hours		12	20
Work experience hours	Details of learning hours	-	5
Self-directed hours	not specified	20	5
Learning hours		1,380***	1,260
* recalculated from total credits on the basis of 1 EFTS = 120 credits			
** We noted in AIS's calculation provided that this should be 126 weeks being 42 weeks multiplied by 3 years)			
*** Per AIS calculations submitted with the application. Hours in the NZQA submission are rounded to the nearest whole number. Due to rounding differences, total learning hours per week may not equate to the exact learning hours as computed by AIS above in its June 2016 submission			
**** Based on PC2048 which was an old code previously used for the MBA programme and is the only RO482 for the MBA programme available. This has since been corrected with the new application filed by AIS with NZQA			

- 37 As presented above, the previous RO482 does not contain sufficient information for us to reconcile between the NZQA and STEO information. AIS responded to our draft findings stating that the STEO information was out-of-date. We recommend that AIS work with the TEC to ensure the STEO data going forward reflects the same information as approved by the recently submitted programme details (if such programmes are approved for funding by TEC). We also recommend that a process be put in place to ensure any future changes would be communicated to both organisations to avoid any potential compliance issues going forward.
- 38 It is our understanding that TEC's funding is based on the data entered into STEO. Therefore, our testing is focused on the adherence to the learning hours currently included in STEO. However, as AIS states that the information is outdated, we have also commented on the updates submitted by AIS to the NZQA where appropriate.
- 39 Generally, we expect EFTS calculated using total teaching weeks, total credits or total learning hours to equate to the same EFTS. However, we have noted a difference in the STEO information provided. We detail the variances identified below:

AIS - Information based on the STEO database

	EFTS Value	FTE teaching weeks	Total learning hours
PC9688 - Master of Business Administration	1.50	72	1,440
PC1781 - Bachelor of International Business	3.00	126	3,780
PC3638 - Graduate Diploma in Information Technology	1.00	42	1,260
Equivalent EFTS value			
PC9688 - Master of Business Administration	2.12		1.20
PC1781 - Bachelor of International Business	3.71		3.15
PC3638 - Graduate Diploma in Information Technology	1.24		1.05

Review of learning hours delivery per course

40 Our assessment of total learning hours is based on information collated from the following sources:

- Course module outlines
- Timetables
- Discussions with staff and students

41 We comment on each programme examined in the subsections below.

Master of Business Administration (MBA)

- 42 The MBA programme consists of a number of 6 credits modules with three pathways to complete the qualification including dissertation, field study or an internship. The MBA is an 18 month programme and has total credits of 180.
- 43 The STEO database shows learning hours of 20 hours per week with 16 hours of teaching hours and 4 hours of self-directed study.
- 44 Based on our discussion with four lecturers and the Academic Head of Programme (Dr Richard Goodall), we understand that the general delivery of the MBA 6-credit courses is broadly similar. These courses are run over two weekend days which equates to 16 hours of lectures. As the course accounts for 6 credits, students are expected to spend 60 hours less lecture hours of 16 hours as self-study time. When we discussed self-study time with the lecturers, 2 of the lecturers noted the same self-study guideline based on the course being a 6 credit module. The guidelines are also consistent with the discussions held with [Section 9\(2\)\(a\)](#) and Dr Goodall.
- 45 However, we have used 15 hours to represent the class time for these courses. The lecture hours are generally from 9:00am to 5:30pm with a 1 hour break spread throughout the day and therefore, in our assessment, this equates to 7.5 hours each day for two days. AIS advised that hours were changed from 8:30 to 5:30 with an hour for lunch in 2014 to 9:00 to 5:30 with 40 minutes for lunch in 2015 to support students using public transport. Based on the course outlines we have reviewed, we consider the total hours have not materially changed.

- 46 AIS consider that pre-course and exam tutorials should also be included. AIS noted that although students are not penalised for non-attendance at these tutorials, very few students did not attend these classes. We have confirmed this in our interviews with students on the MBA course. Whilst it is not compulsory, students find it beneficial to go and therefore, the majority of students subsequently interviewed have commented that they will definitely go to tutorials. Based on further information supplied, not all 6-credit modules have tutorials and some have two 3-hour tutorials and some only have one 3-hour tutorial. Tutor responses received were consistent at 3 hours per tutorial.
- 47 Therefore, based on an allowance of 3 hours for exam time, 15 hours for class time and 3 hours for tutorial time we consider that AIS's assertion that it delivers 20.1 teaching hours per module is consistent with our calculations.
- 48 Student self-directed study responses relating to specific 6 credit modules range between 3 hours for the whole course to 21 hours per week (but for more than 1 module). Based on a combination of student and tutor responses and course outlines, we calculate the average time spent per module on self-directed study is 38.5 hours which we include in our calculation below.
- 49 The field study and dissertation courses are separated from our calculated range above because these courses are research based courses, and therefore, it is expected that the teaching hours for these courses will be low but the corresponding self-directed hours will be high. Our assessment of teaching hours is based on discussions with staff and students and it is inherent in this approach that the view may be biased depending on who was sampled and their recollection of past events.
- 50 We have discussed these courses with the coordinator Section 9(2)(a) students are expected to meet at least once every two weeks (or weekly if needed) with their supervisor, although it is also acceptable to communicate via emails. The time spent in meetings will vary depending on the student. As a result, we have estimated 1 hour each meeting (and therefore, around half an hour every week) for the duration of the course. The field study is a 2 month module and the dissertation is a 6 month module and for our calculation purposes, we have used 8 weeks and 26 weeks respectively for these two courses. This equates total teaching hours of 4 hours ($0.5*8$) for the field study and 13 hours ($0.5*26$) for the dissertation. In addition, we have added 0.5 hours for the field study presentation and 1 hour for defence of dissertations.
- 51 For the self-directed study portion of the field study and dissertation courses, based on interviews with students, the range of self-directed study are as follows:
- Field study – between 8.5 to 21 hours a week
 - Dissertation – between 3 to 6 hours a day

In calculating total learning hours delivered, we have used the most conservative estimate provided to us.

- 52 We have summarised our calculations of total learning hours for the field study and dissertation pathway below:

AIS - Summary for MBA course

	Field study pathway	Dissertation pathway
Teaching hours assessment		
Total number of 6-credit modules	27.0	20.0
Average teaching hours assessed per module	20.1	20.1
Total teaching hours for 6-credit modules	542.7	402.0
Average teaching hours for completion module	4.5	14.3
Total assessed teaching hours	547.2	416.3
Self-directed hours assessment		
Total number of 6 credit modules	27.0	20.0
Average self-directed hours assessed per module	38.5	38.5
Total self-directed hours for 6 credit modules	1,040.7	770.9
Average self-directed hours for completion module	168.0	780.0
Total assessed self-directed hours	1,208.7	1,550.9
Total assessed learning hours	1,755.9	1,967.2

- 53 We summarise our assessment of total learning hours to STEO in the table below.

Learning hours delivery - MBA programme

	Learning hours - STEO	Learning hours - delivered	% of STEO hours delivered
Time period	72 weeks	18 months	
Teaching hours	1,152	Between 547 to 416	
Self-directed hours	288	Between 1,209 to 1,551	
Learning hours	1,440	Between 1,756 to 1,967	121.9% to 136.6%

- 54 Although the above analysis identifies that AIS has delivered total learning hours above STEO requirements we note that direct teaching hours are well below that set out in STEO.
- 55 Our sample did not include a student who completed their qualification using the internship pathway and therefore, we have not included a summary for the internship pathway above.
- 56 The delivery percentage is between 121.9% and 136.6%. We note the high delivery percentage as STEO learning hours is less than what we would expect given the MBA is a 180 credit programme (based on 1 EFTS = 1,200 hours). Total learning hours of 1,440 would equate to an EFTS of 1.2 (or 144 credits).
- 57 In AIS's June 2016 submission to the NZQA, the new teaching hours and self-directed hours are 6 and 19 hours per week respectively. This equates to total learning hours throughout the programme of 1,924 hours, which when we apply our assessed programme delivery, results in delivery percentages between 91.3% and 102.2%.

Bachelor of International Business (BIB)

- 58 In general, the courses in the BIB programme range between 17 to 18 credits each. Students are required to complete 360 credits to qualify for completion.
- 59 The courses are a mixture of lectures and tutorials and the course outline provides sufficient information to calculate teaching hours for this course. However, one course sampled, the ‘Special Topic’ course, is project based and does not have specified lecture or tutorial hours. There is also no course outline for this course and hence our calculations are based on discussions with the lecturer. Subsequent discussions with AIS identified that this course is only offered occasionally in rare circumstances and accordingly, we have excluded this course from our calculation.
- 60 In determining total learning hours for each course, we calculated the total direct hours as previously outlined in our approach section. We then added student’s estimate of self-directed learning hours for the course. As there are multiple courses that a student can take to complete their qualification, we sorted each course sampled by course level (i.e. stage 1, 2 or 3). We then calculated the average learning hours for each course level. We have assumed, for the purposes of our review, that courses within the same level would require a similar amount of self-directed study.
- 61 For the purposes of assessing total learning hours for the BIB programme, we have assessed this by applying the averages from our sample for each course level (i.e. stage 1, 2 or 3) to one possible pathway to complete the programme. We have chosen one pathway to complete the qualification (i.e. the Accounting specialisation), with the most favourable combination of teaching hours by including the maximum amount of stage 1 elective courses allowed with the remaining electives in stage 2. Based on the programme structure, the higher the level of the course, the less teaching hours was required. On this basis, we illustrate below, the expected teaching hours provided to students on a BIB programme:

AIS - Summary for BIB programme

	Average teaching hours	Average self-directed hours	Courses required	Total learning hours
Stage 1	70.5	106.0	9	1,588.5
Stage 2	60.5	101.3	7	1,132.3
Stage 3 - excluding special topic	48.7	78.3	5	635.0
Total			21	3,355.8

- 62 We summarise our assessment of total learning hours to STEO in the table below.

Learning hours delivery - BIB programme

	Learning hours - STEO	Learning hours - delivered	% of STEO hours delivered
Time period	126 weeks	3 years	
Teaching hours	2,520	1,301	
Self-directed hours	1,260	2,054	
Learning hours	3,780	3,355	88.8%

- 63 Although the above analysis identifies that AIS has delivered total learning hours at 88.8% of STEO requirements we note that direct teaching hours are well below that set out in STEO but self-directed hours are also a lot higher.
- 64 Using the revised programme learning hours from the June 2016 submission to NZQA, assuming that the delivery is unchanged, it would result in a delivery percentage of 90.3%.

Graduate Diploma in Information Technology (GDIT)

- 65 In general, the courses in the GDIT programme are 15 credits each with a final module with 30 credits. Students are required to complete 135 credits to qualify for completion. As noted earlier, there is a difference between the STEO information and the R0482 information around total EFTS for this programme. Per responses received from AIS, although the qualification has more than 120 credits, it still meets the TEC requirements of a maximum EFTS of 1 for each one year full time programme. We consider best practice is to have consistent information across all sources and therefore, recommend that AIS discuss this matter with the TEC.
- 66 The courses are a mixture of lectures and tutorials and the course outline provides sufficient information to calculate teaching hours for this course. However, there are also project based courses that do not have specified lecture or tutorial hours.
- 67 In determining total learning hours for each course, we have applied the same methodology as applied above for the BIB qualification in that we have calculated direct learning hours based on the course outline, we then added student's estimate of self-directed learning hours for the course. We then sort each course sampled by course level to calculate the average learning hours for each level. We have assumed, for the purposes of our review, that courses within the same level would require a similar amount of self-directed study.
- 68 We illustrate below the teaching hours expected to be achieved for student taking the GDIT programme. For the purposes of the illustration, we have used the 'information systems' specialisation which provides one more Stage 1 course which would provide the maximum teaching hours under the programme.

AIS - Summary for GDIT programme

	Average teaching hours	Average self-directed hours	Courses required	Total learning hours
Stage 1	68.0	66.4	2	268.8
Stage 2	69.0	57.9	2	253.8
Stage 3	69.6	67.2	3	410.4
Stage 3 - projects based	61.0	155.0	1	216.0
Total			8	1,149.0

- 69 We summarise our assessment of total learning hours to STEO in the table below.

Learning hours delivery - GDIT programme

	Learning hours - STEO	Learning hours - delivered	% of STEO hours delivered
Time period	42 weeks	1 year	
Teaching hours	840	544	
Work experience hours	210	-	
Self-directed hours	210	605	
Learning hours	1,260	1,149	91.2%

*Note for work experience hours, we have not separated this out in our actual delivery calculation as there would be components of self-directed and teaching hours included.

- 70 Although the above analysis identifies that AIS has delivered total learning hours at 91.2% of STEO requirements we note that direct teaching hours are well below that set out in STEO but self-directed hours are higher.
- 71 In the revised information submitted to the NZQA, total learning hours increases from 1,260 to 1,380. As a result, assuming that actual delivery is unchanged, this would result in a delivery percentage of 83.3%.

Additional student support

- 72 During our discussions with staff and students, we understand that there are study groups based on ethnicity that students can participate in for various queries they have on specific programmes (for example, a Tongan IT study group). This will be led by a lecturer of the same ethnicity and students can ask questions in their own languages.
- 73 In addition, we also note that there are study skills workshops that students can attend.
- 74 We acknowledge that students are provided additional support but we have not factored the above into our assessment as this support is not course or programme specific.
- 75 AIS disagree with this assessment as they consider this is programme specific. Whilst we agree it is specific to the discipline (i.e. IT in the above example), it is not specific to the programme such as GDIT. All IT students would be able to join this group regardless of whether they are doing a graduate diploma, bachelor or diploma. Hence it would be difficult to allocate this time to specific programmes.

Other comments

- 76 In AIS's Policies and Procedures Manual we have seen extensive policies around programme development, evaluation and moderation. These policies frequently include references to the requirements of NZQA to ensure compliance. However, we did not see any references to compliance with TEC specifically around the updating of STEO information when there are changes to programmes. We recommended that a process be created going forward to ensure any update to NZQA triggers a corresponding update to TEC.
- 77 AIS has a policy where all courses are internally moderated and there is a rotation of courses to be externally moderated. Annual Programme Evaluation Reports (**APER**) are submitted. The APER reports also contain information around external and internal moderation activities.

78 We have sighted a few moderation documentation and APER reports. These include:

- Moderation for 7.316 Business Intelligence (pre-assessment and post-assessment)
- APER report for Business Administration programmes 2014
- APER report for International Business programmes 2014
- APER report for Information Technology programmes 2014

Review of student records

General

Student records

79 We present below the summary of our findings in relation to verifying the existence, eligibility and programme completion details of our sample of students.

AIS - student records review summary

Programme	Appropriate enrolment and support records	Appropriate completion & assessment procedures
PC9688 - Master of Business Administration	Yes	Yes
PC1781 - Bachelor of International Business	Yes	Yes
PC3638 - Graduate Diploma in Information Technology	Yes	Yes

- 80 Based on work performed, there were no issues identified with enrolment records or completion records (where applicable) for all of the students examined.
- 81 Within each student file, the enrolment checklist and the enrolment application form is filed together with the student's verification records (such as a photocopy of the passport and/or visa).
- 82 For completion of a qualification, a student clearance form is filled in together with a completion assessment chart signed by the Academic Registrar to ensure they meet qualification requirements.
- 83 From the course module outlines reviewed and discussions with staff, AIS has a strict policy on attendance. Attendance is marked at each course and students who fail to attend are issued with a warning. We have sighted several warning emails in our review of the student files. Some of the lecturers we've talked to also mentioned that they will also contact students if attendance is poor. This is also confirmed based on our interviews with students.

Other issues identified

Scholarships

- 84 During the course of our review, we have identified a number of students who have been provided with a 25th Anniversary Scholarship or a 'New Domestic Student Special' (**NDS Special**). Both of these are aimed at domestic students.
- 85 We discussed the above matter with Dr Goodall and ~~Section 9(2)(a)~~ and we understand these were primarily used to increase domestic student numbers at AIS.
- 86 Of the total students sampled (40) over 2014 and 2015 across the 3 programmes, we have identified that 18 students were granted the 25th Anniversary Scholarships and 8 students were granted with the NDS Specials.
- 87 This means that more than half the students sampled had some form of 'discount' to the tuition fees they were required to pay.
- 88 To apply for the 25th Anniversary scholarship, students needed to write a half-page statement explaining why they felt they were worthy of the scholarship.
- 89 Students do not need to submit anything for the NDS Special. There are also no specific rules in the TEC Funding rules that prohibit TEOs from providing a discount to students, although rule SAC3+/001 would require the TEO to supply fee information (including discounted fees charged to a student) to TEC.
- 90 We refer to TEC's funding rule SAC3+/020 which prohibits TEOs from securing valid domestic enrolments through offering an inducement.
- 91 The definitions included within the TEC funding rules for inducement and scholarships are as follows (only extracts included):
- "... an inducement includes any of the following, where they induce a student to enrol:*
- (a) *A financial benefit to the student; or*
- (b) *A personal advantage to the student; or*
- (c) *A physical item that a student retains possession of after the course of study or training has ended.*
- ...an inducement does not include:*
- (a) *A scholarship, as defined below; or ...*

... a scholarship means:

- (a) *A merit scholarship (or prize) that comprises financial aid given to a student as a result of high academic achievement exceeding that of his or her fellow students or cohort; and/or*
- (b) *A needs scholarship that comprises financial aid given to a student who would otherwise be significantly disadvantaged in accessing education, where the need of the student has been demonstrated through a robust application and assessment process; and/or*
- (c) *Any scholarship that:*
 - i. *Has a clear, focused rationale for its existence; and*
 - ii. *Has a clearly identified philanthropic aim, or supports study in a particular area of importance to the donor.”*

- 92 A number of the scholarship applications are filed within the student files, although it does not appear all of them are included. ~~Section 9(2)(a)~~ noted that the granting of the scholarships was made on a broad range of criteria such as merit for previous study, financial need and other endeavours.
- 93 The 25th Anniversary Scholarship does not appear to fall into either a merit scholarship or financial aid as the criteria for acceptance is broader, although students who apply to that scholarship may be granted a scholarship on that basis. Based on discussions with AIS, a review of the scholarship brochure and the application letters submitted, it appears that the purpose of the scholarship was to increase domestic student numbers.
- 94 In one scholarship application letter reviewed, the letter comprised of 3 lines in a word document explaining that the student had just got their PR (Permanent Residency) so couldn't qualify for a student loan and therefore, a scholarship would be useful to pursue further study.
- 95 In another such letter, the student just wrote down in a few sentences on their previous qualifications and that the scholarship would help with their student loan as well as allowing them to gain higher IT skills at a prestigious institution.
- 96 It would appear that some scholarships were granted based on letters that do not appear to have the same level of rigour expected in a scholarship application.
- 97 Of the students interviewed, one student noted that the scholarship was the main reason they chose to study at AIS. Another student was not aware he was awarded a scholarship and thought it was a discount for cross-credits.
- 98 Some students who were awarded a 25th Anniversary Scholarship also had warning letters of non-attendance in their files.
- 99 Based on the above, we consider that both the NDS Special and the 25th Anniversary Scholarships could be interpreted as a form of inducement used to attract and increase domestic student enrolments.

100 AIS disagree with the above assessment as they consider these to meet the definition of a scholarship based on criteria (c) of the definition of a scholarship. In their response letter, AIS noted that:

'The findings of the draft report relating to 'inducements' are disputed. The domestic student special fees and 25th anniversary scholarships were established under criterion SAC3+/20 (c)(ii) of the TEC Funding Rules, which allows 'any scholarship that has a clearly identified philanthropic aim, or supports study in a particular area of importance to the donor'. With 90% international students, AIS has always endeavoured to support the enrolment of domestic students, in order to provide a balanced learning environment and improve learning outcomes for both international and domestic students. Scholarships at undergraduate levels cover the first year of studies only, and at postgraduate levels cover 50% of tuition fees only, thereby providing a balance between support by AIS and commitment by the student. Maori Grants, covering tuition fees for 10 Maori applicants and the Chairman's Scholarships, covering the full tuition and resources fees for three undergraduate students for bachelor programmes, are also offered for specific purposes and have separate application forms and terms and conditions'.

101 Whilst we acknowledge the rationale behind the scholarships and special fees, the level of acceptance for the 25th Anniversary scholarships are so diverse that it would appear any students applying for the grant, would most probably be awarded the scholarship.



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