



TEC overview: Review of MSL Training

MSL Training

MSL Training (“MSL”) is a private training establishment which began in 1998. MSL is a foundation training provider that offers qualifications to prepare students for further education or roles in various different industries, including Retail and Hospitality. The main campus is located in South Auckland and they also have schools in Takapuna and Botany Downs.

Why we initiated the review

MSL was identified for review based on routine analysis of the August 2016 single data return (SDR). In June 2017 we engaged Deloitte to undertake a review of four qualifications delivered at MSL during 2016 and 2017.

The qualifications reviewed were:

- › New Zealand Certificate in English Language (Level 1)
- › New Zealand Certificate in English Language (Level 2)
- › New Zealand Certificate in Food and Beverage Service (Level 3)
- › New Zealand Certificate in Retail (Level 3)

What we found and correction actions taken

Findings	Actions taken
<p>Delivery</p> <ul style="list-style-type: none"> › The New Zealand Certificate in English Language (Level 1 and Level 2) and the New Zealand Certificate in Food and Beverage Service (Level 3) were all being delivered in line with the hours recorded in the TEC database STEO, and per the approved NZQA curriculum documents. › However, a potential under-delivery of learning hours for the New Zealand Certificate in Retail (Level 3) was identified. 	<ul style="list-style-type: none"> › MSL has made changes in STEO to align with the NZQA approval document. › The under-delivery noted is below the TEC’s threshold for recovery. MSL has amended the delivery of the course to add additional hours of workplace learning.
<p>Repeating Qualifications</p> <ul style="list-style-type: none"> › TEC found 26 instances (or 6.6%) of students in 2016, who had repeated a qualification that the student had previously completed at a different provider. These students were studying the New 	<ul style="list-style-type: none"> › MSL conducts a placement test to assess whether a student is at the required level or proficiency to complete the qualification they are intending to enrol in. MSL then enrolls the student in a

Findings	Actions taken
Zealand Certificate in English Language (either Level 1 or Level 2).	qualification that is appropriate for that student. Sometimes a student may hold a qualification from another provider, but still be enrolled in the Level 1 or Level 2 English qualification.
SDR Submissions	<ul style="list-style-type: none"> <li data-bbox="810 360 1469 533">> MSL provided withdrawal forms for all three students that included an appropriate reason for withdrawal. The TEC has confirmed that the inclusion of these withdrawn students would not have significantly impacted MSL's EPIs. <li data-bbox="810 551 1469 685">> MSL has been notified of the new reporting requirements and those students who withdraw prior to the 10% period will now be included in the SDR submission. <li data-bbox="810 703 1469 837">> It was recommend that MSL review the process used to determine which category is appropriate for reporting withdrawn students in the SDR, to ensure that they are accurately captured.

Financial review

In order to receive funding, all PTE's must demonstrate to use that they provide quality assured qualifications which are delivered through a financial viable entity. Financial viability is a standard for assessing PTE investment plans. Additional details on our requirements for PTE financial viability can be found [here](#).

Our review of MSL also included a pilot intensive review of their financial performance and position, above the analysis we routinely undertake. As this information is commercially sensitive, we have withheld it under section 9(2)(b)(ii) of the Official Information Act 1982.

Actions taken by the TEC as a result of the review

We have now completed this review and MSL have taken the required remedial actions. We will continue to engage with MSL as part of our standard monitoring processes.

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MSL Training
Report for the Tertiary Education
Commission

Confidential

6 November 2017

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1. Executive Summary

Background

- 1.1. MSL Training ("MSL") is a foundation training provider that offers qualifications that prepare students for 'the next stage in their journey'.
- 1.2. Based on the funding information in the TEC Funding confirmation guide, MSL has been allocated total funding of \$3,071,664 for the year 2017.

Scope

- 1.3. TEC engaged Deloitte to undertake a review of four specific programmes at MSL for the years 2016 and 2017. This comprised:
 - a) New Zealand Certificate in English Language (Level 1)
 - b) New Zealand Certificate in English Language (Level 2);
 - c) New Zealand Certificate in Food and Beverage Service (Level 3); and
 - d) New Zealand Certificate in Retail (Level 3).
- 1.4. Specifically, we were instructed to include the following in the scope of the review:
 - 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 requirements;
 - b) Ensuring programmes are delivered in accordance with learning hours approved by NZQA;
 - c) Assessing MSL's financial performance and financial position.

Key findings

- 1.5. We found that the New Zealand Certificate in English Language (Level 1 and Level 2) and the New Zealand Certificate in Food and Beverage Service (Level 3) were all being delivered in line with the hours recorded in the TEC database STEO, and per the approved NZQA curriculum documents.
- 1.6. However, we identified a potential under-delivery of learning hours for the New Zealand Certificate in Retail (Level 3). We calculated the total learning hours as 441, against an approved delivery of 600 hours. The calculated delivery of 441 hours equates to a 73.5% delivery of the learning hours, or a potential under-delivery of 26.5%.
- 1.7. Analysis provided to us by TEC, showed 26 instances (or 6.6%) of students who had completed an equivalent qualification at a different provider before completing the same qualification at MSL during 2016.

- 1.8. Our review of this data showed that all the 26 students were studying the New Zealand Certificate in English Language (either Level 1 or Level 2).
- 1.9. MSL explained to us in response, that the primary reason for students repeating an English language qualification is that, when the NZQA record of learning is relied on, the student may be regarded as eligible (i.e. not currently holding the qualification) when the student may not be eligible. This is because the NZQA record of learning does not record qualifications that are not unit standard based. Accordingly, MSL also conducts a placement test to assess prior learning. This enables MSL to identify that the student is not at the required level or proficiency to complete the qualification the student is intending to enrol for. This leads MSL to enrol the student in a qualification MSL considers the appropriate level for that particular student. MSL further explained that this can sometimes mean that a student may hold a qualification from another provider, but still be enrolled in the Level 1 or Level 2 English qualification.
- 1.10. Finally, we identified four MSL students from 2016 who appeared to receive student loans, but who were not reported in the SDR. MSL provided withdrawal forms for all four students that included an appropriate reason for withdrawal. We found that three of the students appear to have been withdrawn after approximately 25%, 80% and 86% of the total course duration. This is beyond the 10% total duration that was required for reporting in the SDR. We recommend that MSL review the process used to determine which category is appropriate for reporting withdrawn students in the SDR, to ensure that they are accurately captured.

2. Introduction

Organisation Background

- 2.1 MSL is a Private Training Establishment ("PTE") as defined under the Education Act 1989. MSL is a foundation training provider that delivers qualifications to prepare students for further education or roles in various different industries, including Retail and Hospitality. MSL had 212 EFTS funded by TEC in 2016.
- 2.2 We discussed MSL's history with Dougal Marks, Managing Director, and Gill Bunting-Gray, Executive Principal. MSL is a family-owned business that was incorporated and began operating in 1998. MSL's primary campus is based in Manukau, with a campus in Botany and a newly opened campus in Takapuna. MSL has tried to focus on vocations and niche areas. MSL notes that it is trying not to duplicate what other providers already deliver.
- 2.3 In 2014, MSL received significantly less funding based on TEC's funding decisions, and as a consequence had to downsize staff numbers. The English Language programmes were funded again in the most recent funding round, increasing MSL's delivery for 2017.
- 2.4 Recently, MSL has moved into areas of special education and supported learning, and this is a potential growth area for MSL in the future.
- 2.5 MSL endeavours where possible to deliver learning in a work environment (for example using real customers and staff members) and with a goal of students having a CV that can show that the student legitimately worked somewhere.

Programmes selected by TEC

- 2.6 TEC engaged Deloitte to undertake a review of the delivery of the following programmes at MSL Training in 2016 and 2017:
- New Zealand Certificate in English Language (Levels 1 and 2) ("English")
 - New Zealand Certificate in Food and Beverage Service (Level 3) ("Hospitality"); and
 - New Zealand Certificate in Retail (Level 3) ("Retail").
- 2.7 The SAC funding allocated to MSL for each of the programmes in 2017, based on TEC data, is set out in the following table.

Table 1: SAC and YG funding allocated to MSL Training (programmes within scope only)

Programme	Level	Credits	Duration	EFTS Value	SAC Funding 2017 (Percentage of total SAC funding)
Certificate in English Language	1	60	18 weeks	0.50	\$393,480 (14%)
Certificate in English Language	2	60	18 weeks	0.50	\$393,480 (14%)
Certificate in Retail	3	60	20 weeks	0.50	\$169,350 (6%)
Certificate in Hospitality	3	42	15 weeks	0.35	\$409,819.50 (15%)

Methodology

- 2.8 The methodology that we have used to assess the delivery of learning hours to students is conservative and relies on the highest estimates of learning hours that were provided in programme documents (including timetables), tutor interviews and student interviews.
- 2.9 Our approach is 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 reconcile the learning hours that have been entered into STEO by MSL against the learning hours that were recorded in the latest version of the programme documents. This analysis is set out in **Section 3** of this report.
- 2.10 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 or not MSL had delivered the funded learning hours to students.
- 2.11 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.
- 2.12 Our methodology establishes the highest 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 highest number of learning hours delivered to students) because:
- a) Timetable and document review – 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) Student interviews – 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 reduce the risk that our assessment of the self-directed study is understated by only relying on the highest estimates that were provided by students (usually averaging the three highest responses);
 - c) Tutor interviews – if the tutor interviews indicated that the students' responses may have significantly understated the learning hours received, we have considered the reasons for this and if it is appropriate to adjust our assessment upwards.
- 2.13 We provided a draft report to TEC on 5 October 2017 and received feedback from MSL. We made some amendments and finalised our report following consideration of the feedback that we received.

Scope of this report

- 2.14 TEC engaged Deloitte to undertake a review of the four selected programmes above from 2016 to 2017. The review included:
- 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 requirements;

- Ensuring programmes are delivered in accordance with learning hours approved by NZQA;
- Assessing MSL's financial performance and financial position.

Limitations

- 2.15 The terms of this engagement and the scope of the work we have undertaken 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.
- 2.16 The financial and other information contained in this report have been provided by MSL, current MSL staff, TEC, NZQA and various MSL students. Our review was based on enquiries, analytical review, interviews and the exercise of judgement.
- 2.17 Our assessments are based on observations from our review undertaken in the time allocated. Assessments made by our team are matched against our expectations and good practice guidelines.
- 2.18 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, our report should not be relied on to identify all weaknesses that may exist in the systems and procedures under examination, or potential instances of non-compliance that may exist.
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3. Compliance with learning hours and weeks

3.1 In this section we set out our findings on whether or not:

- the programmes were approved by NZQA; and
- the programme learning hours and weeks entered by MSL into the TEC database "STEO" have been delivered by MSL in practice.

Programme alignment with the approval requirements

3.2 We have set out below the required hours of delivery under the original NZQA programme approval documents and the hours that were submitted by MSL into the TEC database STEO. TEC has advised us that the data entered into STEO is the basis for the education provider funding calculations.

Table 3: Required Hours of Delivery under STEO (TEC) and the NZQA Curriculum Documents

Programme	STEO (TEC)	R0482 (NZQA)	Does STEO reconcile?
New Zealand Certificate in English Language (Level 1)	Duration: 18 weeks Teaching: 20 hrs/wk Self-Directed: 12 hrs/wk Total Learning Hours: 576	Duration: 18 weeks Teaching: 20 hrs/wk Self-Directed: 12 hrs/wk Total Learning Hours: 576	✓ Total hours reconcile between R0482 and STEO
New Zealand Certificate in English Language (Level 2)	Duration: 18 weeks Teaching: 20 hrs/wk Self-Directed: 12 hrs/wk Total Learning Hours: 576	Duration: 18 weeks Teaching: 20 hrs/wk Self-Directed: 12 hrs/wk Total Learning Hours: 576	✓ Total hours reconcile between R0482 and STEO
New Zealand Certificate in Retail (Level 3)	Duration: 20 weeks Teaching: 20 hrs/wk Work experience: 5 hrs/wk Self-Directed: 5 hrs/wk Total Learning Hours: 600	Duration: 20 weeks Teaching: 25 hrs/wk Self-Directed: 5 hrs/wk Total Learning Hours: 600	✓ Total hours reconcile between R0482 and STEO
New Zealand Certificate in Food and Beverage Service (Level 3)	Duration: 15 Teaching: 20 hrs/wk Work experience: 10 hrs/wk Total Learning Hours: 450	Duration: 15 Teaching: 20 hrs/wk Self-Directed: 10 hrs/wk Total Learning Hours: 450	✓ Total hours reconcile between R0482 and STEO

Duration and learning hours analysis

- 3.3 We have been advised by TEC that an important part of the funding provided to Education Providers is based on the total learning hours delivered to the student (approximately 1,200 hours per year for a full time programme).
- 3.4 The learning hours for the programmes we reviewed are comprised of teaching hours, work experience, and self-directed hours. Our review focussed on both of these components and relied on tutor and student interviews.

	English (L1 / L2)	Retail (L3)	Hospitality (L3)
Credits recorded in STEO	60	60	42
Level	1 / 2	3	3
EFTS delivered (2016 & 2017)	210	34	42
Weeks (excluding holiday weeks)	18	20	15
Learning hours recorded in STEO			
Teaching hours per week (total)	20 (360)	20 (400)	20 (300)
Self-directed hours per week (total)	12 (216)	5 (100)	0 (-)
Work-experience hours per week (total)	- (-)	5 (100)	10 (150)
Total learning hours required (STEO)	576	600	450
Learning hours delivered			
- Scheduled classroom and tutorials	360	400*	300*
- Self-directed learning	216	24*	75*
- Work experience / learning in employment	N/A	17**	100**
Total learning hours delivered	576	441	475
Assessment of learning hours delivered to students (as a % of hours recorded in STEO)	100%	73.5%	105%

*We have used the classroom hours provided by the tutors for Retail and Hospitality as the figures are consistent with the delivery described by the majority of students. We have also used this approach for calculating the self-directed learning for Hospitality. For Retail there was significantly less consistency of responses from students, so we have used the standard methodology of the average of the three highest estimates provided by students.

**We have calculated the work experience hours using the average of the highest three responses provided by the students. We note that the work experience hours outlined by students varied widely, and have discussed this in the following paragraphs.

New Zealand Certificate in English Language (Level 1 and Level 2)

- 3.5 For both the Level 1 and Level 2 Certificates, there were no differences in the learning hours and weeks that were submitted in STEO, and what was approved by NZQA. Using the standard methodology (set out in Section 2), we assessed that both Level 1 and Level 2 were being delivered consistently with the learning hours recorded in STEO.
- 3.6 The tutors and students explained to us that the programme lasts for 20 weeks, with a two week holiday break in the middle. Standard classroom hours are 20 hours a week, with classes Monday to Friday starting at 9am and finishing at 1pm. There are short breaks provided, which are usually 15 minutes but may be up to half an hour for lunch. As students sometimes work through the breaks, and the break lengths are not always a set length, for the purposes of our assessment of learning hours, we have included the break time as classroom hours.
- 3.7 STEO records 12 self-directed learning hours per week for both levels of the Certificate in English Language. Tutors explained to us that the expectation was that each student would do 12 hours self-directed learning a week. Some examples of self-directed learning that the tutors described to us included traditional homework and revision, and also putting speaking English into practice, by talking on the bus, visiting the supermarket etc. All of the students we interviewed reported completing homework/self-directed hours, and using our standard methodology (see section 2) we calculated this at 12 hours per week.
- 3.8 Although the majority of students attend the standard classroom hours, MSL also provides the alternative of afternoon classes. Tutors explained to us that afternoon classes run from 1.30pm, and that (especially during winter) classes finish at 5pm to ensure that students can get to the bus on time. This could potentially reduce the classroom learning hours from 20 hours a week to 17.5 hours per week. However, tutors noted that students would be expected to complete extra work at home to compensate for finishing early, or would be expected to do extra work during the breaks.
- 3.9 Only one student we interviewed appeared to have completed the afternoon classes, and this student reported completing only five hours of self-directed learning, putting them down the lower-end of the total learning hours scale. It is possible that students who complete the afternoon classes are completing less learning hours in total than students who complete the standard classes, i.e. reducing the weekly classroom hours from 20 to 17.5 would be 531 learning hours in total, or 92.2% of the hours recorded in STEO. We recommend that MSL considers whether the afternoon classes are structured in a way that ensures that the students complete the same learning (and learning hours) as those attending the standard classroom sessions. After receipt of our draft report, MSL explained to us that it has since spoken to the relevant staff and reinstated the afternoon hours to finish at 5.30pm, as was the previous structure.

New Zealand Certificate in Food and Beverage Service (Level 3) (“Hospitality”)

- 3.10 Our review found that the New Zealand Certificate in Food and Beverage Service (Level 3) is being delivered in line with the learning hours recorded in STEO and approved by NZQA. The Hospitality certificate is delivered at MSL’s Manukau Campus, using a mixture of classroom/tutorial hours, and work experience in the hospitality sector.
- 3.11 The classroom hours were described to us as 9am to 2pm Monday to Thursday. There are no set classes on Fridays, but students can attend on a Friday if they need to catch up on any classes they may have missed, or complete additional work. We have not included an additional allowance of learning hours for classes on

Fridays, as the primary purpose appears to be for when students have missed another class or need to catch up.

- 3.12 We found that students were, in practice, completing self-directed learning by doing some work and revision at home outside of classroom hours. Three of the ten students we spoke to said they did not complete any additional work at home, while the other seven described between one and twelve hours per week of self-directed learning. Both tutors we spoke to described self-directed learning of approximately five hours a week, and we have used this for our assessment.
- 3.13 The work experience hours for Hospitality are primarily completed by students working in bars on Thursdays and Fridays during the programme. One of the tutors we spoke with told us that she and MSL have relationships with a number of bars and venues in South Auckland, and that this is where the majority of the students complete work experience. Typically, these are five hour shifts on a Thursday and Friday night. One of the tutors we spoke with had more recently joined MSL and was establishing further contacts with venues, including in Botany. The tutors told us that all students complete work experience and further explained that they try to have students complete a minimum of 80 hours, but it may be up to 150 hours. We were also told that rosters are completed for the students and that the rosters are used as evidence that work experience has been completed.
- 3.14 We calculated the work experience hours completed by taking the average of the highest three student estimates. The responses about the amount of work experience completed by each student varied, as some students reported completing one day a week, while others reported completing two. Some students reported completing work experience for a smaller number of weeks (for example five weeks and two weeks). However, for the purposes of our assessment we have calculated 100 hours of work experience using our methodology (see paragraphs 2.10–2.13) that relies more heavily on students who were more likely to complete all of the work experience hours on offer. The work experience hours for the Hospitality certificate equate to one third of the total learning hours in STEO, and it is therefore an important part of the delivery.
- 3.15 MSL explained to us that many students are able to find employment after completing the certificate, either at the bars the student has completed work experience in, or elsewhere.

New Zealand Certificate in Retail (Level 3)

- 3.16 The New Zealand Certificate in Retail (Level 3) is primarily delivered at MSL's Manukau Campus, using a mixture of scheduled classroom hours, work experience, and self-directed learning.
- 3.17 Our review found a potential under-delivery of 159 hours (26.5%), with 441 learning hours being delivered against 600 hours recorded in STEO. The following paragraphs outline our findings relating to Retail.
- 3.18 MSL described Retail as a 20 week programme, with classes from 9am to 2pm Monday to Thursday. As with Hospitality, Fridays can be used for students to catch up on work, or if the student has missed a class. The students we spoke with either described Friday as a "day off" or as a "catch up day". This is consistent with our understanding of what the tutors described to us; that students would only attend on a Friday if they had either missed a class, or needed to do extra work (including self-directed study). Students are given half an hour for lunch, but the tutors told us that sometimes students will work through lunch. We have not reduced the classroom hours for a lunch break. Overall, we calculated the classroom hours as 400 learning hours in total, being 20 weeks of 20 hours per week.

- 3.19 STEO records five hours of self-directed learning a week (being 100 hours in total). Tutors described assigning students with self-directed activities, such as observing customer service in a bank or retail store. We assessed MSL's delivery of self-directed learning hours as 24 hours in total (or 24% of the hours recorded in STEO). We used our standard methodology (see section 2) and calculated this by taking the average of the highest three responses provided by students. We note that this is a conservative estimate as the remaining seven (of ten) students we interviewed reported not completing any self-directed learning outside of the classroom hours.
- 3.20 For work experience hours, STEO records another 100 learning hours in total, as five hours per week over 20 weeks. One of the tutors described the work experience hours as being 3-5 hours per day for approximately 3-4 weeks (the mid-point being 70 hours in total). However, of the 10 students we interviewed, the highest estimate given for work experience was 32 hours in total, being two days a week for two weeks of full day shifts. Two of the students we interviewed reported doing practical work in class, such as setting up a mini-store for the public; but this was described as being during usual classroom hours so would not add to the total number of learning hours completed.¹ Three of the students we spoke with said they did not complete any work experience, with two of those students mentioning they thought they were supposed to do work experience but did not get to do any. Using our standard methodology we calculated the learning hours through work experience as 17 hours.
- 3.21 Overall, we assessed a potential delivery of 441 learning hours against a requirement of 600 hours i.e. (under-delivery of 159 hours). We note again that we have been conservative in our calculation (in that the under-delivery could be more than what we have calculated), especially given that only a small number of students we spoke to actually reported completing the self-directed learning and similarly a number of students reported completing no work experience.
- 3.22 We recommend that TEC consider whether students who are not completing any (or very few) work experience hours are materially completing the required learning hours for Retail. We note that the R0482 NZQA Programme Details states that the delivery method will include *"four modules... one of which is both classroom and work-experience based and one which mainly involves practical work in the workplace"*.
- 3.23 MSL explained that the one module (being a 5 credit module, within the 60 credit total programme) is delivered both in the work environment on campus (such as a pop-up shop) and in the workplace. MSL further advised us that it has since lodged with NZQA a type two change to the approval document to better clarify how this work experience module is delivered.
- 3.24 We recommend that MSL considers the current structure of the New Zealand Certificate in Retail (Level 3) as the current approach to delivery may differ or have changed from the approach described and approved in the R0482 NZQA documents. Alternatively, MSL may consider whether the Fridays that do not have any scheduled classroom hours could be utilised for delivering additional learning hours such as through work experience.
- 3.25 Following receipt of our draft report, MSL explained that it has made changes in STEO to align with the NZQA approval document, and that Fridays will be utilised for practical work experience activities such as work placement (external employers) or work experience (within pop-up shops).

¹ We considered the possibility that students may not have described the activities and shops set up within MSL as being work experience. However, as these activities are within the scheduled classroom hours this would not change the overall learning hours completed by each student.

9(2)(b)(ii)

9(2)(b)(ii)

9(2)(b)(ii)

9(2)(b)(ii)

5. Other findings

- 5.1 Before and during our review we were made aware of a small number of areas of interest to explore relating to MSL. We set out our findings and commentary below relating to the following areas:
- a) MSL students repeating a qualification from a different provider;
 - b) High qualification completion rates at MSL; and
 - c) Student loan drawdowns exceeding students recorded in the SDR.

Repeating qualifications

- 5.2 Analysis provided to us by TEC found 26 instances (or 6.6%) of students in 2016, who had repeated a qualification that the student had previously completed at a different provider. We identified that all of these students were studying the New Zealand Certificate in English Language (either Level 1 or Level 2). We discussed this with MSL and explored this primarily with MSL's English Language tutors.
- 5.3 During the enrolment interview (outlined in the following paragraphs) MSL asks students if they have studied elsewhere and also for permission to get a copy of the student's Record of Learning from NZQA. MSL's enrolment form also asks students to list previously completed study. MSL also noted that the record of learning does not provide details of qualifications that are not unit standard based.
- 5.4 Specifically for the English qualifications, as well as an enrolment interview, students complete a placement test. MSL explained to us that during the enrolment interview, some students would say they had studied English (for example Level 1) at another provider, but that after completing the placement test it would become clear that the student was not up to the standard for the next level. In these instances, MSL would still accept the student into MSL's Level 1 English programme.
- 5.5 MSL explained to us that the key focus was ensuring the student was placed in the right level based on the placement test. This can sometimes mean that a student holds a qualification from another provider, but MSL would still enrol them in the equivalent MSL qualification.
- 5.6 We note for completeness that repeating qualifications did not occur for either Retail or Hospitality in 2016.

High completion rates

- 5.7 MSL's course completion rates in 2016 were 93.6%. We asked Dougal Marks (Managing Director) and Gill Bunting-Gray (Executive Principal) about MSL's high completion rates. MSL explained that it achieves high completion rates through a number of activities. We summarise these in the following paragraphs.
- 5.8 MSL conducts an enrolment interview with each prospective student. This interview includes an Enrolment Advisor meeting with the student, understanding the student's motivation to complete the course and better understanding the student's plan and goals. The interview covers off what study the student has completed

in the past, and also identifying what support the individual student might need. The enrolment interview also includes checking criminal history, medical questions, transport and childcare arrangements. MSL explained to us that it is not a 'tick box' exercise, but is to most accurately gauge what a student wants to do, and what will be best for them.

- 5.9 MSL utilises what it describes as a 'Kickstart', where students can enrol in and attend a programme to 'try before you buy'. The Kickstart is generally eight days, whereby at the end of it the student can elect to continue with the programme and complete enrolment. This also allows students to move between programmes if they do not want to continue with the one they were originally completing. MSL believes that using the Kickstart allows students to make an appropriately informed choice about a course to complete.
- 5.10 MSL explained that it provides a significant level of pastoral care to students, and that is one of the reasons for achieving high completion rates. This includes helping with transport for students, for example topping up Auckland Transport Hop cards. MSL, in providing support for issues students might have, helps connect students with relevant agencies, offers rooms for counselling, and completes home visits when necessary (e.g. non-attendance).
- 5.11 MSL also notes that the practical nature of the programmes works well with the demographic of students it attracts, and allows for successful completion. MSL's approach of using one teacher for one class, ensures that tutors are accessible, and aims to connect with students on a personal level.
- 5.12 We recommend that MSL considers introducing a 'checklist' that assists with documenting the discussion had with students during the enrolment interview.

Student Loans

- 5.13 MSL's Registrar helps manage any student loan enquiries that students have, and MSL provides support to students to help them through the online application process.
- 5.14 TEC obtained data from StudyLink that showed all the students who had received student loans with MSL as the education provider. The StudyLink student information did not reconcile perfectly with the TEC SDR information, so TEC carried out a basic query that constructed a "NameID" associated with the SDR, which was based on the student's full name in the StudyLink data. From this query, there were students identified in the StudyLink information as having loans that were not in the TEC SDR information. We note that the data matching used a method that does not give 100% certainty of the results, and there also may be valid reasons why these students are returned by the query.
- 5.15 In total, the query identified 20 students who received loans between 2014 and 2016 but who were not reported in MSL's SDR, with five of these being in 2016 (the review period). The relevant risk is that students may be enrolled without intent to complete the programme and are therefore not included in the SDR because it could impact the completion performance indicators.
- 5.16 To test this, we requested copies of relevant student withdrawal records for the five students who received student loans in 2016 that were not reported in the SDR. MSL explained to us that one of the students did not receive a student loan as the student was a youth student². For the other four students, we were provided with copies of withdrawal forms, and the following explanations:

² The student may have been in Studylink records if they received a student allowance or other financial assistance

- Early withdrawal due to illness – and student loan declined (as the student had not passed more than 50% of previous study).
- Early withdrawal as the student was involved in theft while doing work experience, and withdrawn with immediate effect.
- Early withdrawal as the student stopped attending and MSL was unable to successfully make contact.
- Early withdrawal as very poor attendance and MSL was unable to successfully make contact.

5.17 Using the withdrawal dates provided by MSL (and supported by the withdrawal forms provided) we calculated the approximate percentage of the programme completed by each of these four students. One student was withdrawn after approximately 8% of the programme duration, and this student would not be expected to be reported in the SDR for 2016. However, the other three students were withdrawn after approximately 25%, 80% and 86% of the total duration. We noted that two of the students were withdrawn for non-attendance, which may have manifested significantly earlier than the actual withdrawal date. However, as the duration had gone beyond 10% of the total duration, we would expect these students to be reported in the SDR.

5.18 We are aware that there are new reporting requirements and those students who withdraw prior to the 10% period will now be included in the SDR submission. We recommend that MSL review the process used to determine which category is appropriate for reporting withdrawn students in the SDR to ensure that they are accurately captured.

Appendix A – Key Sources of Information

Key Sources of Information

Type	Details
Documents	<ul style="list-style-type: none"> • MSL SDR data in relation to enrolments and completions • STEO records from TEC for each programme • NZQA programme approval and R0482 documents for each programme (from NZQA and MSL) • Tutor list for each programme (MSL) • Student list for each programme (MSL) • TEC data query comparing TEC SDR data to the Studylink data • NZQA external evaluation and review report – July 2015 • Sample assessment, workbook and other programme documents (MSL) • Policies, procedures manual, and staff guidelines (MSL) • Student withdrawal records for requested sample (MSL) • Independent Assurance Practitioner’s Review Report, 17 May 2017 (MSL) • MSL Budget, January to December 2017 (MSL) • MSL Budget, July to December 2017 (MSL) • MSL Training Group Ltd Annual Report 31 December 2016 (MSL) • MSL Training Group Ltd Balance Sheet as at 30 June 2017 (MSL) • Monthly Profit & Loss Accounts, January to June 2017 (MSL) • Aged Receivables at August 2017 (MSL) • Aged Payables at July 2017 (MSL) • MSL Training Group “Account Transactions” January to June 2017 (MSL) • Extract from “MYIRD” showing 30 June 2017 transactions (MSL)
MSL Personnel	<ul style="list-style-type: none"> • Dougal Marks (Managing Director) • Gill Bunting-Gray (Executive Principal) • 9(2)(a) [Redacted] • 9(2)(a) [Redacted] • 9(2)(a) [Redacted] • 9(2)(a) [Redacted] • [Redacted] • [Redacted] • [Redacted] • [Redacted] • [Redacted] • [Redacted] • [Redacted]
Other	<ul style="list-style-type: none"> • A selection of students were interviewed across programmes • We were provided with information, documents, and analysis by various TEC personnel



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