

Report of External Evaluation and Review

Serco New Zealand Training Limited

Not Yet Confident in educational performance

Not Yet Confident in capability in self-assessment

Date of report: 22 September 2015

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Final Report

Purpose of this Report

The purpose of this external evaluation and review report is to provide a public statement about the Tertiary Education Organisation's (TEO) educational performance and capability in self-assessment. It forms part of the accountability process required by Government to inform investors, the public, students, prospective students, communities, employers, and other interested parties. It is also intended to be used by the TEO itself for quality improvement purposes.

Introduction

1. TEO in context

Name of TEO:	Serco New Zealand Training Limited
Type:	Private training establishment (PTE)
First registered:	10 July 2013
Location:	Mount Eden Corrections Facility, 1 Lauder Road, Mount Eden, Auckland
Delivery sites:	In addition to the location above, Serco also delivers training at the Auckland South Corrections Facility, located at 21 Kiwi Tamaki Road, Wiri, Auckland.
Courses currently delivered:	<ul style="list-style-type: none">• Initial Training Course¹• National Certificate in Offender Management (Level 3)• National Certificate in Offender Management (Level 4)• National Certificate in Business Administration and Computing (Level 3)• National Certificate in Business (First Line Management) (Level 4)
Code of Practice signatory:	No
Number of students:	372 trainees since establishment

¹ See Distinctive Characteristics and Scope of External Evaluation and Review on pages 4 and 5 of this report.

Number of staff:	Six full-time staff dedicated to training management, administration and delivery
Scope of active accreditation:	A variety of domains in relation to prison management and prison safety and security: http://www.nzqa.govt.nz/providers/nqf-accreditations.do?providerId=714922001
Distinctive characteristics:	<p>Serco Training New Zealand Limited (Serco Training) is the internal training arm of a multinational service company, Serco. Serco Training is governed by a board of directors, comprising primarily Serco's executive managers based in New Zealand and Australia.</p> <p>Serco currently operates two prisons under contract to the New Zealand Government: Mount Eden Corrections Facility (formerly known as Auckland Central Remand Prison) and Auckland South Corrections Facility.</p> <p>Serco Training provides the training services required to Serco, including 'initial training' and the continual upskilling and regular refresher training of prison officers (known as Corrections Officers and Rehabilitation Officers in Serco).</p> <p>New prison officer recruits at Serco are given intensive training for nine weeks. Successful completion of initial training allows the trainee to be legally recognised as a prison officer, which is a requirement for continuing employment with Serco. Prison officers are required to continue their training while working towards the National Certificate in Offender Management (Level 3).</p>
Recent significant changes:	<p>Serco Training was newly registered in 2013 and had a 100 per cent staff turnover of its permanent staff in the latter part of 2014. A new training manager was appointed in early 2015 and a new team put in place shortly after.</p> <p>Serco opened a new prison (Auckland South Corrections Facility) in May 2015, requiring hundreds of new prison officers to be recruited and trained. This has resulted in the very high throughput of initial training, with four courses being run since January 2015 and two more courses due to commence. This has been a high</p>

	strategic priority for Serco and Serco Training.
Previous quality assurance history:	This is Serco Training's first external evaluation and review. NZQA conducted a validation visit to Serco Training in May 2014. No concerns were identified. Serco Training met all compliance requirements for maintaining its ongoing registration with NZQA.
Other:	Serco Training does not receive funding from the Tertiary Education Commission.

2. Scope of external evaluation and review

Governance, management and strategy is a mandatory focus area. The National Certificate in Offender Management (Level 3) was also selected as a focus area because all prison officers are enrolled in this qualification as part of workplace training.

Initial training is the first module of the National Certificate in Offender Management (Level 3) programme. Serco Training designed the programme so that the key unit standards for meeting the legal requirements of being a prison officer are being delivered at initial training. During the evaluation team's on-site visit, the relative importance of initial training was realised. With the consent of Serco Training, the initial training course was separated out as another focus area.

Serco Training is registered as a separate legal entity. NZQA has no jurisdiction over the prison operations of Serco and, as such, this external evaluation and review is limited to the training of prison officers. The Department of Corrections is responsible for managing the contract between the New Zealand Government and Serco over prison operations at Mount Eden and Auckland South, and Worksafe New Zealand has jurisdiction over workplace health and safety.

3. Conduct of external evaluation and review

All external evaluation and reviews are conducted in accordance with NZQA's published policies and procedures. The methodology used is described fully in the web document Policy and Guidelines for the Conduct of External Evaluation and Review available at: <http://www.nzqa.govt.nz/providers-partners/registration-and-accreditation/external-evaluation-and-review/policy-and-guidelines-eer/introduction>. The TEO has an opportunity to comment on the accuracy of this report, and any submissions received are fully considered by NZQA before finalising the report.

Self-assessment materials were delivered to NZQA in a timely fashion to inform the scoping of this external evaluation and review. Prior to the scope being finalised, the lead evaluator met with representatives of Serco Training to agree on the focus areas and logistics of the on-site visit.

The evaluation team comprised two evaluators. The on-site visit lasted two days – one day each at Mount Eden and Auckland South. The evaluation team interviewed the training manager, the programme development and accreditation advisor, two senior training instructors/assessors, three employees at Mount Eden and 12 employees at Auckland South (all employees have completed the initial training and are currently working towards the level 3 qualification). The evaluation team also interviewed two directors, who are effectively clients of Serco Training. One industry training organisation, The Skills Organisation, was contacted as part of the evaluation process. A wide range of documents and records were reviewed.

Summary of Results

Statements of confidence on educational performance and on capability in self-assessment

NZQA is **Not Yet Confident** in the educational performance of **Serco New Zealand Training Limited**.

NZQA is **Not Yet Confident** in the capability in self-assessment of **Serco New Zealand Training Limited**.

- Qualification completion rates are weak (see Findings 1.1). This is largely due to flaws in programme design – where the assessment methodology is impractical and unrealistic (see Findings 1.3) – as well as a lack of capacity in Serco Training to support trainees through workplace training, and deficiencies in its system to track trainee progress and identify trainees who have stalled in progression towards the qualification (see Findings 1.5 and 1.6).
- Internal post-assessment moderation has not been conducted since February 2014 (see Findings 1.1 and 1.4).
- The quality of training delivered by seconded instructors/assessors and guest speakers is unknown as Serco Training did not collect sufficient data to quality assure the training (see Findings 1.4).
- Direction from governance was overly focused on ensuring sufficient supply of prison officers. Because Serco Training was not adequately resourced, this emphasis led to a sacrifice in qualification completion, putting Serco employees at risk of not refining their skills while operating in a complex and high-risk prison environment (see Findings 1.2 and 1.6).

However, the evaluation team identified some positive aspects during the on-site visit:

- Serco Training met the most critical needs of its client, Serco, as well as Serco's new employees, by providing the necessary initial training that meets the legal requirements for working as a prison officer. Trainees valued the training delivered by the two full-time instructors/assessors and considered themselves equipped with the skills required to commence work as prison officers without any surprises (see Findings 1.2).
- Serco Training provides Serco, its only client, with sufficient prison officers to staff the Mount Eden and Auckland South prisons (see Findings 1.3).
- The two full-time instructors/assessors have extensive experience in prison management and are qualified in the subject matter as well as in adult education. Professional development is well supported (see Findings 1.4).

- Serco Training realised the need to improve educational achievement for the National Certificate in Prison Management programme. The assessment approach and methodology have been redesigned and this received the full support of the industry training organisation, The Skills Organisation. The plan appears credible and the new management team appears capable. Once implemented, the new methodology is likely to lead to improvements in the qualification completion rate concerned (see Findings 1.1 and 1.6).

Overall, the evaluation team found evidence that Serco Training is working towards addressing its poor qualification completion rates, a significant gap which it has self-identified. Time will inform the effectiveness of these initiatives and, until the improvement in outcomes is evident, NZQA must express its relative lack of confidence in the educational performance and capability in self-assessment of Serco Training.

Findings²

1.1 How well do learners achieve?

The rating for performance in relation to this key evaluation question is **Adequate**.

The rating for capability in self-assessment for this key evaluation question is **Adequate**.

The intensive initial training course equips Serco's new employees with the basic knowledge, skills and attitudes to work as legally recognised prison officers. Delivering the initial training course has been the primary training activity and key focus of Serco Training. Completion rates for the initial training course in 2015 were highly positive, as shown in Table 1.

Table 1. Completion of initial training course at Serco Training, 2015 to date

	Completed	Enrolled	%
Mount Eden	52	55	95%
Auckland South	91	91	100%
	143	146	98%

Data source: Serco New Zealand Training Limited

Serco's employees who successfully complete the initial training course continue to be trained towards the National Certificate in Offender Management (Level 3) while working for Serco as prison officers. The aim of the qualification is for these employees to consolidate their prison management skills, as well as increase their confidence through work-based training and experience working in prisons. Serco Training advises a reasonable timeframe expectation for employees to complete the qualification to be within six months of completing the initial training course. Based on that measure, the completion rates for the qualification to date are weak, as shown in Table 2.

Training towards three other qualifications is offered to Serco's employees: the National Certificate in Offender Management (Level 4) and the National Certificate in Business (First Line Management) for prison officers aspiring to career advancement, and a National Certificate in Business Administration and Computing for basic business and computing skills training. Qualification completion rates for these programmes have been very low (see Table 2). Overall, the weak achievement rates in qualification completion cast doubt on the educational performance of Serco Training, given the inconsistent learner achievement between initial training and the programmes that lead to a qualification.

² The findings in this report are derived using a standard process and are based on a targeted sample of the organisation's activities.

Table 2. Qualification completion rates at Serco Training, 2014-2015 to date

	Completed	Enrolled ³	%
National Certificate in Offender Management (Level 3)	27	104	26%
National Certificate in Offender Management (Level 4)	3	48	6%
National Certificate in Business (First Line Management) (Level 4)	1	4	25%
National Certificate in Business Administration and Computing (Level 3)	1	4	25%

Data source: Serco New Zealand Training Limited

Serco Training management reports quarterly to its board, as well as monthly to the prison directors. The focus has been on the initial training course, as the critical training output has been to ensure Serco prisons have the required number of prison officers. The completions data for the initial training course (as presented in Table 1) is sound and reliable. The report to the Mount Eden prison director contains updates on completion rates of the qualifications, but the evaluation team noted some discrepancies in figures reported. It was found that, as Serco Training did not operate a functional student management system, there have been counting errors in reports as recent as May 2015. Serco Training has confirmed the accuracy of data provided to NZQA's evaluation team, as reported in Table 2.

Given the state of its current information systems, Serco Training was unable to provide a breakdown of completion rates by ethnicity.

Serco Training is aware of the need to upgrade its systems, as well as its poor performance in qualification completions (also see Findings 1.3).

The evaluation team was unable to confirm achievement validity as there has been no external moderation conducted by the industry training organisation as yet. Internal post-assessment moderation was last done in February 2014, so the evaluation team has some reservation about the validity of the achievement figures.

³ Enrolled figures exclude new employees who have completed the initial training course in the last six months.

1.2 What is the value of the outcomes for key stakeholders, including learners?

The rating for performance in relation to this key evaluation question is **Adequate**.

The rating for capability in self-assessment for this key evaluation question is **Adequate**.

As directed by the board, Serco Training has, so far, primarily focused on supplying Serco with a sufficient number of prison officers. This is a strategic priority, particularly as Serco has been working towards opening a new prison in Auckland South. Serco Training has met this objective, with Serco having the workforce capacity required to operate the prisons – in fact, at the time of the evaluation team’s on-site visit, the Mount Eden Corrections Facility was at full complement. This is an outcome of significant value to Serco Training’s only client, Serco.

The training provides some value to the prison officers. Completing the nine-week initial training course confirms trainees’ employment with Serco as a prison officer at a salary that is considered to be at the higher end for a career-starter. Serco employees interviewed by the evaluation team confirmed the relevance of their training and advised that there had been no surprises when they transitioned to working in the prison environment. The feedback from supervisors, trainers and prison directors is that these trainees are competent as new prison officers.

However, completion of the initial training course only equips Serco employees with the basic requirements to perform as prison officers. The lack of focus on continual training towards the level 3 qualification poses a risk to the employees working in a complex and high-risk environment like prisons. Currently, all employees are ‘deemed’ to have achieved the level 3 qualification for the purpose of determining remuneration, but the value of the qualification should not be based entirely on an increase in salary. Moreover, the other qualifications on offer to encourage career advancement for aspiring leaders have low uptake and even lower completion rates.

Serco Training also delivers or facilitates the mandatory training refreshers to current prison officers. Seventy-five per cent of Serco’s prison officers are compliant and up to date with training in suicide awareness and at least 82 per cent compliant and up to date with fire, first aid, and control and restraints training.

Overall, Serco Training demonstrated reasonable practices in understanding the value of its training outcomes – which is highly positive in initial training by meeting the demand for legally recognised prison officers of the only client, Serco. However, the low qualification completions are of concern, where the full sustainable competency of trainees is not met. Completing the qualification would provide trainees with the complete skill-set to fully perform as prison officers. Serco Training was aware of this deficiency prior to the evaluation team’s on-site visit and has presented a credible plan to address this significant gap.

1.3 How well do programmes and activities match the needs of learners and other stakeholders?

The rating for performance in relation to this key evaluation question is **Adequate**.

The rating for capability in self-assessment for this key evaluation question is **Good**.

While it is a separate legal entity, Serco Training is effectively an internal training division that designs and delivers training to only one (internal) client. Serco Training therefore understands its client's needs very well through close partnership with Serco prisons, and tailors its training programmes to ensure a sufficient supply of prison officers. This has matched the key need of Serco for the past two years.

The initial training course has an appropriate mixture of theory knowledge and hands-on practice in the prison environment. Throughout the nine-week training, trainees work towards and achieve unit standards that make up parts of the level 3 qualification. Serco Training reviews its training effectiveness regularly and seeks feedback from Serco management and employees. The evaluation team observed that such feedback is used to improve programme design and delivery. For example, the behavioural module was delivered as part of the initial training course at Auckland South, which was deemed to have made a difference to the quality of new recruits as they transition to work at the new prison. This feedback was taken on board and the initial training at Mount Eden has been updated accordingly.

Serco Training has some input into the selection and recruitment process of new Serco employees, although there is room for Serco Training PTE to exert a higher influence on the process. This is important as Serco Training should perform a critical role in deciding the suitability of a prospective employee before enrolling the trainee on the initial training course. New recruits are not assessed on their literacy and numeracy levels, potentially leading to a lack of understanding of trainees' ability by the training team, which in turn may lead to inadequate guidance and support to ensure educational success.

The current assessment method for the National Certificate in Offender Management (Level 3) programme is impractical and not realistic given the current level of resources. This is the key explanation for the very low completion rates of the qualification. Since early 2015, the management team has worked with the industry training organisation, The Skills Organisation, to design a methodology for robustly assessing performance 'on the prison floor' (competency assessments in the workplace). The design of this change in approach has been completed – with the industry training organisation expressing full support – and is about to be implemented. This is a credible plan which is expected to lift the qualification completion rate for the National Certificate in Offender Management (Level 3).

1.4 How effective is the teaching?

The rating for performance in relation to this key evaluation question is **Adequate**.

The rating for capability in self-assessment for this key evaluation question is **Adequate**.

The two full-time instructors/assessors have extensive experience in prison management and are also qualified in adult education. Professional development for the two full-time instructors/assessors is well supported. Trainee surveys are conducted at the end of the initial training. It is noted that good rapport exists between instructors and trainees for the initial training, and the training delivered by the two full-time instructors/assessors is of good quality.

Serco Training seconds additional instructors/assessors. Guest speakers from Serco and the Department of Corrections are invited from time to time to present parts of the initial training course, particularly with the additional staff required at the new Auckland South prison. Some feedback from employees interviewed by the evaluation team indicated that the quality of seconded instructors/assessors and guest speakers varies. The lack of data collected for evaluating the performance of guest speakers and on the quality of refresher training delivered by other training providers is a gap in the quality assurance of this training.

Appropriate infrastructure is in place to facilitate effective training. The Auckland South Corrections Facility has a purpose-built training complex with simulation prison suites for initial training. The current resourcing level has been adequate, with secondments, to deliver the initial training courses to meet the surge in demand for new prison officers. However, Serco Training is severely lacking in capacity, in terms of human resources, to deliver, assess and monitor progress for programmes leading towards a qualification. Additionally, as noted prior, the assessment practice is impractical and unrealistic, and internal post-assessment moderation has not been conducted since February 2014.

1.5 How well are learners guided and supported?

The rating for performance in relation to this key evaluation question is **Poor**.

The rating for capability in self-assessment for this key evaluation question is **Adequate**.

The lack of organisational capacity, as previously discussed, has a significant negative impact on completions of the level 3 qualification. Serco employees have some access to the two full-time instructors/assessors, but some employees interviewed by the evaluation team spoke of difficulties in finding mutually available times to meet for guidance and support and/or to be assessed. It appears Serco has not prioritised the need for ongoing training towards the qualifications and does not provide the necessary structure to support this educational achievement. While

this is beyond the control of Serco Training, it has nevertheless influenced the level of support and guidance provided to trainees.

The evaluation team did not see any evidence of analysis on trainee feedback. While trainee surveys are conducted, it is unclear to the evaluation team how that practice adds value to Serco Training operations and what improvement initiatives had been put in place as a result to improve support and guidance to trainees.

On a positive note, the initial training course incorporates cultural and ethnic considerations into the course content and delivery. Cultural advisors are engaged and the two full-time instructors/assessors have first-hand knowledge of cultural issues. This, unfortunately, does not negate the significant concerns already outlined.

1.6 How effective are governance and management in supporting educational achievement?

The rating for performance in relation to this key evaluation question is **Adequate**.

The rating for capability in self-assessment for this key evaluation question is **Adequate**.

Serco Training was disorganised and did not have the appropriate structures to support its programmes that lead to a qualification. When all the original permanent staff had resigned by end of 2014, a new manager, experienced in managing work-based training providers, was appointed and has made significant efforts to improve performance. A considered structural review was undertaken and a new team was put in place, including an experienced educational programme design specialist. The need to improve poor qualification completions is recognised and has led to the design of a revised workplace assessment approach (as discussed in Findings 1.3). This improvement within the last six months is notable. The evaluation team found the new management team capable and likely to deliver improved educational results over time, subject to some qualifiers.

One such qualifier is direction from the governing board. The strategic priority has been almost solely on initial training focused on the opening of the new Auckland South Corrections Facility as well as providing a full complement of staff to the Mount Eden Corrections Facility. Governance's focus has been on ensuring sufficient supply of prison officers who meet the legal requirements to operate as prison officers. Serco has not prioritised qualification completion, of which the graduate profile for successful completion at level 3 is full competency as a prison officer. This poses some risks to Serco, as its employees do not receive the necessary ongoing support in refining the skills that are considered necessary to fully function as officers in a complex and high-risk prison environment. The governing board has identified this as a significant issue and has credible plans in place to address it.

Serco Training appears to be not adequately resourced. Insufficient staff numbers has led to the lack of capacity in assessing trainees after initial training is completed, compounded by a lack of follow-up of trainees enrolled on the level 3 programme who appeared to have stalled in progressing their studies. As discussed in Findings 1.1, the information systems are not meeting the needs of Serco Training, further hindering the organisation from identifying the trainees requiring support and guidance to complete their qualifications.

The governing board has a high level of prison management capability. The board should complement such expertise with advisor(s) from the tertiary education sector in order to balance any conflict between business objectives and educational aspirations. While fully acknowledging the need of both Serco and Serco Training to generate a certain level of profit for shareholders, there needs to be a realisation that education is a long-term investment, with the return on investment not necessary realised in the immediate term.

Focus Areas

This section reports significant findings in each focus area, not already covered in Part 1.

2.1 Focus area: Governance, management and strategy

The rating in this focus area for educational performance is **Adequate**.

The rating for capability in self-assessment for this focus area is **Adequate**.

2.2 Focus area: Initial Training Course

The rating in this focus area for educational performance is **Good**.

The rating for capability in self-assessment for this focus area is **Good**.

2.3 Focus area: National Certificate in Offender Management (Level 3)

The rating in this focus area for educational performance is **Poor**.

The rating for capability in self-assessment for this focus area is **Adequate**.

Recommendations

NZQA recommends that Serco New Zealand Training Limited:

- Implement the new assessment approach/methodology for the National Certificate in Offender Management (Level 3) programme.
- Improve information systems to ensure they are fit-for-purpose and serves the necessary monitoring and reporting functions of a training establishment.
- Ensure sufficient resources for all aspects of training operations.
- Work with Serco to ensure sufficient support systems are in place for current prison officers to progress towards the National Certificate in Offender Management (Level 3) qualification.
- Rejuvenate the internal moderation process.
- Explore ways to quality assure training delivered by seconded instructors/assessors, guest speakers and other training providers.
- Consider the need for adding tertiary education expertise to the governing board.

Appendix

Regulatory basis for external evaluation and review

External evaluation and review is conducted according to the External Evaluation and Review (EER) Rules 2013, which are made by NZQA under section 253 of the Education Act 1989 and approved by the NZQA Board and the Minister for Tertiary Education, Skills and Employment.

Self-assessment and participation in external evaluation and review are requirements for maintaining accreditation to provide an approved programme for all TEOs other than universities. The requirements are set through the NZQF Programme Approval and Accreditation Rules 2013, which are also made by NZQA under section 253 of the Education Act 1989 and approved by the NZQA Board and the Minister for Tertiary Education, Skills and Employment.

In addition, the Private Training Establishment Registration Rules 2013 require registered private training establishments to undertake self-assessment and participate in external evaluation and review, in accordance with the External Evaluation and Review Rules (EER) 2013, as a condition of maintaining registration. The Private Training Establishment Registration Rules 2013 are also made by NZQA under section 253 of the Education Act 1989 and approved by the NZQA Board and the Minister for Tertiary Education, Skills and Employment.

NZQA is responsible for ensuring non-university TEOs continue to comply with the rules after the initial granting of approval and accreditation of programmes and/or registration. The New Zealand Vice-Chancellors' Committee (NZVCC) has statutory responsibility for compliance by universities.

This report reflects the findings and conclusions of the external evaluation and review process, conducted according to the External Evaluation and Review (EER) Rules 2013.

The report identifies strengths and areas for improvement in terms of the organisation's educational performance and capability in self-assessment.

External evaluation and review reports are one contributing piece of information in determining future funding decisions where the organisation is a funded TEO subject to an investment plan agreed with the Tertiary Education Commission.

External evaluation and review reports are public information and are available from the NZQA website (www.nzqa.govt.nz).

The External Evaluation and Review (EER) Rules 2013 are available at <http://www.nzqa.govt.nz/assets/About-us/Our-role/Rules/EER-Rules.pdf>, while information about the conduct and methodology for external evaluation and review can be found at <http://www.nzqa.govt.nz/providers-partners/external-evaluation-and-review/policy-and-guidelines-eer/introduction/>.

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