



11th August 2022

ECA's: 2692, 2930, 3512, 3627,
3682, 3683, 3700, 3707,
3711, 3720, 3770, 3830,
3855, 3892

Bhavini Doshii
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ECA – Early Childhood Funding Claim Audit

Attn: Bhavini

A Ministry of Education audit of the Early Childhood Funding Return (RS7), for the period 1st October 2021 to 31st January 2022, was recently completed on the following seven licensed early learning services:

- #46626 - The Rainbow Corner Early Learning Centre
- #47041 - The Rainbow Corner Educational Trust Onehunga Limited
- #47049 - The Rainbow Corner Early Learning Centre Takanini
- #47616 - The Rainbow Corner Early Learning Centre - Beach Haven
- #47746 - The Rainbow Corner Early Learning Centre – Flat Bush One
- #47747 - The Rainbow Corner Early Learning Centre – Flat Bush Two
- #47949 - The Rainbow Corner Early Learning Centre – Manurewa

A Ministry of Education special focus audit was also completed in services that have opted-in to the Pay Parity Initiative. This audit was to verify the minimum salary levels for all certificated teachers and the Pay Parity record keeping requirements. The following services were audited:

- #40313 – The Rainbow Corner Early Learning Centre Bayfair
- #45858 – The Rainbow Corner Early Learning Centre Hastings
- #46934 – The Rainbow Corner Educational Trust Queenstown Limited
- #47892 – The Rainbow Corner Educational Trust Invercargill Limited
- #47893 – The Rainbow Corner Early Learning Centre Enderley
- #47977 – The Rainbow Corner Early Learning Centre Christchurch
- #47986 - The Rainbow Corner Early Learning Centre Bethlehem
- #48019 – The Rainbow Corner Early Learning Centre Te Rapa
- #50096 – The Rainbow Corner Montessori Limited
- #65620 – The Rainbow Corner Early Learning Centre Blenheim

Summary of Findings

The audit identified that four of the RS7s were overstated and one of the RS7s was understated. Please refer to Appendices one and two for details of the audit adjustments.

The total funding adjustment to pay to the Ministry is \$4,232.39.

Review of Procedures Required

The following breaches were identified during the audit:

- Funding claimed for children once they are enrolled and attending school (Chapter 3-A-1 of the *Early Childhood Education Funding Handbook*)
- Funding claimed for absences over three weeks (Chapter 6-5 of the *Early Childhood Education Funding Handbook*)
- 20 Hours ECE funding attestation requirements (Chapter 4-2 of the *Early Childhood Education Funding Handbook*)
- Funding claimed for absences for non-enrolled hours (Chapter 3-A-2 of the *Early Childhood Education Funding Handbook*)
- Pay Parity record keeping requirements (Chapter 3-B-2 of the *Early Childhood Education Funding Handbook*)
- Pay Parity funding claimed for staff members were not paid at the correct minimum levels according to their qualifications and experience (Chapter 3-B-2 of the *Early Childhood Education Funding Handbook*)

The following breaches were identified during the audit but corrected post-audit with the late submission of relevant documentation:

- Funding claimed for absences on non-enrolled days (Chapter 3-A-2 of the *Early Childhood Education Funding Handbook*)
- Funding claimed for absences before first attendance (Chapter 3-A-2 of the *Early Childhood Education Funding Handbook*)

To ensure that your services receive the correct funding entitlement, please review and update your procedures to meet all *Early Childhood Education Funding Handbook* requirements.

Please send confirmation to The Manager, Monitoring, DX Box SR51201, Wellington, or email to resourcing.monitoring@education.govt.nz within 20 working days to confirm that your procedures have been updated.

Funding Adjustment

Funding claimed for absences before first attendance

Chapter 3-A-2 of the *Early Childhood Education Funding Handbook* explains that funding begins on the first day a child attends a service, or is due to attend, as specified in the enrolment agreement. One week of absences can be funded providing the service has the required documentation. Funding was disallowed when there was no documented reason for absences claimed.

Funding claimed for children enrolled at school

Chapter 3-A-1 of the *Early Childhood Education Funding Handbook* explains that funding cannot be claimed for children once they are enrolled at and attending school. Funding that was claimed for children who were enrolled at and attending school was disallowed.

Funding claimed for 20 Hours ECE funding

Chapter 4-2 of the *Early Childhood Education Funding Handbook* describes the 20 Hours ECE conditions that must be met by a service/parent. The conditions are:

- Services must not claim 20 Hours ECE funding for a child until the parent/guardian has correctly completed a signed and dated attestation;

- Changes to attested hours must be signed and dated by the parent/guardian showing the effective date of each change;
- Parents must notify services if there is a change to the *20 Hours ECE* their child receives at any service.

Funding discounted at the *20 Hours ECE* funding rate was allowed at the *Plus 10 ECE* funding rate where the attested hours were different to the hours claimed.

Funding claimed for absences on non-enrolled hours

Chapter 3-A-2 of the *Early Childhood Education Funding Handbook* states that services may claim funding based on the hours a child is enrolled to attend the service. Funding claimed in relation to 9(2)(a) was disallowed where the funding had been claimed for hours that 9(2)(a) was not enrolled to attend and did not attend. 9(2)(a) was frequent absence confirmation was for four hours a day, for a total of 20 hours per week. Funding was claimed for five hours per day. Absences claimed for the non-enrolled hours have been discounted.

Funding not claimed for attended hours

The audit identified in service #47049 The Rainbow Corner Early Learning Centre Takanini that funding was not claimed for 9(2)(a) for eight days during the October 2021 to January 2022 funding period when it should have been claimed. Funding has been allowed for these days.

Funded child hours not processed

The audit identified in service #46626 The Rainbow Corner Early Learning Centre that funded hours claimed had not been entered by the Ministry for the 1st, 2nd and 3rd December 2021. The centre was closed at this time due to insufficient staffing levels due to a positive covid cases within the centre that required staff to isolate. At Alert Level 3, Licensed Services continue to be funded by the Ministry of Education if they were not able to operate safely within the parameters set by the public health measures. This includes insufficient available staffing. Funding has been allowed for these days.

Missing Records at the time of Audit

Section 22 of the *Education and Training Act 2020*, the *Education (Early Childhood Centres) Regulations 2008*, and *The Early Childhood Education Funding Handbook* outlines that all records requested for audit are required to be kept by your services and be readily available for audit.

The audit identified funding adjustments based on the records that were presented at the time of the audit. Records were subsequently provided to substantiate the funding that was originally claimed.

Please review and update your record keeping procedures to ensure that the correct documentation including any changes to enrolment days / hours and intention to return are readily available at the time of audit.

Record Keeping Requirements

Early Childhood Education (ECE) Funding Handbook

Access to Ministry of Education funding for early childhood services is conditional on meeting funding criteria as outlined in the *Early Childhood Education Funding Handbook*. Updates to the handbook can be found on www.education.govt.nz/early-childhood.

Requirements for enrolment records

Chapter 6-1 of the *Early Childhood Education Funding Handbook* describes the enrolment records that must be kept by a service. These include:

- the child's full name, date of birth, and home address;

- the date the child commenced attendance at the service and their finish date;
- the days and times each child is expected to attend, and details of any later changes to the agreement signed and dated by at least one parent/guardian;
- attestation by the child's parent/guardian of the hours the child is enrolled at another service (including none if appropriate); and
- a dated signature of at least one parent/guardian to attest to the accuracy of the enrolment record.

Any changes to enrolled days and/or times take effect from the date the parent signs and dates the changes. Changes to bookings should not be applied retrospectively.

The enrolment exemplar is available in the *Early Childhood Education Funding Handbook*. Some sections of the Enrolment Agreement Form have compulsory wording, which cannot be changed except to add relevant details for your service. Please review and make the necessary changes to your Enrolment Agreement Form. All Enrolment Agreement Forms must comply with the *Early Childhood Education Funding Handbook* exemplar.

The audit identified that several of the enrolment forms seen during the audits did not include the section relating to optional charges. This section has compulsory wording that must be included.

Requirements for optional charges

Chapter 4-3 of the *Early Childhood Education Funding Handbook* describes the requirements for fees, donations and optional charges. Services can request optional charges for children accessing *20 Hours ECE* funding. Parents must confirm that they want to pay for these extra charges by selecting 'I agree/I don't agree' and signing the optional charge section in the enrolment form.

The optional charge agreement requires that parents are given a reasonable time or a process to review any agreement. Your enrolment agreement must be changed to include this requirement. Your tuition fee schedule must also be changed to show that the charge for children for whom *20 Hours ECE* funding is being claimed is an optional charge and the reasons for the charges have been provided e.g. the provision of meals.

Requirements for staff records

Chapter 3-B-2 of the *Early Childhood Education Funding Handbook* outlines the staff record keeping requirements. Staff records must include the hours worked by all regulated (ratio) staff, showing the actual hours worked by each staff member. Start and finish times, non-contact time and meal breaks must be recorded accurately. The staff records must be signed in full at the end of each week by each regulated (ratio) staff member as a true and correct record of their actual hours worked.

The audit identified examples where the signed staff records were printed staff rosters with limited changes made for non-contact time and meal breaks. Please review and update your staff record processes to ensure that the correct staff information, including non-contact times are being correctly recorded and signed by each staff member.

You are required to keep copies of practising certificates and certificated copies of teacher qualifications for all registered teachers (current, past and relievers). These records must be retained for seven years after the staff member leaves the service.

Services that have opted in to Pay Parity are required to keep records to verify the pay rate at which each certificated teacher is paid. Services must also keep records to verify how a certificated teacher's initial and current salary was determined, including evidence of service recognition, previous relevant work experience and salary progression.

The audit identified that there were no records to verify how the certified teachers' current salary was determined. Teacher qualifications, service recognition and previous relevant work experience were not always readily available during the audits and in some situations the documentation was subsequently emailed to the auditors or remain outstanding.

Attestation of certificated teacher's salaries

Chapter 9-6 of the *Early Childhood Education Funding Handbook* states base funding rates that reflect the proportion of certificated teacher hours used are available to services that agree to pay all employed certificated teachers at least the amount specified at Step 1 of the salary scale defined in Chapter 3-B-2.

For services that meet the above requirement, higher parity funding rates are also available to services who agree to pay all employed certificated teachers according to the full salary scale defined in Chapter 3-B-2.

For further information regarding the attestation of registered teachers' salaries including the required levels go to www.education.govt.nz/early-childhood/running-an-ece-service/employing-ece-staff/attestation/.

Services attest to paying all employed certificated teachers at least the amount specified at Step 1 of the salary scale, or according to the full salary scale described above when their RS7 funding return is completed.

The audit identified that many staff members were either not paid at the correct minimum levels according to their qualifications and experience or had insufficient documentation to verify that they were paid at the correct minimum levels (refer to *Appendix three* for details). Please provide any outstanding documentation and evidence that these teachers have now been back paid at the correct levels by the **11th September 2022**. This information can be emailed to me directly at rebecca.cook@education.govt.nz.

If this confirmation is not received, funding will be adjusted from the parity funding rate to the base funding rate.

Reporting and Recovery

The breaches identified were discussed with the 9(2)(a) and 9(2)(a) at the end of the audits. I would like to thank your staff for their assistance during the audit.

As your claim for the period was overstated, your funding will now be adjusted. The adjustment will be made in your next funding payment.

If you disagree with the findings of the audit, you have the right to appeal. An appeal must be made in writing to The Manager, Resourcing Monitoring, Ministry of Education, DX Box SR51201, Wellington, or emailed to resourcing.monitoring@education.govt.nz. The appeal must be received by the Ministry no later than 20 working days from the receipt of this audit report.

Ngā mihi



Rebecca Cook
Team Leader - Resourcing Auditor
Resourcing Monitoring
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Appendix One

Service Number	Service Name	Total recovery/ payment	Funding claimed for absence before first attendance	Funding claimed for children enrolled at school	Funding claimed for 20 Hours ECE – different or not attested	Funding claimed for non-enrolled hours	Funding not claimed for attended hours	Funded child hours not claimed
46626	The Rainbow Corner Early Learning Centre	\$ 508.25		Y				Y
47041	The Rainbow Corner Educational Trust Onehunga Limited	\$ 0.00						
47049	The Rainbow Corner Early Learning Centre Takanini	\$ (367.63)			Y		Y	
47616	The Rainbow Corner Early Learning Centre - Beach Haven	\$ 3,999.20		Y				
47746	The Rainbow Corner Early Learning Centre - Flat Bush One	\$ 0.00						
47747	The Rainbow Corner Early Learning Centre - Flat Bush Two	\$ 40.14	Y		Y			
47949	The Rainbow Corner Early Learning Centre - Manurewa	\$ 52.43				Y		

\$ 4,232.39

Appendix Two

Service No	Service Name	Child name	Breach Identified
46626	The Rainbow Corner Early Learning Centre	9(2)(a)	Claimed for children enrolled at school
46626	The Rainbow Corner Early Learning Centre	9(2)(a)	Claimed for children enrolled at school
46626	The Rainbow Corner Early Learning Centre	RS7	Funded child hours not claimed
47049	The Rainbow Corner Early Learning Centre Takanini	9(2)(a)	Attended hours not claimed
47049	The Rainbow Corner Early Learning Centre Takanini	9(2)(a)	Attested hours different to claimed
47616	The Rainbow Corner Early Learning Centre - Beach Haven	9(2)(a)	Claimed for children enrolled at school
47747	The Rainbow Corner Early Learning Centre - Flat Bush Two	9(2)(a)	Claimed for absences before first attendance
47747	The Rainbow Corner Early Learning Centre - Flat Bush Two	9(2)(a)	Attested hours different to claimed
47949	The Rainbow Corner Early Learning Centre - Manurewa	9(2)(a)	Funding claimed for non-enrolled hours

Appendix Three

Service No	Service Name	Teacher	Paid < PP Rate - Backpay required	Insufficient documentation to verify PP Rate
40313	The Rainbow Corner Early Learning Centre Bayfair	9(2)(a)		Y
40313	The Rainbow Corner Early Learning Centre Bayfair	9(2)(a)		Y
40313	The Rainbow Corner Early Learning Centre Bayfair	9(2)(a)		Y
40313	The Rainbow Corner Early Learning Centre Bayfair	9(2)(a)	Y	
40313	The Rainbow Corner Early Learning Centre Bayfair	9(2)(a)		Y
40313	The Rainbow Corner Early Learning Centre Bayfair	9(2)(a)		Y
45858	The Rainbow Corner Early Learning Centre Hastings	9(2)(a)	Y	
45858	The Rainbow Corner Early Learning Centre Hastings	9(2)(a)	Y	
46626	The Rainbow Corner Early Learning Centre	9(2)(a)	Y	
46934	The Rainbow Corner Educational Trust Queenstown Ltd	9(2)(a)		Y
46934	The Rainbow Corner Educational Trust Queenstown Ltd	9(2)(a)		Y
46934	The Rainbow Corner Educational Trust Queenstown Ltd	9(2)(a)	Y	
46934	The Rainbow Corner Educational Trust Queenstown Ltd	9(2)(a)		Y
46934	The Rainbow Corner Educational Trust Queenstown Ltd	9(2)(a)		Y
46934	The Rainbow Corner Educational Trust Queenstown Ltd	9(2)(a)		Y
47041	The Rainbow Corner Educational Trust Onehunga Limited	9(2)(a)	Y	
47049	The Rainbow Corner Early Learning Centre Takanini	9(2)(a)		Y
47049	The Rainbow Corner Early Learning Centre Takanini	9(2)(a)	Y	
47049	The Rainbow Corner Early Learning Centre Takanini	9(2)(a)	Y	
47747	The Rainbow Corner Early Learning Centre - Flat Bush Two	9(2)(a)	Y	
47892	The Rainbow Corner Educational Trust Invercargill Ltd	9(2)(a)		Y
47892	The Rainbow Corner Educational Trust Invercargill Ltd	9(2)(a)		Y

Service No	Service Name	Teacher	Paid < PP Rate - Backpay required	Insufficient documentation to verify PP Rate
47892	The Rainbow Corner Educational Trust Invercargill Ltd	9(2)(a)		Y
47892	The Rainbow Corner Educational Trust Invercargill Ltd	9(2)(a)		Y
47892	The Rainbow Corner Educational Trust Invercargill Ltd	9(2)(a)		Y
47893	The Rainbow Corner Early Learning Centre Enderley	9(2)(a)		Y
47893	The Rainbow Corner Early Learning Centre Enderley	9(2)(a)	Y	
47893	The Rainbow Corner Early Learning Centre Enderley	9(2)(a)	Y	
47893	The Rainbow Corner Early Learning Centre Enderley	9(2)(a)	Y	
47893	The Rainbow Corner Early Learning Centre Enderley	9(2)(a)		Y
47949	The Rainbow Corner Early Learning Centre - Manurewa	9(2)(a)	Y	
47977	The Rainbow Corner Early Learning Centre Christchurch	9(2)(a)	Y	
47977	The Rainbow Corner Early Learning Centre Christchurch	9(2)(a)	Y	
47977	The Rainbow Corner Early Learning Centre Christchurch	9(2)(a)	Y	
47986	The Rainbow Corner Educational Trust Bethlehem Limited	9(2)(a)	Y	
47986	The Rainbow Corner Educational Trust Bethlehem Limited	9(2)(a)	Y	
48019	The Rainbow Corner Early Learning Centre Te Rapa	9(2)(a)		Y
50096	The Rainbow Corner Montessori Limited	9(2)(a)		Y
50096	The Rainbow Corner Montessori Limited	9(2)(a)		Y
50096	The Rainbow Corner Montessori Limited	9(2)(a)		Y
50096	The Rainbow Corner Montessori Limited	9(2)(a)		Y
65620	The Rainbow Corner Early Learning Centre Blenheim	9(2)(a)	Y	
65620	The Rainbow Corner Early Learning Centre Blenheim	9(2)(a)	Y	



26 August 2022

ECA344

9(2)(a)

ECA Management Contact
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ECA344 – Early Childhood Funding Claim Audit

Attn: 9(2)(a)

A Ministry of Education audit of the Early Childhood Funding Returns (RS7), for the period 1 October 2021 to 31 January 2022, was recently completed on the following services in ECA344:

- # 30213 – PORSE Wellington S5
- # 30253 – PORSE Waikato S1
- # 55423 – PORSE Waikato Q1
- # 55427 – PORSE Wellington Q5
- # 65010 – PORSE Canterbury Q1
- # 65032 – PORSE Canterbury S1

Summary of Findings

The audits showed that the RS7's were overstated. Please refer to appendix one and two for details of the audit adjustments.

The total funding adjustment to pay to the Ministry is \$33,475.33.

Review of Procedures Required

The following breaches were identified during the audit:

- Funding claimed for absences on Public Holidays when not enrolled (Chapter 3-A-2 of the Early Childhood Education Funding Handbook)
- Funding claimed for Educator Absences (Chapter 3-B-4 of the Funding Handbook)
- Funding claimed for absences on non-enrolled days (Chapter 3-A-2 of the Funding Handbook)
- Funding claimed for absences over three weeks (Chapter 6-5 of the Funding Handbook)
- Funding claimed after child left (Chapter 3-A-2 of the Funding Handbook)
- 20 Hours ECE funding attestation requirements (Chapter 4-2 of Funding Handbook)
- Optional Charges and fees charged for 20 Hours ECE (Chapter 4-3 of the Funding Handbook)
- Quality network co-ordinator requirements and educator qualifications (Chapter 3-B-4 of the Funding Handbook)

To ensure that your services receive the correct funding entitlement, please review and update your procedures to meet all *Early Childhood Education Funding Handbook* requirements.

Please send confirmation to resourcing.monitoring@education.govt.nz within 20 working days to confirm that your procedures have been updated.

Funding Adjustment

Funding claimed for absences on public holidays

Chapter 3-A-2 of the *Early Childhood Education Funding Handbook* explains that services can claim funding for children who attend services that are open on a public holiday. Funding must not be claimed for children who are absent where the children are not enrolled to attend on the specific holiday. Hours claimed for children who were not enrolled to attend on Labour Day, Christmas Day, Boxing Day, New Year's Day, 2nd January and the regional anniversary days, were disallowed.

Your enrolment processes for public holidays must be amended to match the care requirements of your parents. Parents must only enrol children on public holidays if they require care on this day.

Funding claimed when educator unavailable

Chapter 3-B-4 of the *Early Childhood Education Funding Handbook* explains that funding cannot be claimed on days when the educator is unavailable for care. Funding is allowed where the records show the child has received alternative care. Funding was disallowed where the educator was unavailable and no alternative care was recorded.

Funding claimed for 20 Hours ECE funding

Chapter 4-2 of the Funding Handbook describes the *20 Hours ECE* conditions that must be met by a service/parent. The conditions are:

- Services must not claim *20 Hours ECE* funding for a child until the parent/guardian has correctly completed a signed and dated attestation;
- Changes to attested hours must be signed and dated by the parent/guardian showing the effective date of each change.

Funding discounted at the *20 Hours ECE* funding rate was allowed at the *Plus 10 ECE* funding rate where the attested hours were different to the hours claimed.

Requirements for optional charges

Chapter 4-3 of the Funding Handbook describes the requirements for fees, donations and optional charges. Services can request optional charges for children accessing *20 Hours ECE* funding. Parents must confirm that they want to pay for these extra charges by selecting 'I agree/I don't agree' and signing the optional charge section in the enrolment form. If a parent does not agree to pay an optional charge or a donation, then these charges cannot be made.

Chapter 4-3 sets out what optional charges cannot be a condition of enrolment or continued enrolment, or requested for. Wage administration is included in the list of unacceptable optional charges.

Donations are defined as a voluntary payment for which there can be no obligation to pay or enforcement of payment.

The invoices viewed for children who were receiving *20 Hours ECE* funding included a donation charge and a charge for wage administration. Funding discounted at the *20 Hours ECE* funding rate was allowed at the *Two years and Over* funding rate, where parents had not agreed to pay either a donation or optional charge, or where the optional charges included a wage administration fee.

Funding claimed for absences on non-enrolled days

Chapter 3-A-2 of the *Funding Handbook* states that services may claim funding based on the hours a child is enrolled to attend the service. The audit identified examples where funding had been claimed for days children were not enrolled to attend and did not attend. Absences claimed for non-enrolled days have been discounted.

Funding claimed for absences over three weeks

Chapter 6-5 of the *Funding Handbook* explains the three-week rule for continuous absence. Funding for an enrolled child who is absent can be claimed for a maximum of three weeks, starting from the first day of absence. Funding claimed for children absent for more than three weeks were disallowed.

Funding claimed after child left

Chapter 3-A-2 of the *Funding Handbook* explains that funding ends on the date the child's parents advised the service the child will be leaving. Any advance notice of intention to leave does not affect this rule and funding cannot be claimed after the service is aware that care is no longer required, even if the three-week period has not ended. Funding claimed for children after receiving notification that they were leaving was disallowed.

Record Keeping Requirements

Early Childhood Education (ECE) Funding Handbook

Access to Ministry of Education funding for early childhood services is conditional on meeting funding criteria outlined in the *Funding Handbook*. Updates to the *Funding Handbook* can be found on www.education.govt.nz/early-childhood.

Requirements for enrolment records

Chapter 6-1 of the *Funding Handbook* describes the enrolment records that must be kept by a service. The audit identified that the following enrolment record keeping requirement was not always being met:

- the days and times each child is expected to attend, and details of any later changes to the agreement signed and dated by at least one parent/guardian.

The enrolment exemplar is available in the *Funding Handbook*. Some sections of the Enrolment Agreement Form have compulsory wording, which cannot be changed except to add relevant details for your service. Please review and make the necessary changes to your Enrolment Agreement Form. All Enrolments Agreements Forms must comply with the *Funding Handbook* exemplar.

A number of the enrolment forms seen during the audits did not include the section relating to optional charges. This section has compulsory wording that must be included.

Requirements for attendance records

Chapter 6-3 of the *Funding Handbook* describes the attendance records that must be kept by a service. These include:

- each child's first name and family name;
- the days and times of actual attendance;
- a record of any absence with an "a" when a child is absent at a time they are enrolled;
- notes and explanations when a child is absent from the service.

Actual times of attendance must be recorded to ensure that funding is correctly claimed.

The audit identified examples where the timesheets / daily sign in/out records did not match what was entered into your student management system. Please review and update your attendance processes to ensure accurate information is being entered.

Requirements for staff records

The quality funded licences must have a co-ordinator who is on duty between 8:30 am and 4:30 pm Monday to Friday, and on call to supervise home-based care outside these hours when education and care is being provided.

The quality funded licences are licensed to provide care from 6:00 am to 7:00 pm with Wellington and Christchurch providing care at the weekend. The standard funded licences are licensed to provide care from 6:00 am to 9:00 pm from Monday to Sunday. Children were shown to be variously in care from 7:30 am till 6:00 pm Monday to Friday and at the weekends.

It is a requirement that you keep a staffing record, which must specify the names of the co-ordinators, the hours when they were on duty, or on-call, and the breaks taken when the co-ordinators were not on duty. The co-ordinator contract states the co-ordinator will be on call, but the staffing record did not show which co-ordinator was on call, and when.

Some of the staffing records did not include a named weekend co-ordinator when there was weekend care. Some of the signed records noted that the co-ordinator had been contactable by phone for trained educators. Co-ordinators must be contactable for all educators. Other signed records did not include any mention of co-ordinators being available outside the standard 8:30 am to 4:30 pm scheduled time.

The audit identified examples where signed staff records did not match what had been entered in your student management system. Please review and update your staff record processes to ensure that the correct staff information, including times on call and on duty, as well as non-contact times, are being recorded and accurately entered into your student management system correctly.

Teacher qualifications were not always readily available during the audits. In some situations, documentation had to be emailed to the auditors at a later date. You are required to keep copies of practising certificates and certificated copies of teacher qualifications for all certificated teachers (current, past and relievers). These records must be retained for seven years after the staff member leaves the service.

Quality funding rate

Co-ordinator requirements

Chapter 3-B-4 of the *Early Childhood Education Funding Handbook* explains that to be eligible for quality funding, the co-ordinators must be:

- ECE qualified;
- hold a current Teachers Council practising certificate;
- be locally based and on duty between 8:30 and 4:30 (when the service operates for more than six hours a day); and
- on call outside of these hours when education and care is provided.

Co-ordinators must not provide cover for more than one service at a time.

The staff records for the Canterbury Q1 and Canterbury Q2 licences appeared to show the same co-ordinator providing cover for both licences at the same time. This happened on Thursday 7 October 2021 with 9(2)(a) in the morning and on 29 December 2021 with 9(2)(a) in the afternoon. To ensure compliance with quality funding requirements, there must be a process to confirm that co-ordinators do not provide cover for more than one service at a time.

Educator requirements

From January 2021 the qualification requirements for educators on a quality funded licence changed. These changes are set out in Chapter 3-B-4 of the Funding Handbook.

A minimum of 30% of all of the educators in a quality network must hold a required qualification. For educators, a required qualification is:

- an early childhood education qualification that is Level 4 or above;
- an early childhood education qualification at Level 3 completed prior to 1 June 2022;
- a qualification developed by Te Kōhanga Reo National Trust Board at Level 5 or above; or
- a primary teaching qualification.

Up to 20% of all of the educators who are unqualified, i.e. do not hold a minimum level qualification can be either in induction or enrolled training. The remaining educators must hold at least 5 credits towards a required qualification at Level 4 or above.

Where calculations result in a fraction the number of allowed unqualified educators is rounded down.

At the Wellington Q5 network the number of unqualified educators was 2 for the whole period. From 20 December 2021 the number of educators dropped from 10 to 9 and then 8. The percentage maximum for unqualified educators, became 1.8 then 1.6, rounding down to 1 which meant that for the last 7 weeks of the funding period this service was in breach of the maximum number of unqualified educators. With 5 discretionary situations taken into account there were 2 weeks when the service was in breach.

From 1 June 2022 the percentage of educators holding a required qualification increased to 50% of all educators. The maximum number of unqualified educators (in induction or in training) remains at 20%. The percentages are calculated over a month, instead of the weekly calculation previously.

When calculating the required number of educators needed to meet the requirements, round has changed so that if the number of educators is 0.5 or above, the number is rounded up to the nearest whole number. If the number of educators is below 0.5, the number is rounded down.

You must ensure that a master staff record is being kept as required by the Funding Handbook. There is an example template of the master staff record on the Ministry's website for you to refer to.

Reporting and Recovery

The breaches identified during the audits were discussed with company directors, Bhavini Doshii and Rrahul Dosshi. I would like to thank your staff for their assistance during the audits.

As your claim for the period was overstated, your funding will now be adjusted. The adjustment will be made in your next funding payment.

If you disagree with the findings of the audit, you have the right to appeal. An appeal must be made in writing to The Manager, Resourcing Monitoring, Ministry of Education, DX Box SR51201, Wellington, or

emailed to resourcing.monitoring@education.govt.nz. The appeal must be received by the Ministry no later than 20 working days from the receipt of this audit report.

Ngā mihi



Mike Kelly
Team Leader - Auditors
Resourcing Monitoring
Te Pae Aronui (*Operations & Integration*)

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Released under the Official Information Act 1982

Appendix One

Service Number	Service Name	Total recovery/ payment	Funding claimed for absences on Public Holidays when not enrolled	Funding claimed when educator unavailable	Funding claimed on non-enrolled absences	3 Week Rule	Fee for 20 Hours Optional Charge issue	Funding claimed for 20 Hours ECE – different to those attested	Funding Claimed after child left
30213	PORSE Wellington S5	\$2,556.74	Y	Y					Y
30253	PORSE Waikato S1	\$ 830.66	Y	Y	Y				
55423	PORSE Waikato Q1	\$3,054.10	Y	Y		Y	Y		
55427	PORSE Wellington Q5	\$3,474.12	Y	Y			Y		
65010	PORSE Canterbury Q1	\$22,124.11	Y	Y			Y	Y	Y
65032	PORSE Canterbury S1	\$1,435.60		Y					

Appendix Two

[illegible]

55423	PORSE Waikato Q1	9(2)(a)	Public Holiday absences
55423	PORSE Waikato Q1	9(2)(a)	Educator unavailable
55427	PORSE Wellington Q5	9(2)(a)	Public Holiday absences
55427	PORSE Wellington Q5	9(2)(a)	Public Holiday absences
55427	PORSE Wellington Q5	9(2)(a)	Public Holiday absences
55427	PORSE Wellington Q5	9(2)(a)	Public Holiday absences
55427	PORSE Wellington Q5	9(2)(a)	Public Holiday absences
55427	PORSE Wellington Q5	9(2)(a)	Public Holiday absences
55427	PORSE Wellington Q5	9(2)(a)	Public Holiday absences
55427	PORSE Wellington Q5	9(2)(a)	Public Holiday absences
55427	PORSE Wellington Q5	9(2)(a)	Public Holiday absences
55427	PORSE Wellington Q5	9(2)(a)	Public Holiday absences
55427	PORSE Wellington Q5	9(2)(a)	Public Holiday absences
55427	PORSE Wellington Q5	9(2)(a)	Educator unavailable
55427	PORSE Wellington Q5	9(2)(a)	Public Holiday absences
55427	PORSE Wellington Q5	9(2)(a)	Educator unavailable
55427	PORSE Wellington Q5	9(2)(a)	Fee for 20 Hours
55427	PORSE Wellington Q5	9(2)(a)	Educator unavailable
55427	PORSE Wellington Q5	9(2)(a)	Fee for 20 Hours
55427	PORSE Wellington Q5	9(2)(a)	Educator unavailable
55427	PORSE Wellington Q5	9(2)(a)	Public Holiday absences
55427	PORSE Wellington Q5	9(2)(a)	Public Holiday absences
65010	PORSE Canterbury Q1	9(2)(a)	20 Hours attested different
65010	PORSE Canterbury Q1	9(2)(a)	Educator unavailable
65010	PORSE Canterbury Q1	9(2)(a)	Claimed after child left
65010	PORSE Canterbury Q1	9(2)(a)	Public Holiday absences
65010	PORSE Canterbury Q1	9(2)(a)	Educator unavailable
65010	PORSE Canterbury Q1	9(2)(a)	Public Holiday absences
65010	PORSE Canterbury Q1	9(2)(a)	Educator unavailable
65010	PORSE Canterbury Q1	9(2)(a)	Public Holiday absences
65010	PORSE Canterbury Q1	9(2)(a)	Educator unavailable
65010	PORSE Canterbury Q1	9(2)(a)	Educator unavailable
65010	PORSE Canterbury Q1	9(2)(a)	Public Holiday absences
65010	PORSE Canterbury Q1	9(2)(a)	Educator Unavailable
65010	PORSE Canterbury Q1	9(2)(a)	Educator Unavailable
65010	PORSE Canterbury Q1	9(2)(a)	Educator Unavailable
65010	PORSE Canterbury Q1	9(2)(a)	Educator Unavailable
65010	PORSE Canterbury Q1	9(2)(a)	Public Holiday absences
65010	PORSE Canterbury Q1	9(2)(a)	Educator Unavailable
65010	PORSE Canterbury Q1	9(2)(a)	Public Holiday Absences
65010	PORSE Canterbury Q1	9(2)(a)	Educator Unavailable
65010	PORSE Canterbury Q1	9(2)(a)	Public Holiday Absences
65010	PORSE Canterbury Q1	9(2)(a)	Educator Unavailable
65010	PORSE Canterbury Q1	9(2)(a)	Public Holiday absences
65010	PORSE Canterbury Q1	9(2)(a)	Public Holiday absences
65010	PORSE Canterbury Q1	9(2)(a)	Educator Unavailable

[illegible]

