

Orange County Virtual School (OCVS)

Internal Audit Report
December 10, 2020



Linda J. Lindsey, CPA, CGAP, School Board Internal Auditor
Alpa H. Vyas, CIA, CRMA, Senior Internal Auditor

Table of Contents

| | Page Number |
|------------------------------------|-------------|
| EXECUTIVE SUMMARY | 1 |
| DEFINITIONS | 2 |
| BACKGROUND | 3 |
| OBJECTIVES, SCOPE, AND METHODOLOGY | 4 |
| RESULTS AND RECOMMENDATIONS | 6 |

EXECUTIVE SUMMARY

Why We Did This Audit

Our objectives were to determine whether the OCVS program is operating effectively, efficiently, and in accordance with applicable laws and regulations and with appropriate internal controls.

This audit was included in the 2020-2021 Annual Audit Plan.

Observations and Conclusion

| Audit Results at a Glance | | | |
|---------------------------------------|--------------------|----------|-------|
| | Risk/Impact Rating | | |
| Results and Observations | Significant | Moderate | Minor |
| IA - Internal Audit M - Management | IA - 1 | - | - |
| D - Deficiency O - Opportunity | D - 1 | - | - |

Our overall conclusion is that OCVS activities are in compliance and operating effectively and efficiently. Our audit noted one area for improvement regarding updates of data in Skyward (the district's student information system).

Results and Recommendations

We reviewed OCVS' procedures, handbook, and intranet. We extracted the total number of active full time and part time OCVS students from Skyward and analyzed data. We noted that OCVS updates student status information in Skyward infrequently and recommended updating student status on a more regular basis.

We verified a sample of students' school/class information, their pace chart, attendance report, and their assigned district devices.

We verified a sample of teachers' certifications on FLDOE and issued Out of Field letters, if any.

We reviewed previous FEFP audit reports and management responses, and reviewed contracts related to OCVS.

This report has been discussed with management and they have prepared their response which follows.

DEFINITIONS:

Risk / Impact Ratings

| | |
|-------------|--|
| Minor | Low risk with a financial impact of less than one percent and/or an isolated occurrence limited to local processes (low impact and low likelihood) |
| Moderate | Slight to moderate risk with a financial impact between one and five percent and/or a noticeable issue that may extend beyond local processes (low impact and high likelihood or high impact and low likelihood) |
| Significant | High risk with a financial impact greater than five percent and/or a significant issue that occurs in multiple processes (high impact and high likelihood) |

Observations Categories

| | |
|-------------|---|
| Deficiency | A shortcoming in controls or processes that reduces the likelihood of achieving goals related to operations, reporting and compliance |
| Opportunity | A process that falls short of best practices or does not result in optimal productivity or use of resources |

Criteria for Observations Sourced to Management

- Internal audit was informed of the issue prior to starting detailed testing
- Management identified, evaluated, and communicated the issue to appropriate levels of the district
- Management has begun corrective action with clear, actionable plans and targeted completion dates

None of the observations resulting from this audit were sourced to management.

BACKGROUND:

Orange County Virtual School (OCVS) is established in accordance with Florida Statute 1002.45 *Virtual Instruction Programs* to provide varieties of virtual school opportunities to Orange County students including:

- Full time program for OCPS grades K to 12 students.
- Part time program offers supplemental courses for OCPS grades 6 to 12 students.
- Full time program offers middle and high school courses for Orange County Home Education students.
- Part time program offers supplemental courses for Orange County middle and high school students in private schools.

The district tracks attached at the various OCVS programs by school number.

- #7001 – Virtual Instruction Program operated through a contract with a provider approved by the Florida Department of Education. It includes full time and part time students.
- #7004 – Participants of the district’s Florida Virtual School Franchise. It includes full time and part time students.
- #7006 – District Virtual Course Offerings. It includes part time students.
- #7023 – Virtual Instruction Program operated as a Digital Academy by the school district for students enrolled in the district. It includes part time students.

The following tables shows the number of students enrolled in each program as of October 19, 2020:

Table 1 - OCVS Active Full Time Students as of 10/19/2020

| Default Entity | School #7001 | School #7004 | Total | ESE | ELL |
|----------------|--------------|--------------|--------------|------------|------------|
| #7001 | 73 | – | 73 | 6 | – |
| #7004 | – | 4,195 | 4,195 | 592 | 296 |
| | | | 4,268 | 598 | 296 |

Source: Skyward and OCVS
 Default Entity = Student’s full time school
 ESE = Exceptional Student Education
 ELL = English Language Learner

Florida Statute 1002.45 establishes authority of OCVS.

OCVS students may be full or part time.

The district’s “virtual” school is a franchise of the Florida Virtual School.

As of October 19, 2020, 4,268 students attended OCVS full time.

Table 2 - OCVS Active Part Time Students as of 10/19/2020

| Default Entity # | School #7001 | School #7004 | School #7006 | School #7023 | Total |
|------------------|--------------|--------------|--------------|--------------|---------------|
| #7004 | - | - | 451 | 9 | 460 |
| #Other | 1 | 15,336 | 5,897 | 5,645 | 26,879 |
| | | | | | 27,339 |

Source: Skyward and OCVS

#Other = Students attending traditional schools

More than 27,000 students attended OCVS on a part time basis as of October 19, 2020.

OBJECTIVES, SCOPE AND METHODOLOGY:

Objectives

This performance audit was to determine whether the Orange County Virtual School (OCVS) program is operating effectively, efficiently, and in accordance with applicable laws and regulations and with appropriate internal controls.

Scope

The scope of this audit covered OCVS activities from July 2019 to October 2020.

This audit covered the period from July 2019 to October 2020.

Methodology

Out audit methodology included:

- Reviewing Florida Statutes 1002.455 *Student Eligibility for K-12 Virtual Instruction*, 1002.45 *Virtual Instruction Programs* and 1003.498 *School District Virtual Course Offerings*;
- Reviewing OCVS' procedures, handbook, and intranet;
- Reviewing *Enrollment Summary by School* as of 10/15/2020;
- Obtaining the total number of active full time and part time OCVS students from Skyward and analyzing data through audit software;
- Selecting a sample of 58 active full time OCVS students including 15 Exceptional Student Education (ESE) and 10 English Language Learner (ELL), and 29 active part time OCVS students;

We performed detailed testing of a sample of 87 student records.

- Reviewing selected students' accounts in Skyward and Archibus systems;
- Selecting a sample of 17 OCVS teachers from SAP and reviewing teachers' field area, verifying teachers' certifications on FLDOE and SAP, and verifying any issued Out of Field (OOF) letter;
- Selecting five OCVS teachers from the School Board agenda and verifying OOF letter;
- Reviewing previous Florida Education Finance Program Full-Time Equivalent (FEFP FTE) audit report dated June 2020 and management's response on FTE report findings;
- Reviewing Florida Auditor General 2014 and 2017 audit reports and findings on OCVS;
- Reviewing student attendance report and pace chart percentage; and, teachers' follow-up emails with parents/students if student were behind their expected course pace chart; and,
- Reviewing K12 Florida LLC., Florida Virtual School (FLVS) Franchise, Edgenuity, Edynamics Learning Inc., and Smarthinking Services contracts and agreements, and verifying 9/2019 to 11/2020 quarterly invoices of K12 Florida LLC., and any refunds.

Our audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* of the Institute of Internal Auditors and included such procedures as deemed necessary to provide reasonable assurance regarding the audit objective. Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

We are required to note any material deficiencies in accordance with Florida Statutes, School Board Policy and sound business practices. We also offer suggestions to improve controls or operational efficiency and effectiveness. We noted no material deficiencies in the results of this audit.

We tested compliance with out-of-field teacher assignment requirements.

We reviewed management's responses to findings from previous Auditor General audits.

Our audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

We noted no material deficiencies.

RESULTS AND RECOMMENDATIONS:

Overall Conclusion:

OCVS activities are in compliance and operating effectively and efficiently. However, our audit noted a need for more timely updates of student information in Skyward as described below.

1) OCVS updates student status information in Skyward infrequently.

Significant risk/ impact

Best Practice:

Maintaining current data in the student system helps staff and management in decision-making and reporting processes.

Audit Results:

While confirming the population of OCVS' active part time and full time students with OCVS staff, we noted that 114 part time students' active/inactive statuses were not current in the Skyward system. OCVS staff informed us that they update students' data prior to the Florida Auditor General's biannual FEFP audit.

Recommendation:

OCVS students' data should be updated frequently in Skyward. It helps staff and management in decision-making and reporting processes. When we notified OCVS staff, they updated the information in the system.

We wish to thank the administration and staff of OCVS for their cooperation and assistance with this audit.

OCVS activities are in compliance and operating effectively and efficiently.

OCVS practice has been to update student data only prior to the Florida Auditor General's biannual FEFP audit.

We recommend updates that are more frequent and management concurs.



| | |
|---|-------------------------------------|
| Department / School Name | Orange County Virtual School |
| Administrator / Department Head | Brandi Gurley-Principal |
| Cabinet Official / Area Superintendent | Greg Moody |

| Audit Result / Recommendation | Management Response Acknowledgement/ Agreement of Condition | Responsible Person (Name & Title) And Target Completion Date (MM/YYYY) | Management's Action Plan |
|--|---|---|---|
| <i>OCVS updates student status information in Skyward infrequently. Significant risk</i> | When this recommendation was brought to our attention, we made corrections and updates. We have put into place a process for updating information in a timely manner. | Dr. Zundra Aubrey, FTE Administrator | OCVS student data will be updated on a frequent basis in Skyward. A new process is in place to ensure updates are monitored and verified monthly. |
| | | | |
| | | | |