



Board of Trustees

Mr. Michael Olenick, Board Chairman
Lady Dhyana Ziegler, Ph.D., Vice Chair
Mr. Brian Cunningham
Ms. Dorene McShea
Ms. Linda Pellegrini

TO: JOINT LEGISLATIVE AUDITING COMMITTEE

FROM: MR. MICHAEL OLENICK, BOARD CHAIRMAN FLORIDA VIRTUAL SCHOOL
LADY DHYANA ZIEGLER, PH.D., CHAIR OF AUDIT COMMITTEE FLORIDA VIRTUAL SCHOOL

CC: RONALD BLOCKER, INTERIM PRESIDENT / CEO FLORIDA VIRTUAL SCHOOL
FRANK KRUPPENBACHER, GENERAL COUNSEL FLORIDA VIRTUAL SCHOOL

RE: AUDIT SIX MONTH RESPONSE— FLORIDA VIRTUAL SCHOOL (FLVS) OPERATIONAL AUDIT –
PERFORMED PURSUANT TO CHAPTER 2013-225, LAWS OF FLORIDA

DATE: SEPTMEBER 17, 2014

Pursuant to your request and on behalf of the Board of Trustees for Florida Virtual School, attached hereto is a written list of the Florida Virtual School’s actions which have been taken and implemented at the recommendation of the Auditor General per the Operational Audit Report (Auditor General Report 2014-090 - Operational Audit, January 2014). On behalf of the Board, we thank the Auditor General of Legislature for the recommendations which have enabled us to further improve the quality of Florida Virtual School.

After reviewing the responses, please contact me should you need further clarification or action on our part.

Ronald Blocker, President and CEO

Leslie McLaughlin, Board Clerk

FINDING 1

THE BOARD HAD NOT PRESCRIBED PRINCIPLES AND PROCEDURES TO ADMINISTER AND CONTROL LOCAL SCHOOL FUNDS, CONTRARY TO LAW. ALSO, FLVS MANAGEMENT IMPLEMENTED REVENUE-GENERATING STRATEGIES AND COURSE FEES WITHOUT BOARD APPROVAL. IN ADDITION, ACCOUNTABILITY OVER RESTRICTED RESOURCES RECEIVED FROM PATENTS, COPYRIGHTS, TRADEMARKS, AND LICENSES COULD BE IMPROVED.

THE FOLLOWING ARE THE ACTIONS TAKEN TO IMPLEMENT THE PROCESSES IDENTIFIED AS BEING NEEDED BY THE AUDIT.

POLICY: REVENUE AND FEES

THE FLORIDA VIRTUAL SCHOOL BOARD OF TRUSTEES REQUIRES THAT ALL REVENUE GENERATED BY THE FLORIDA VIRTUAL SCHOOL BE USED IN ACCORDANCE WITH FLORIDA LAW FOR THE BENEFIT OF FLORIDA VIRTUAL SCHOOL AND ITS STUDENTS. THE FLORIDA VIRTUAL SCHOOL BOARD OF TRUSTEES REQUIRES THE FOLLOWING:

1. ALL REVENUE GENERATED BY FLORIDA VIRTUAL SCHOOL SHALL BE ACCOUNTED FOR IN ACCORDANCE WITH APPLICABLE LAW AND ACCOUNTING STANDARDS. A SEPARATE ACCOUNTING SHALL BE MAINTAINED FOR ALL LEGALLY RESTRICTED FUNDING.
2. THE VARIOUS TYPES OF REVENUE GENERATED BY FLORIDA VIRTUAL SCHOOL SHALL BE ACCOUNTED FOR AS REQUIRED BY STATE BOARD OF EDUCATION RULES AND THE MANUAL TITLED “FINANCIAL AND PROGRAM COST ACCOUNTING FOR FLORIDA SCHOOLS”, AS WELL AS APPLICABLE GOVERNMENTAL ACCOUNTING STANDARDS. ALL COSTS **ASSOCIATED WITH** FLORIDA VIRTUAL SCHOOL ENTERPRISE OPERATIONS (GLOBAL SERVICES, GLOBAL SCHOOL AND FRANCHISES) SHALL BE BORNE BY THOSE OPERATIONS.
3. THE FLORIDA VIRTUAL SCHOOL PRESIDENT/CEO SHALL BE RESPONSIBLE FOR ESTABLISHING AND REVISING FLORIDA VIRTUAL SCHOOL FEES FOR SERVICES AND PRODUCTS AS APPROPRIATE BASED UPON MARKET CONDITIONS OR OTHER FACTORS AND IS APPROVED BY THE FLVS BOARD OF TRUSTEES. THE FLORIDA VIRTUAL SCHOOL ANNUAL BUDGET SHALL INCLUDE A BUDGET BY FUND OF THE ESTIMATED ANNUAL REVENUES TO BE GENERATED FROM ALL FLORIDA VIRTUAL SCHOOL FEES, AS WELL AS THE RELATED APPROPRIATIONS DETAILING THE USE OF THE FUNDS BY EXPENDITURE CATEGORIES. A SCHEDULE OF THE ESTABLISHED FEES SHALL BE INCLUDED IN THE ANNUAL BUDGET SUBMITTED TO THE FLORIDA VIRTUAL SCHOOL BOARD OF TRUSTEES.
4. ALL FLORIDA VIRTUAL SCHOOL REVENUE SHALL BE USED IN ACCORDANCE WITH THE BUDGET ADOPTED BY THE FLORIDA VIRTUAL SCHOOL BOARD OF TRUSTEES.

POLICY: FLORIDA VIRTUAL SCHOOL STRATEGIES AND PLANS

NO LATER THAN JUNE 1 OF EACH CALENDAR YEAR, THE PRESIDENT SHALL SUBMIT TO THE FLORIDA VIRTUAL SCHOOL BOARD OF TRUSTEES FOR APPROVAL THE PROPOSED BUSINESS AND OPERATIONAL PLANS FOR THE FLORIDA VIRTUAL SCHOOL FOR THE FISCAL YEAR COMMENCING JULY 1 OF THAT YEAR.

PROCESS UPDATES

- IMPLEMENTED ACTIVITY-BASED ACCOUNTING IN ORDER TO IDENTIFY REVENUE SOURCES TO BE EARMARKED FOR FLVS GLOBAL LICENSING TRANSACTIONS.
- UTILIZING REVENUE STATUS SUMMARY REPORT FOR MONITORING RESTRICTED RESOURCES

FINDING 2

THE BOARD NEEDED TO ENHANCE ITS TRAVEL-RELATED POLICIES AND PROCEDURES.

THE FOLLOWING ARE THE ACTIONS TAKEN TO IMPLEMENT THE PROCESSES IDENTIFIED AS BEING NEEDED BY THE AUDIT.

POLICY: TRAVEL

THE FLORIDA VIRTUAL SCHOOL BOARD OF TRUSTEES RECOGNIZES THAT TRAVEL BY THE BOARD OF TRUSTEES AND EMPLOYEES OF FLORIDA VIRTUAL SCHOOL IS NECESSARY TO THE SUCCESSFUL OPERATION OF FLORIDA VIRTUAL SCHOOL. TRAVEL SHALL BE REIMBURSED IN ACCORDANCE WITH APPLICABLE FLORIDA LAW. THE FLORIDA VIRTUAL SCHOOL BOARD OF TRUSTEES DELEGATES TO THE PRESIDENT/CEO AND HIS/HER DESIGNEES THE AUTHORITY TO APPROVE TRAVEL IN ACCORDANCE WITH FLORIDA LAW FOR THE BENEFIT OF FLORIDA VIRTUAL SCHOOL. A REPORT ON THE OPERATING BUDGET TRAVEL OF THE FLORIDA VIRTUAL SCHOOL BOARD OF TRUSTEES AND EMPLOYEES FOR EACH MONTH SHALL BE INCLUDED WITH THE MONTHLY FINANCIAL REPORT SUBMITTED TO THE BOARD OF TRUSTEES.

IN COMPLIANCE WITH 112.061, FLORIDA STATUTES, FLVS WILL REIMBURSE REGULAR EMPLOYEES FOR ORDINARY, NECESSARY, AND REASONABLE EXPENSES INCURRED IN THE COURSE OF BUSINESS-RELATED TRAVEL IN COMPLIANCE WITH FLORIDA STATE LAW, BASED UPON THE RATES ESTABLISHED IN SECTIONS 112.061(3),(6) ,AND (7), FLORIDA STATUTES.

TRAVEL EXPENSES MUST BE SUPPORTED BY RECEIPTS AND AN AUTHORIZATION REQUEST FORM PRE-APPROVED BY A MANAGER IS ALWAYS REQUIRED FOR FLVS BUSINESS TRAVEL. EXPENSE REPORTS MUST BE SUBMITTED TO FINANCE WITHIN 14 BUSINESS DAYS OF THE EMPLOYEE'S LAST DAY OF TRAVEL FOR SINGLE REPORTS OR WITHIN 14 BUSINESS DAYS OF THE CLOSE OF THE MONTH FOR MONTHLY REPORTS.

ALTHOUGH THESE PROCEDURES ESTABLISH GUIDELINES, IT IS THE RESPONSIBILITY OF EACH TRAVELER TO COMPLY WITH SECTION 112.061(7) (A), FLORIDA STATUTES. THIS STATUTE REQUIRES EACH EMPLOYEE TO TRAVEL BY THE MOST ECONOMICAL MEANS AND STATES, IN PART, THAT ALL TRAVEL MUST BE BY A USUALLY TRAVELED ROUTE. THE FLVS TRAVEL WORKSHEET MUST BE USED TO DETERMINE THE LEAST EXPENSIVE METHOD OF TRAVEL. ANY FRAUDULENT CLAIM IS SUBJECT TO CRIMINAL PROSECUTION AND IMMEDIATE DISMISSAL FROM EMPLOYMENT WITH FLVS.

IN ALL CASES, WHEN TRAVEL INCLUDES AN OVERNIGHT STAY, FLVS STAFF ARE EXPECTED TO SHARE ACCOMMODATIONS UNLESS A MEDICAL EXEMPTION IS ON FILE AND APPROVED BY THE SENIOR MANAGER, BENEFITS AND COMPENSATION. EXCEPTIONS MAY BE ALLOWED AS DETERMINED BY THE PRESIDENT/CEO OR HIS/HER DESIGNEE .AT THE PRESIDENT/CEO'S DISCRETION; THE EMPLOYEE'S POST-OF-DUTY CAN BE CHANGED FOR SPECIFIC BUSINESS FUNCTIONS.

PROCESS UPDATES

- CREATED/UPDATED FORMS/SOPs PERTAINING TO TRAVEL POLICY:
 - CONTRACTOR TRAVEL SOP, AUTHORIZATION REQUEST FORM, AND EXPENSE REIMBURSEMENT FORM
 - BOARD TRAVEL SOP, AUTHORIZATION REQUEST FORM, AND EXPENSE REIMBURSEMENT FORM
 - UPDATED ALL CONCUR SOPs TO MEET AUDIT RECOMMENDATIONS
- THE FOUNDATION FOR FLVS HAS ASSUMED RESPONSIBILITY FOR DEVELOPING A USER CONFERENCE WHICH WILL BE OPEN TO THE INDUSTRY. FLVS ATTENDEES WILL PAY THE NORMAL ATTENDANCE FEES AND FOLLOW ALL TRAVEL POLICY REQUIREMENTS.

FINDING 3

CONTROLS OVER ELECTRONIC FUNDS TRANSFERS NEEDED TO BE ENHANCED.

THE FOLLOWING ARE THE ACTIONS TAKEN TO IMPLEMENT THE PROCESSES IDENTIFIED AS BEING NEEDED BY THE AUDIT.

PROCESS UPDATES

- SOP CREATED REGARDING EFTS
- ENHANCED DUAL AUTHORITY TO ENSURE SECONDARY APPROVAL OF EFT ACCESS PRIVILEGE CHANGES AND JOURNAL ENTRIES

FINDING 4

THE BOARD COULD ENHANCE ITS POLICIES AND PROCEDURES FOR IDENTIFYING AND REPORTING SUSPECTED ILLEGAL OR DISHONEST BEHAVIOR.

THE FOLLOWING ARE THE ACTIONS TAKEN TO IMPLEMENT THE PROCESSES IDENTIFIED AS BEING NEEDED BY THE AUDIT.

POLICY: ENHANCED FRAUD REPORTING

THE FRAUD REPORTING POLICY IS ESTABLISHED TO FACILITATE THE DEVELOPMENT OF CONTROLS THAT WILL AID IN THE DETECTION AND PREVENTION OF FRAUD AT FLVS. IT IS THE INTENT OF FLVS TO PROMOTE CONSISTENT ORGANIZATIONAL BEHAVIOR BY PROVIDING GUIDELINES.

THIS POLICY APPLIES TO ALL EMPLOYEES, CONSULTANTS, VENDORS, CONTRACTORS, MEMBERS OF THE BOARD OF TRUSTEES, OUTSIDE AGENCIES DOING BUSINESS WITH EMPLOYEES OF SUCH AGENCIES, AND/OR ANY OTHER PARTIES WITH A BUSINESS RELATIONSHIP WITH FLVS.

ANY INVESTIGATIVE ACTIVITY REQUIRED WILL BE CONDUCTED WITHOUT REGARD TO THE SUSPECTED WRONGDOER'S LENGTH OF SERVICE, POSITION/TITLE, OR RELATIONSHIP TO FLVS.

MANAGEMENT IS RESPONSIBLE FOR THE DETECTION AND PREVENTION OF FRAUD, MISAPPROPRIATIONS, AND OTHER IRREGULARITIES. FRAUD IS DEFINED AS THE INTENTIONAL, FALSE REPRESENTATION OR CONCEALMENT OF A MATERIAL FACT FOR THE PURPOSE OF INDUCING ANOTHER TO ACT UPON IT TO HIS OR HER INJURY. EACH MEMBER OF THE MANAGEMENT IS EXPECTED TO BE FAMILIAR WITH THE TYPES OF IMPROPRIETIES THAT MIGHT OCCUR WITHIN HIS OR HER AREA OF RESPONSIBILITY, AND BE ALERT FOR ANY INDICATION OF IRREGULARITY.

ACTIONS CONSTITUTING FRAUD: THE TERMS DEFALCATION, MISAPPROPRIATION, AND OTHER FISCAL IRREGULARITIES REFER TO, BUT NOT LIMITED TO:

- ANY DISHONEST OR FRAUDULENT ACT
- MISAPPROPRIATION OF FUNDS, SECURITIES, SUPPLIES, OR OTHER ASSETS
- IMPROPRIETY IN THE HANDLING OR REPORTING OF MONEY OR FINANCIAL TRANSACTIONS
- ACCEPTING OR SEEKING ANYTHING OF MATERIAL VALUE FROM CONTRACTORS, VENDORS, OR PERSONS PROVIDING SERVICES/MATERIALS TO FLVS
- DESTRUCTION, REMOVAL, OR INAPPROPRIATE USE OF RECORDS, FURNITURE, FIXTURES, AND EQUIPMENT

- DIVERSION TO AN EMPLOYEE OR OUTSIDER OF A POTENTIALLY PROFITABLE TRANSACTION THAT WOULD NORMALLY GENERATE PROFITS FOR THE ORGANIZATION
- CLAIMS SUBMITTED FOR SERVICES OR GOODS NOT ACTUALLY PROVIDED TO THE ORGANIZATION.

ANY IRREGULARITIES OR FRAUD OR ACTIONS CONCERNING AN EMPLOYEE'S MORAL, ETHICAL, OR BEHAVIORAL CONDUCT SHOULD EITHER BE REPORTED IMMEDIATELY TO THE FLVS GENERAL COUNSEL OR THE ENLISTED INDEPENDENT THIRD PARTY TO RECEIVE REPORTS OF FRAUD.

THE BOARD HAS RETAINED AN INDEPENDENT THIRD PARTY TO ALSO BE AVAILABLE TO REVIEW ANY REPORTED FRAUD AND REPORT FINDINGS TO THE BOARD CHAIR.

FINDING 5

HIRING PRACTICES NEEDED TO BE IMPROVED TO ENSURE PROPER VERIFICATION OF EMPLOYMENT HISTORY AND EDUCATIONAL AND DISCIPLINARY BACKGROUNDS AND THE USE OF TIMELY EXECUTED EMPLOYMENT CONTRACTS AS REQUIRED.

THE FOLLOWING ARE THE ACTIONS TAKEN TO IMPLEMENT THE PROCESSES IDENTIFIED AS BEING NEEDED BY THE AUDIT.

PROCESS UPDATES

- VERIFICATION OF EMPLOYMENT IS COMPLETED FOR INSTRUCTIONAL AND SUPPORT STAFF NEW HIRES PRIOR TO ONBOARDING. THE RESULTS OF THE EMPLOYMENT VERIFICATION IS DOCUMENTED AS PART OF THE CANDIDATE'S APPLICATION REVIEW AND MAINTAINED IN THE NEW HIRE EMPLOYEE FILE.
- HIRING SOPs HAVE BEEN UPDATED TO REFLECT AUDIT REQUIREMENTS RELEVANT TO EMPLOYMENT VERIFICATION.
- ALL INSTRUCTIONAL CANDIDATES ARE EVALUATED AGAINST THE FLDOE PROFESSIONAL PRACTICES DATABASE AT THE INITIAL TIME OF REVIEW AND AGAIN PRIOR TO OFFER. THESE ACTIVITIES AND RESULTS ARE DOCUMENTED AS PART OF THE CANDIDATE'S APPLICATION REVIEW.
- SCREENING SOP HAS BEEN UPDATED TO REFLECT AUDIT REQUIREMENTS RELEVANT TO PROFESSIONAL PRACTICE DATABASE REVIEW.
- CHECKLIST CREATED IN THE APPLICANT TRACKING SYSTEM TO MONITOR PROFESSIONAL PRACTICES REVIEW PROCESS.
- PRIOR TO ONBOARDING, THE EDUCATIONAL CREDENTIALS FOR SUPPORT STAFF CANDIDATES ARE REVIEWED THROUGH THE NATIONAL STUDENT CLEARINGHOUSE. SHOULD DEGREE INFORMATION NOT BE AVAILABLE THROUGH THIS SOURCE, THE CANDIDATE MUST PROVIDE OFFICIAL TRANSCRIPTS. THESE ACTIVITIES ARE DOCUMENTED AS PART OF THE CANDIDATE'S APPLICATION REVIEW.
- SUPPORT STAFF HIRING SOP HAS BEEN UPDATED TO INCLUDE THE VERIFICATION OF EDUCATION PROCESS.
- SYSTEM UPGRADES HAVE BEEN PUT IN PLACE TO ALLOW FOR MORE EXPEDITIOUS ELECTRONIC CONTRACT ISSUANCE AND MONITORING/REPORTING FOR ELECTRONIC SIGNATURE COMPLETION.
- SYSTEM UPGRADE WAS COMPLETED BY THE VENDOR AT THE BEGINNING OF APRIL 2014 TO ADD A CONTRACT ISSUANCE DATE FIELD IN ORDER TO BETTER TRACK AND MONITOR.
- SAMPLE REPORTS WITH THE CONTRACT ISSUANCE DATE FIELD HAVE BEEN RUN AND EVALUATED FOR ACCURACY.

- SOP CREATED TO MONITOR AND REPORT ON OUTSTANDING CONTRACTS.
- REQUEST SUBMITTED TO VENDOR CONCERNING TIMING AND ACTION REQUIREMENTS FOR CONTRACT ISSUANCE PROCESS FOR NEW FISCAL YEAR.
- CONTRACT TEMPLATES WILL BE PROVIDED TO THE VENDOR FOR EXECUTION OF TIMELY ISSUANCE.

FINDING 6

CERTAIN ADMINISTRATIVE POSITIONS WERE PAID SALARIES THAT WERE NOT INCLUDED ON THE BOARD-APPROVED SALARY SCHEDULES, AND THE PRESIDENT/CEO DID NOT AUTHORIZE CERTAIN SALARY SUPPLEMENTS, CONTRARY TO BOARD POLICY.

THE FOLLOWING ARE THE ACTIONS TAKEN TO IMPLEMENT THE PROCESSES IDENTIFIED AS BEING NEEDED BY THE AUDIT.

PROCESS UPDATES

- DIRECTOR-LEVEL AND ABOVE JOB CLASSIFICATIONS WERE ADDED TO THE SALARY SCHEDULES AND APPROVED BY THE FLVS BOARD OF TRUSTEES ON DECEMBER 10, 2013. THESE SALARY SCHEDULES ARE NOW ACTIVE.
- THE PROCESS FOR THE SALARY SUPPLEMENT APPROVALS NOW INCLUDES - DOCUMENTED APPROVAL BY THE PRESIDENT/CEO.
 - CREATED SOP FOR SUPPLEMENTAL PAY REQUESTS
 - CREATED SUPPLEMENTAL PROCEDURE AND PAYMENT APPROVALS SAMPLE DOCUMENT

FINDING 7

EMPLOYMENT CONTRACTS DID NOT INCLUDE A PROVISION REQUIRED BY, AND THE FLVS MADE SEVERANCE PAYMENTS THAT APPEARED TO BE CONTRARY TO, SECTION 215.425, FLORIDA STATUTES.

THE FOLLOWING ARE THE ACTIONS TAKEN TO IMPLEMENT THE PROCESSES IDENTIFIED AS BEING NEEDED BY THE AUDIT.

POLICY: SEVERANCE

THE FLORIDA VIRTUAL SCHOOL BOARD OF TRUSTEES HEREBY DELEGATES TO THE PRESIDENT/CEO OF FLORIDA VIRTUAL SCHOOL THE AUTHORITY AND DISCRETION TO GRANT OR DENY SEVERANCE FOR AN EMPLOYEE THAT HAS SEVERANCE PROVIDED FOR IN THEIR CONTRACT IN ACCORDANCE TO THE LIMITATIONS IN THEIR CONTRACT. ADDITIONALLY, THE PRESIDENT/CEO OF FLORIDA VIRTUAL SCHOOL IS PROVIDED THE AUTHORITY TO PROVIDE PAYMENT TO AN EMPLOYEE BEYOND THE AMOUNT PROVIDED FOR IN THEIR CONTRACT, BUT IN NO EVENT TO EXCEED THE AMOUNT AUTHORIZED BY THE BOARD FOR THE PRESIDENT'S SPENDING AUTHORITY, WHEN THE PRESIDENT/CEO AND GENERAL COUNSEL DEEM IT APPROPRIATE TO AVOID A CLAIM AGAINST FLORIDA VIRTUAL SCHOOL.

PROCESS UPDATES

- CONTRACT LANGUAGE WAS ADJUSTED IN ALL FULL TIME POSITION TEMPLATES TO BE ISSUED IN 2014-15 TO ENSURE CONSISTENCY IN ANY REFERENCES TO SEVERANCE.

FINDING 8

THE ADMINISTRATION OF CONTRACTUAL SERVICES NEEDED TO BE ENHANCED.

THE FOLLOWING ARE THE ACTIONS TAKEN TO IMPLEMENT THE PROCESSES IDENTIFIED AS BEING NEEDED BY THE AUDIT.

PROCESS UPDATES

- RFP MEMO ENHANCED TO NOTATE INDIVIDUAL OR GROUP EVALUATION AT THE DISCRETION OF THE COMMITTEE.
- SOP PURCHASING SOLICITATION UPDATED TO MATCH STATE BOARD RULE 6A-1.012(11)(A)
- CHANGE TO PS001 TO REFLECT LANGUAGE OUTLINED IN THE 2012-13 POLICY AND PROCEDURE MANUAL

FINDING 9

CONTROLS OVER PURCHASING CARDS NEEDED TO BE STRENGTHENED.

THE FOLLOWING ARE THE ACTIONS TAKEN TO IMPLEMENT THE PROCESSES IDENTIFIED AS BEING NEEDED BY THE AUDIT.

PROCESS UPDATES

- MANAGER'S SIGNATURE AND CARD NUMBER(S) ADDED TO P-CARD ACCEPTANCE FORM; EMAIL REQUEST FROM MANAGER REQUIRED TO OBTAIN P-CARD FOR EXISTING EMPLOYEES, OR MUST BE NOTED ON INITIAL PAF THAT IT IS A JOB REQUIREMENT; RECORDS KEPT OF ALL REQUESTS AND FORMS
- CARD SUSPENDED (NOT ABLE TO USE) UNTIL ALL TASKS FOR NEW CARDHOLDER COMPLETED
- MONTHLY P-CARD AUDIT SIGNOFF FORM INITIATED TO DOCUMENT MONTHLY AUDIT REVIEW OF CARD TRANSACTIONS.
- MAINTAINING MASTER SPREADSHEET TRACKING LIMIT CHANGES AND LOST/STOLEN CARDS, AS WELL AS UPDATE ACCEPTANCE FORMS NOTING CARD STATUS
- ENABLED EMAILS FOR CREDIT LIMIT CHANGES AND REQUIRED EMAIL FOR REQUESTED CHANGE
- USING TEMPORARY CREDIT LIMIT CHANGE ROUTINELY RETURNING THE CREDIT LIMIT AUTOMATICALLY TO THE PREVIOUSLY ASSIGNED LIMIT AT THE END OF THE STATEMENT PERIOD
- ALL SOPs UPDATED BASED ON AUDIT FINDINGS
- ESP SOPs ADDED:
 - P-CARD LIMIT AUDIT
 - CHANGE CONTROL ACCOUNT

FINDING 10

THE BOARD NEEDED TO ESTABLISH WRITTEN POLICIES AND PROCEDURES THAT PROVIDE FOR APPROPRIATE MONITORING OF COMPLIANCE WITH FRANCHISE AGREEMENTS.

THE FOLLOWING ARE THE ACTIONS TAKEN TO IMPLEMENT THE PROCESSES IDENTIFIED AS BEING NEEDED BY THE AUDIT.

PROCESS UPDATES

- FLVS BOARD APPROVED THE UPDATED CONTRACT AGREEMENT TEMPLATE ON 5-1-14.
- UPDATES TO CONTRACT:
 - APPENDIX C CONTAINS ELEMENTARY COURSE OPTIONS AND TERMS SPECIFIC TO BUSINESS WITH CONNECTIONS
 - FLVS FRANCHISES ARE REQUIRED TO SUBMIT THE SIGNATURE PAGE OF THE INSTRUCTOR MOA FOR EACH INSTRUCTOR ACTIVELY TEACHING STUDENTS
 - FLVS FRANCHISES ARE REQUIRED TO INPUT INSTRUCTORS' CERTIFICATE NUMBER INTO THE SIS -VSA
- FIELD OPERATIONS SUPPORT REPRESENTATIVE ROLE CREATED TO TRACK AND MONITOR FRANCHISE COMPLIANCE TO CONTRACTUAL TERMS INCLUDING BUT NOT LIMITED TO:
 - MONITOR INSTRUCTOR MOA SIGNATURE COMPLIANCE
 - VALIDATE INSTRUCTORS' CERTIFICATE NUMBERS AGAINST THE FLDOE DATABASE
- SALESFORCE APPLICATION BEING CREATED TO MONITOR TRACK AND ARCHIVE INFORMATION RELATED TO MONITORING FRANCHISE CLASSROOMS
- SOP CREATED THAT ENSURES ALL FUTURE PERFORMANCE REPORTS ARE CREATED AND DELIVERED TO THE APPROPRIATE RECIPIENTS.
- ALL OUTSTANDING REPORTS HAVE BEEN SUBMITTED TO THE APPROPRIATE RECIPIENTS.

FINDING 11

CONTROLS NEEDED TO BE IMPROVED TO ENSURE STUDENTS RECEIVING PART-TIME INSTRUCTION ARE ELIGIBLE FOR SUCH SERVICES.

THE FOLLOWING ARE THE ACTIONS TAKEN TO IMPLEMENT THE PROCESSES IDENTIFIED AS BEING NEEDED BY THE AUDIT.

PROCESS UPDATES

- LEGISLATION/FLDOE RULE HAS CHANGED SINCE OUR AUDIT.
- NEW SOP CREATED ADDRESSES THE CURRENT RULE AND REQUIRES GUIDANCE COUNSELOR APPROVAL OF STUDENT REQUESTED COURSES.
- PART-TIME ENROLLMENTS ARE VALIDATED BY SCHOOL COUNSELOR SIGN OFF WITHIN VSA AND SERVES AS OUR RECORD THAT THE REQUIREMENTS FOR ENROLLMENT HAVE BEEN MET.

FINDING 12

THE FLVS NEEDED TO ENHANCE ITS PROCEDURES TO ENSURE THAT FORECASTED ENROLLMENTS REPORTED TO THE FLORIDA DEPARTMENT OF EDUCATION ARE SUPPORTED BY FLVS RECORDS.

THE FOLLOWING ARE THE ACTIONS TAKEN TO IMPLEMENT THE PROCESSES IDENTIFIED AS BEING NEEDED BY THE AUDIT.

PROCESS UPDATES

- A SECURED BOX FOLDER HAS BEEN CREATED TO MAINTAIN AND WAREHOUSE ALL DOCUMENTATION/RECORDS RELATED TO FORECASTED ENROLLMENTS AND FTE DATA.

FINDING 13

THE BOARD HAD NOT ADOPTED REQUIRED PERFORMANCE MEASURES AND STANDARDS AND AN ACCOUNTABILITY SYSTEM, CONTRARY TO LAW.

THE FOLLOWING ARE THE ACTIONS TAKEN TO IMPLEMENT THE PROCESSES IDENTIFIED AS BEING NEEDED BY THE AUDIT.

POLICY: STANDARDS FOR STUDENT ACHIEVEMENT

EACH YEAR, THE PRESIDENT SHALL SUBMIT TO THE FLORIDA VIRTUAL SCHOOL BOARD OF TRUSTEES FOR APPROVAL, THE PROPOSED STANDARDS FOR STUDENT ACHIEVEMENT. ALL STANDARDS FOR STUDENT ACHIEVEMENT SHALL BE IN ACCORDANCE WITH APPLICABLE LAW AND SHALL BE BROUGHT TO THE BOARD TO BE AMENDED AS LAW REQUIRES.

PROCESS UPDATES

- KEY STANDARDS IDENTIFIED:
 - TEACHER EVALUATION METRICS
 - FT SCHOOL IMPROVEMENT PLAN
 - DOE MANDATED GRADING SCALE

FINDING 14

SOME INAPPROPRIATE INFORMATION TECHNOLOGY (IT) ACCESS PRIVILEGES EXISTED.

FINDING 15

THE FLVS HAD NOT DEVELOPED AND TESTED A WRITTEN DISASTER RECOVERY PLAN FOR THE RESTORATION OF CRITICAL FLVS PROCESSING OR RECOVERY OF THE CORRESPONDING DATA FILES, INCLUDING SCHOOL AND OPERATIONAL DATA.

FINDING 16

THE FLVS IT SECURITY CONTROLS RELATED TO USER AUTHENTICATION NEEDED IMPROVEMENT.

FOR FINDINGS 14, 15 AND 16 THE FOLLOWING PROCESSES IDENTIFIED AS BEING NEEDED BY THE AUDIT ARE BEING IMPLEMENTED BASED ON ROADMAP TIMING AGREED TO BY THE AUDITORS.

PROCESS UPDATES

- NEW SECURITY POLICY ENACTED
- IT SECURITY OFFICER HIRED
- APPLICATION SECURITY REVIEW - COMPLETED 8/2014
- COMPLETE APPLICATION RECERTIFICATION PROCESS – ANTICIPATED COMPLETION DATE 2/2015
- BEGIN APPLICATION CERTIFICATION PROCESS – ANTICIPATED COMPLETION DATE 6/2015
- DATA CENTER MIGRATION
- DOCUMENT FLVS DISASTER RECOVERY SYSTEMS AND PROCESSES – COMPLETED 6/2014
- COMPLETE TEST OF FLVS DISASTER RECOVERY PLANS – ANTICIPATED COMPLETION DATE 12/2014
- REVIEW PLAN AND TEST – ANNUALLY
- COMPLETE SSO AND AUTOMATE PASSWORD MANAGEMENT – ANTICIPATED COMPLETION DATE 6/2015
- PLAN ARCHITECTURAL CHANGES TO VSA SUITE – ANTICIPATED COMPLETION DATE 6/2015
- IMPLEMENT SECURITY/PASSWORD CONTROLS – ANTICIPATED COMPLETION DATE 6/2015