

NORTH CAROLINA VIRTUAL PUBLIC SCHOOL

Financial Related Audit of November 2013
Joint Legislative Program Evaluation Oversight Committee
February 19, 2014

BACKGROUND

The North Carolina Virtual Public School was established in 2005 to provide students with free, online classes that are not offered at their local schools. The Virtual School began offering online courses to high school students in 2007 and later expanded its course offerings to middle school students. During the 2011-2012 academic year, student enrollment reached 49,189, up from 6,984 in the 2006-2007 academic year. The school offers more than 100 courses and serves all 115 school districts and 36 charter schools. Total expenditures during FY 2012 were about \$19.7 million.

KEY FINDINGS

- Some teachers have been granted access to the registration system for the Virtual School, creating the opportunity for them to inflate their enrollment numbers. Teachers for the Virtual School are paid based on the size of their classes. The Virtual School does not monitor who has access to its registration system and does not independently review enrollment data. Staff members manually adjust final rosters, increasing the risk of enrollment errors and mistakes in teacher pay.
- The enrollment totals in the NCVPS Annual Report submitted to the State Board of Education contained errors. The errors included: the underreporting of students from traditional public schools was reported as 49,189, instead of 47,463; the omission of 873 students from 22 charter schools; the misreporting of total enrollment as 50,042 instead of 49,189.
- Teacher evaluation procedures were not followed consistently. The audit reviewed the records of 60 teachers and noted the following: One instructional leader, who is also a teacher, performed her own evaluation; evaluations for three teachers were completed late only after a February 22, 2013, request from the auditors; no evaluations were completed for two teachers.

KEY RECOMMENDATIONS

- The Department of Public Instruction should put controls in place to ensure access to the enrollment system is restricted to appropriate individuals and add review and monitoring procedures to ensure that enrollment data and teacher payment calculations are correct.
- The Virtual School should enhance its review process to ensure the enrollment figures shown on the NCVPS Annual Report are complete and accurate.
- The Virtual School design and implement written policies and procedures that ensure instructional leaders consistently monitor teachers for quality and effectiveness.