



**Ministry of Education
Knowledge Management & Accountability Division**

2014/15 Distributed Learning Enrolment Audit

AUDIT REPORT

**Heritage Christian Online School
(023 96738)**

**2014/15 DISTRIBUTED LEARNING ENROLMENT AUDIT REPORT:
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Background

Distributed Learning (DL) programs and courses are alternatives to regular classroom-based instruction for students in Kindergarten to Grade 12 providing a method of instruction that relies primarily on indirect communication between learners and British Columbia certified educators, including internet, other electronic-based delivery, teleconferencing, and correspondence. DL takes place when a student is primarily at a distance from the teacher.

The Ministry of Education funds Independent School Authorities based on the Authorities' reported DL enrolment in September, February and May each year. Independent School Authorities report students undertaking DL programs or courses to the Ministry on [*Form 1701: Student Data Collection Completion Instructions for Independent Schools*](#) (Form 1701).

The Knowledge Management and Accountability Division conducts DL Enrolment audits to verify enrolment reported on Form 1701. The outcomes of these audits could result in funding implications if adjustments are recommended. Funding recoveries are expanded to include full-time equivalents (FTEs) outside the audit sample where the auditors can make a clear link between the audit findings in the sample and those FTEs outside the sample.

Purpose

The purpose of the DL Enrolment audit is to provide assurance to the Ministry of Education and Independent School Authorities that Ministry directives and policies are being followed. The audits are based on *Form 1701: Student Data Collection, Completion Instructions for Independent Schools*, current Distributed Learning requirements and standards as well as related Ministry policies.

Description of the Audit Process

A Distributed Learning audit was conducted at Heritage Christian Online School during the week of March 2, 2015. The total enrolment reported at October 17, 2014 was 2,718.5000 FTEs, of which 522 student files were reviewed. The review was extended to include all reported students for analysis when the audit team identified school-wide issues.

An entry meeting was held with the Principal and the Distributed Learning Centre's staff to review the purpose of the audit and the criteria for funding as outlined in the Form 1701 Instructions. The process and procedures that would be followed to undertake the audit were reviewed. The Principal offered information about the DL program at Heritage Christian Online.

The audit team worked out of the administrative offices at Heritage Christian Online School. The auditors sought evidence to determine that the courses claimed met the [*DL Active Policy*](#) criteria by the activation submission date and other related Ministry directives. Throughout the audit there were ongoing discussions with DL staff to ensure the audit team members had an understanding of all aspects of the program. All recommended adjustments were discussed with the staff during the course of the audit, providing them with every opportunity to locate the

necessary evidence. The review was extended to include all reported students for analysis when the audit team identified school-wide issues.

An exit meetings was held with the Principal where the audit team presented their preliminary results and clarified any outstanding issues.

Prior to the audit visit, the Lead Auditor undertook a verification of the school-assigned teachers' status with the Teacher Regulation Branch.

Description of the Program

Heritage Christian Online School is located in the city of Kelowna and offers distributed learning programming to thousands of students from all over the Province of British Columbia. At the October claim period, 6,259 students were registered in Heritage Christian Online School (HCOS). Grade 10-12 cross-enrolled students are registered BC Online School (BCOS), a division of Heritage Christian Online School.

Observations

The auditors found that:

- All members of the teaching staff of the Heritage Christian Online School are certified with the Teacher Regulation Branch (TRB); however, some teachers were on a restricted licence, which specified the courses/locations they could teach. FTE adjustments were made for one course, taught by an instructor who was not qualified by the TRB to teach the course.
- The teachers lead the educational programs of their students.
- The teachers communicate with students in a variety of ways to support their learning.
- The teachers evaluate and assess their students on an on-going basis and for all progress reports and interim reports.
- Heritage Christian Online School (HCOS) has two distinct funding practices, one used for the full-time students registered with HCOS being their homeschool and the second for those students cross-enrolled in their BC Online School (BCOS).

When students are registered full-time in HCOS, each family is allocated \$1,000 per student. This sum is made up of the \$600 designated as "restricted funds" and an extra \$400 is provided for the families out of the school's resources budget. In the letter sent home to parents, dated September 1, 2014, the School explained how they were 'addressing concerns' that (parents) had over curriculum budgets "*in order to maintain the flexibility that helps families" "students on individualized programs will still have access to the amounts allowed for in previous years (\$1000)".* The letter goes on further to explain that the \$600 is to be used for third-party services, which they described as the intangible resources such as consumables and third-party lessons. They also clarified that all other expenses, which are not subject to the \$600 restriction, can be used towards any resources/expenses including: learning camps, co-ops, subscriptions, online courses, leased equipment and online curriculum.

The Ministry of Education's Third party Services and Resources – Guidelines for Independent School Authorities Operating and Distributed Learning Program identifies that "*Allocation of funding to third parties is to be made based on the student learning plan*

created by the parent, teacher and where appropriate the student. In order to meet the BC Ministry prescribed curriculum requirements, the teacher will identify the services and resources the school and family are able to provide as well as those services and resources which may require support by way of a third party.” The directive clearly identifies third party services are specific to each student’s learning plan, in consideration of that directive, the following was found at Heritage Christian Online:

1. Computer and equipment leases are not restricted. 189 families have computers through the leasing program at the school. Of those, 38 families have used their resources for more than one computer and/or iPads. The amounts paid for the computer (Dell or Macintosh) range from \$600 to over \$2,000. After the signed three-year lease agreement is complete, parents have the option of returning the computer equipment or purchasing it for the sum of \$10 per computer. Which does not cover the full cost of the computer.
 2. Internet reimbursement is available for families and covers 60% of Internet costs (to a total of \$350) if there is enough money left in the combined family or individual \$1,000 budget allocation. Parents can only apply for this in May of the school year to ensure that there are adequate funds remaining (from the \$1,000 allocation) to pay for it. 265 families applied the Internet reimbursement last year (monthly Internet receipts are required for to be submitted for this reimbursement).
 3. Families are able to pool their curriculum budgets (i.e., three students in a family equals \$3,000 for the budget), allowing an individual allocation to exceed \$1,000 for one student (if it is determined that equal allocations are not be required).
 4. Grade 10-12 students at the HCOS are charged \$125 per online course, which is billed against their \$1,000 allocation. If a student is taking a full complement of courses this per course fee will consume the individual’s entire allocation with no funds left for learning resources. The School indicated that they charge \$125 because part of that money goes back into course development. (The school staff likened these charges to “a royalty” as Heritage writes their own programs).
 5. Each teacher is given a credit card to use to pay for family resources (or third-party directly) in order to assist the families with these purchases without requiring a purchase order. Purchase orders are used for everything else. Teachers are provided with the autonomy to make all decision about learning resources.
- The School follows the DL BC Residency Policy.
 - The School follows the District’s policy and procedures for ‘ordinarily’ resident in B.C.
 - The School did not follow the DL Active Policy with respect to:
 - Student claims must meet the active criteria on or before the active claim date.
 - Submitting the same substantive student course work for multiple course claims. Separate and distinct substantive student course work specific to the course of study are required.
 - Reporting only those students enrolled and participating in educational activities/ coursework.
 - The School has a system for tracking students from the time they register until they meet all the eligibility requirements including those found in the DL Active Policy. Despite this mechanism, a number of courses were reported when there was no evidence the substantive student course activity had been submitted by the activation date.
 - The School reported multiple claims for Graduation Transitions. Graduation Transitions can only be claimed once for students taking a graduation program leading to a B.C. Certificate of Graduation and are to be reported when the student is enrolled in Grade 12.

- Two-credit courses were claimed as four-credit claims. The School has three, two-credit courses. In this School two credit claims require manual adjustment when reported on the Form 1701 submission. This was not done this year.
- Student FTEs were claimed for more than one course, using the same substantive student course work and the same online course (and virtual textbook). These FTEs were claimed for students undertaking additional areas of study to expand upon Ministry of Education courses for Advanced Placement credit. While these extra hours of study, additional assignments and tests may lead to recognition of further credits for the student, the sessions provided were not separate and distinct courses, and should not have been claimed as additional full credit courses for funding. The Form 1701 Instructions for Independent Schools (P.10) state “*Schools may claim an AP course as a separate course in this section only if it meets the definition of a course, is a separate and distinct instructional session of 80-100+ hours...the course is being taught by a certified teacher and is in accordance with the Student Credentials Ministerial Order M164/96.*”
- Special education substantive student course work was not readily available and need to be kept in student files.

Audit Sample Findings

The auditors found that:

- 7.3750 FTEs (consisting of 7.2500 Grade 10 to 12 school-age and 0.1250 non-graduated adult students) reported were enrolled in fewer courses than claimed. It was verified that students registered in Calculus 12 were also claimed for AP Calculus (AB) and AP Calculus (BC) with the same online curriculum and the same substantive student course work. Students registered in English Literature 12 were also claimed for AP English Literature using the same online curriculum and the same substantive student course work. Students registered Economics 12 were also claimed for AP Macroeconomics with the same online curriculum and the same substantive student course work.
- 14.8750 FTEs (consisting of 12.8750 Grade 10 to 12 school-age and 2.0000 non-graduated adult students) had no evidence the students were active at the October submission date as required by the DL Active Policy and Form 1701 reporting instructions.
- 1.8125 Grade 10 to 12 school-age FTEs were adjusted to reflect actual two-credit courses claimed as four-credit courses.
- 1.7500 FTE Grade 10 to 12 FTEs were reported for course claims where the teacher was not certified to teach the course. It was verified that the teacher for Screenwriting 11 was on a restricted certificate, limited to teach only Math, Physics and Religious Studies.
- 0.1250 Grade 10 to 12 school-age FTEs for a Graduation Transition claim when it was verified student had been claimed for Graduation Transitions in the previous school year.

Recommendations

The auditors recommend that:

- The School report for funding only claims for those students who are active in accordance with the Form 1701 Instructions, and the Distributed Learning Funding and Active Policies.
- The School implement a process to effectively track student claims from the time of registration until they are reported to ensure the claims are eligible for funding in accordance with the Form 1701 Instructions and related Distributed Learning policies.

- The School claim only students who meet the active criteria on or before the claim date. The school staff ensure all student files contain evidence that demonstrates the student has met all the active requirements before reporting funding claims, including evidence to support the substantive student course activity.
- The School staff ensure claims for Graduation Transitions are only reported once and when the student is in Grade 12.
- School staff ensure that teachers holding a restricted certificate are only assigned to teach courses in accordance with their TRB certification.
- School staff ensure that all course claims are reported in accordance with their actual credit value and verified as accurate prior to submitting on Form 1701 for funding.
- The School ensure when offering Advanced Placement courses that all such courses reported for funding meet the definition of a course. The courses must be separate and distinct and meet the 'active' requirements on the same basis as any other funded courses including evidence that these requirements are met.
- In order to verify the \$1,000 allocation the School assigns to each student is not an incentive for registration, a financial investigation into the allocation of resource money for students enrolled in Heritage Christian Online School be undertaken as a mechanism to ensure the School is operating in accordance with the Ministry of Educations Third Party Services and Resources – Guidelines, in addition to other related legislation, policies, Distributed Learning Agreement, Standards for Delivery, and the Independent School Act.

Auditors' Comments

The auditors wish to express their appreciation to the school staff for their cooperation and hospitality during the audit.