

**VIRTUAL INSTRUCTION PROGRAM  
PROVIDERS**

**EDMENTUM, INC.  
AND  
K12, INC.**

**PRIOR AUDIT FOLLOW-UP  
ON INFORMATION TECHNOLOGY CONTROLS**

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**Information Technology Operational Audit**



## VIRTUAL INSTRUCTION PROGRAM PROVIDER OFFICIALS

The two Virtual Instruction Program provider officials who served during the period October 1, 2014, through February 28, 2015, were as follows:

Vin Riera, President and CEO

Edmentum, Inc. (formerly PLATO Learning Inc., and Educational Options, Inc.)

Nathaniel A. Davis, Chairman and CEO

K12, Inc.

The audit team leader was Brenda Shiner, CISA, and the audit was supervised by Chris Gohlke, CPA, CISA. Please address inquiries regarding this report to Arthur Hart, CPA, Audit Manager, by e-mail at [arthart@aud.state.fl.us](mailto:arthart@aud.state.fl.us) or by telephone at (850) 412-2923.

This report and other reports prepared by the Auditor General can be obtained on our Web site at [www.myflorida.com/audgen](http://www.myflorida.com/audgen); by telephone at (850) 412-2722; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

**VIRTUAL INSTRUCTION PROGRAM PROVIDERS  
EDMENTUM, INC., AND K12, INC.**

Prior Audit Follow-Up on Information Technology Controls

**SUMMARY**

Section 1002.45(1)(b), Florida Statutes, requires each school district to provide eligible students within its boundaries the option of participating in part-time and full-time virtual instruction programs (VIPs). School district options for providing virtual instruction programs include contracting with providers approved by the Department of Education (Department).

This operational audit focused on evaluating the actions taken by Department-approved VIP providers, Edmentum, Inc., and K12, Inc., to correct deficiencies disclosed in our *Virtual Instruction Programs* report No. 2013-094.

Our audit disclosed areas in which improvements in information technology (IT) controls and operational processes by the two providers were needed. The results of our audit are summarized by provider below:

**VIP Provider – Edmentum, Inc.**

**Finding No. 1:** Edmentum, Inc., data quality controls needed improvement.

**Finding No. 2:** Certain Edmentum, Inc., security controls related to user authentication, protection of confidential and sensitive information, and monitoring needed improvement.

**Finding No. 3:** Some inappropriate access privileges existed at Edmentum, Inc.

**Finding No. 4:** Edmentum, Inc., had not developed and tested a comprehensive disaster recovery plan that included all VIP applications.

**Finding No. 5:** Edmentum, Inc., background screening procedures and documentation needed improvement.

**VIP Provider - K12, Inc.**

**Finding No. 6:** Certain K12, Inc., security controls related to user authentication needed improvement.

**Finding No. 7:** Although K12, Inc., had developed a comprehensive disaster recovery plan, the disaster recovery plan had not been fully tested.

**Finding No. 8:** K12, Inc., background screening procedures and documentation needed improvement.

**BACKGROUND**

Section 1002.45, Florida Statutes, includes the definition of and requirements for virtual instruction programs. Specifically, the term *virtual instruction program* is defined in Section 1002.45(1)(a)2., Florida Statutes, as a program of instruction provided in an interactive learning environment created through technology in which students are separated from their teachers by time or space, or both. Pursuant to Section 1002.45(1)(c), Florida Statutes, to provide students with the option of participating in VIPs, a school district may:

- Contract with the Florida Virtual School (FLVS) or establish a franchise of the FLVS.
- Contract with an approved provider.
- Enter into an agreement with other school districts to allow the participation of its students in an approved VIP provided by the other school district.

- Establish school district-operated VIPs.
- Enter into an agreement with a virtual charter school authorized by the school district under Section 1002.33, Florida Statutes.

The term *approved provider* is defined in Section 1002.45(1)(a)1., Florida Statutes, as a provider that is approved by the Department pursuant to Section 1002.45(2), Florida Statutes; the FLVS; a franchise of the FLVS; or a Florida College System institution. The Department is required to annually publish online a list of providers approved to offer VIPs. Section 1002.45(2), Florida Statutes, describes specific items for which a provider must document its compliance in order to be approved by the Department. If approved, a provider retains its approved status during the three school years after the date of the Department’s approval as long as the provider continues to comply with all requirements of Section 1002.45(2), Florida Statutes. Among the specific items for which a provider must document its compliance in order to be approved by the Department and continue to retain approved status are to locate an administrative office or offices in Florida, require its administrative staff to be Florida residents, and require all instructional staff to be Florida-certified teachers under Chapter 1012, Florida Statutes.

Edmentum, Inc., a VIP headquartered in Bloomington, Minnesota, provides virtual instruction services to Florida school districts as an approved provider. Edmentum, Inc., has two online portals that serve as a gateway for the delivery of virtual instruction services in Florida. Depending on the school district contract, Genius Student Information System (Genius) or GRAD is used as the student information system connecting teachers, students, and courses. Through Genius, students directly connect to the Plato Learning Environment (PLE) for course content. Through GRAD, students directly connect to the Stars Suite (Stars) application for course content. PLE and Stars enable the interaction between teachers and students and provide the environment for completing, submitting, and grading course assignments.

K12, Inc., a VIP headquartered in Herndon, Virginia, also provides virtual instruction services to Florida school districts as an approved provider. K12, Inc., has an online portal that serves as a gateway to the two systems used for delivery of virtual instruction services in Florida. The Online School (OLS) application is used to provide communication, planning, and attendance record keeping for the K12, Inc., VIP. Additionally, OLS is used to deliver course content for kindergarten through grade 8 students. The K12, Inc., Learning Management System (LMS) application is used for the delivery of course content for students in grades 9 through 12.

**FINDINGS AND RECOMMENDATIONS**

**VIP Provider – Edmentum, Inc.**

**Finding No. 1: Data Quality Controls**

Effective data quality controls help ensure that data input into the system is complete, accurate, and valid and that any incorrect information is identified, rejected, and corrected. Additionally, data input for processing should have all key fields edited to ensure completeness and validity. Finally, a service auditor’s report, as described by the American Institute of Certified Public Accountants (AICPA), Statement on Standards for Attestation Engagements No. 16, Reporting on Controls at a Service Organization (SSAE No. 16), formerly referred to as a Statement on Auditing Standards (SAS) No. 70 report, provides information and auditor conclusions related to a service organization’s controls. Service organizations make service auditor’s reports available to user organizations to provide assurances related to the effectiveness of the service organization’s relevant internal controls.

In our report No. 2013-094, we noted issues with the data quality controls of Edmentum, Inc., VIP applications. For example, the data provided to us during the audit applicable to report No. 2013-094 contained data anomalies such as dates of birth indicating students under the age of 5 and over the age of 19, blank data fields, and fields containing incorrect data (e.g., a parent telephone field contained what appeared to be an e-mail address) that caused us to question the quality of the data. Upon audit request for student data in the current audit, Edmentum, Inc., management stated that no changes to the VIP applications had been made to correct the data anomalies noted in our report No. 2013-094. Additionally, our review of preliminary data provided to us by Edmentum, Inc., indicated that data anomalies still existed. Furthermore, Edmentum, Inc., had not obtained an independent service auditor's report related to the internal controls designed and established for its VIP applications as similarly noted in our report No. 2013-094. Without effective data quality controls, the risk is increased that incomplete, inaccurate, and invalid data, should it exist, may not be identified and corrected in a timely manner leading to a lack of confidence by user organizations in the internal controls of the service organization.

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**Recommendation:** Edmentum, Inc., management should improve data quality controls, including the inclusion of edits on all key data fields, to ensure the completeness, accuracy, and validity of data. Additionally, Edmentum, Inc., management's demonstration of compliance with various laws and controls over its technology-based education programs and data would be enhanced by routinely obtaining an independent service auditor's report on the effectiveness of controls relevant to the security and integrity of data established for its VIP customers.

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**Finding No. 2: Security Controls – User Authentication, Protection of Confidential and Sensitive Information, and Monitoring**

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Security controls are intended to protect the confidentiality, integrity, and availability of data and IT resources. Our audit disclosed certain Edmentum, Inc., security controls related to user authentication, protection of confidential and sensitive information, and monitoring that needed improvement. We are not disclosing specific details of the issues in this report to avoid the possibility of compromising VIP data and IT resources. However, we have notified appropriate Edmentum, Inc., management of the specific issues. Similar findings were communicated to Edmentum, Inc., management in connection with our report No. 2013-094. Without adequate security controls related to user authentication, the protection of confidential and sensitive information, and monitoring, the risk is increased that the confidentiality, integrity, and availability of VIP data and IT resources may be compromised.

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**Recommendation:** Edmentum, Inc., should improve certain security controls related to user authentication, protection of confidential and sensitive information, and monitoring to ensure the continued confidentiality, integrity, and availability of VIP data and IT resources.

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**Finding No. 3: Appropriateness of Access Privileges**

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Access controls are intended to protect data and IT resources from unauthorized disclosure, modification, or destruction. Effective access controls provide users access to IT resources based on a need to view, change, or delete data and restrict users from performing incompatible functions or functions outside of their areas of responsibility.

Our review of system administrator access privileges to applicable VIP production applications, databases, and the VIP network indicated the following:

- One database administrator and two network administrators had inappropriate end-user update access privileges to the VIP PLE application.

- One IT analyst had inappropriate update access privileges to two databases supporting the VIP production environment.

A similar finding was noted in our report No. 2013-094. These inappropriate access privileges increase the risk of unauthorized disclosure, modification, or destruction of VIP data and IT resources.

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**Recommendation: Edmentum, Inc., should strengthen controls to ensure access privileges to VIP production applications and databases are assigned based on a need to view, change, or delete data and restrict users from performing incompatible functions or functions outside of their areas of responsibility.**

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#### **Finding No. 4: Disaster Recovery Planning**

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The availability and reliability of a VIP provider's computing infrastructure is critical to its successful operation of Florida VIPs. Effective IT controls include comprehensive written disaster recovery plans that help ensure the business continuity of operations in the event of a major disaster or other disruption in business operations. A disaster recovery plan should identify critical applications to be restored, identify the backup and storage of critical data files, and provide a step-by-step plan for recovery in the event of a disaster or other disruption in business operations. In addition, the disaster recovery plan should be tested periodically. Effective testing of a disaster recovery plan provides an important measurement of the feasibility of the plan in ensuring the continuity of critical business operations. Additionally, testing helps determine how well business resources have been prepared to function effectively in a disaster situation.

Our review indicated that the Edmentum, Inc., written disaster recovery plan, dated October 31, 2013, was not comprehensive. Although the disaster recovery plan and associated testing documentation included the recovery of one of the VIP applications (PLE), the plan and associated testing documentation did not include the recovery of the Genius, GRAD, and Stars VIP applications. A similar finding was noted in our report No. 2013-094. Without a comprehensive written and tested disaster recovery plan, the ability of Edmentum, Inc., to continue operations in the event of a major disaster or other disruption in business operations may be limited.

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**Recommendation: Edmentum, Inc., should develop a comprehensive, written disaster recovery plan that also includes the Genius, GRAD, and Stars VIP applications. Additionally, upon completion of the comprehensive plan, Edmentum, Inc., should document the periodic testing of the disaster recovery plan to promote readiness and prevent omission of key procedures.**

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#### **Finding No. 5: Background Screenings**

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Section 1002.45(2)(a)3., Florida Statutes, requires that VIP providers conduct background screenings for all employees or contracted personnel using State and national criminal history records. Furthermore, Section 1012.32(2), Florida Statutes, requires instructional personnel, upon employment or engagement to provide services, to undergo background screenings including the submission of fingerprints to the Florida Department of Law Enforcement for Statewide criminal and juvenile records checks and to the Federal Bureau of Investigations for Federal criminal records checks. Additionally, effective security controls include the performance of security background screenings for new personnel and the periodic reperformance of screenings for existing personnel who are in sensitive or special trust positions. Such positions typically include IT personnel with elevated access privileges or responsibilities for the custody of sensitive IT resources.

We requested background screening documentation for six instructional employees and eight noninstructional employees and conducted inquiries with Edmentum, Inc. Our review disclosed that improvements to background screening procedures and documentation were needed. Specifically:

- Background screening documentation for two instructional employees and three noninstructional employees was not located and provided to us by Edmentum, Inc. Of the remaining nine employees, background screenings for two instructional employees were not performed timely and background screenings for three noninstructional employees were incomplete.
- Background screenings on employees hired before July 29, 2005, had not been performed.
- Background screenings for instructional employees were not conducted using fingerprints.
- Instructional and noninstructional employees were not subject to periodic background rescreenings.
- National criminal background screenings were not conducted for contracted technical workers.

The absence of appropriate background screening documentation and procedures and periodic rescreenings increase the risk that a person with an inappropriate criminal record may be employed in a position of special trust or responsibility and may gain access to confidential or sensitive data and IT resources. A similar finding was noted in our report No. 2013-094.

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**Recommendation:** Edmentum, Inc., should improve procedures to ensure that required background screenings are performed for all employees and contracted personnel in a timely and complete manner and that the screenings are appropriately documented. Such screenings should be reperformed on a periodic basis.

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VIP Provider - K12, Inc.

**Finding No. 6: Security Controls – User Authentication**

Security controls are intended to protect the confidentiality, integrity, and availability of data and IT resources. Our audit disclosed certain K12, Inc., security controls related to user authentication that needed improvement. We are not disclosing specific details of the issues in this report to avoid the possibility of compromising VIP data and IT resources. However, we have notified appropriate K12, Inc., management of the specific issues. A similar finding was communicated to K12, Inc., management in connection with our report No. 2013-094. Without adequate security controls related to user authentication, the risk is increased that the confidentiality, integrity, and availability of VIP data and IT resources may be compromised.

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**Recommendation:** K12, Inc., should improve security controls related to user authentication to ensure the continued confidentiality, integrity, and availability of VIP data and IT resources.

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**Finding No. 7: Disaster Recovery Planning**

The availability and reliability of a VIP provider’s computing infrastructure is critical to its successful operation of Florida VIPs. Effective IT controls include comprehensive written disaster recovery plans that help ensure the business continuity of operations in the event of a major disaster or other disruption in business operations. A disaster recovery plan should identify critical applications to be restored, identify the backup and storage of critical data files, and provide a step-by-step plan for recovery in the event of a disaster or other disruption in business operations. In addition, the disaster recovery plan should be tested periodically. Effective testing of a disaster

recovery plan provides an important measurement of the feasibility of the plan in ensuring the continuity of critical business operations. Additionally, testing helps determine how well business resources have been prepared to function effectively in a disaster situation.

Our review indicated that, although K12, Inc., had developed a comprehensive written disaster recovery plan and a tabletop exercise was performed on March 30, 2015, to review the completeness of the disaster recovery plan, a full test had not been performed. In response to our inquiry, K12, Inc., management stated that full testing of the disaster recovery plan is scheduled for completion by December 31, 2015. A similar finding was noted in our report No. 2013-094. Without testing the disaster recovery plan, the ability of K12, Inc., to effectively and efficiently continue operations in the event of a major disaster or other disruption in business operations may be limited.

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**Recommendation:** K12, Inc., should continue with its schedule to complete a full testing of its disaster recovery plan and should conduct and document periodic testing of the plan in the future to promote readiness and prevent omission of key procedures.

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**Finding No. 8: Background Screening**

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Section 1002.45(2)(a)3., Florida Statutes, requires that VIP providers conduct background screenings for all employees or contracted personnel using State and national criminal history records. Furthermore, Section 1012.32(2), Florida Statutes, requires instructional personnel, upon employment or engagement to provide services, to undergo background screenings including the submission of fingerprints to the Florida Department of Law Enforcement for Statewide criminal and juvenile records checks and to the Federal Bureau of Investigations for Federal criminal records checks. Additionally, effective security controls include the performance of security background screenings for new personnel and the periodic reperformance of screenings for existing personnel in sensitive or special trust positions. Such positions typically include IT personnel with elevated access privileges or responsibilities for the custody of sensitive IT resources.

We requested background screening documentation for ten instructional employees and ten noninstructional employees and conducted inquiries with K12, Inc. Our review disclosed that improvements to background screening procedures and documentation were needed. Specifically:

- Background screening documentation was missing the required national criminal background checks for two noninstructional employees. Subsequent to our inquiry, K12, Inc., performed and provided documentation of the required national criminal background checks for these two noninstructional employees.
- While K12, Inc., performed periodic rescreenings for existing employees, some noninstructional employees were excluded from the rescreening process.

The absence of appropriate background screening procedures and documentation and periodic rescreenings increase the risk that a person with an inappropriate criminal record may be employed in a position of special trust or responsibility and may gain access to confidential or sensitive data and IT resources. A similar finding was noted in our report No. 2013-094.

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**Recommendation:** K12, Inc., should continue to improve procedures to ensure that required background screenings are performed for all employees and contracted personnel in a timely and complete manner and that the screenings are appropriately documented. Such screenings should be reperfomed on a periodic basis.

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**PRIOR AUDIT FOLLOW-UP****VIP Provider – Edmentum, Inc.**

Edmentum, Inc., had taken corrective actions for one of the six findings included in our report No. 2013-094 that were applicable to Edmentum, Inc. As described in the findings above, corrective actions were not taken for three of the six prior audit findings and two prior audit findings were only partially corrected.

**VIP Provider - K12, Inc.**

K12, Inc., had taken corrective actions for four of the seven findings included in our report No. 2013-094 that were applicable to K12, Inc. Three prior audit findings were only partially corrected as described in the findings above.

**OBJECTIVES, SCOPE, AND METHODOLOGY**

The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted this IT operational audit from October 2014 through February 2015 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The objectives of this IT operational audit were to determine the effectiveness of selected IT controls in achieving management's control objectives in the categories of compliance with controlling laws, administrative rules, and other guidelines; and the confidentiality, integrity, availability, relevance, and reliability of data.

The scope of our audit focused on evaluating selected general IT controls, application IT controls, and user controls applicable to the VIPs at Edmentum, Inc., and K12, Inc., during the period October 2014 through February 2015 and selected actions through March 30, 2015.

This audit was designed to identify, for the IT systems and controls included within the scope of the audit, deficiencies in management's internal controls; instances of noncompliance with applicable governing laws, rules, or contracts; and instances of ineffective or inefficient operational policies, procedures, or practices. The focus of this audit was to identify problems so that they may be corrected in such a way as to improve government accountability and efficiency and the stewardship of management. Professional judgment has been used in determining significance and audit risk and in selecting the particular IT controls, legal compliance matters, and records considered.

As described in more detail below, for the IT systems and controls included within the scope of our audit, our audit work included, but was not limited to, communicating to management and those charged with governance the scope, objectives, timing, overall methodology, and reporting of our audit; obtaining an understanding of the IT systems and controls; exercising professional judgment in considering significance and audit risk in the design and execution of the research, interviews, tests, analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of our audit's findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

Our audit included the selection and examination of IT system controls and records. Unless otherwise indicated in this report, these items were not selected with the intent of statistically projecting the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

An audit by its nature does not include a review of all records and actions of management, staff, and contractors and, as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, abuse, or inefficiency.

In conducting our audit, for the two providers include in our audit (Edmentum, Inc., and K12, Inc.), we:

- Interviewed Edmentum, Inc., and K12, Inc., personnel.
- Obtained an understanding of the organizational structure, VIP IT environment, and data interface mechanisms used to transfer data to the Florida school districts for Edmentum, Inc., and K12, Inc.
- Observed and evaluated the adequacy of authentication controls used by Edmentum, Inc., and K12, Inc., to restrict access to authorized users for the VIP production environments.
- Evaluated the effectiveness of selected access controls to ensure that access privileges to the Edmentum, Inc., VIP environment were appropriately restricted. Specifically, for the Edmentum, Inc., VIP production databases as of February 2, 2015, and the VIP network as of November 18, 2014, we reviewed all of the administrator access privileges to determine if the access privileges granted were appropriate.
- Evaluated the effectiveness of selected access controls to ensure that access privileges to the K12, Inc., VIP environment were appropriately restricted. Specifically, for the K12, Inc., VIP application servers as of November 4, 2014, the VIP production databases as of November 1, 2014, and the VIP network as of November 1, 2014, we reviewed all of the system administrator access privileges to determine if the access privileges granted were appropriate.
- Observed and evaluated the adequacy of controls for the continuity of data center operations used by Edmentum, Inc., and K12, Inc., including provisions for data backups, rotation of backups to off-site locations, off-site backup facilities, and performance monitoring.
- Observed and evaluated the adequacy of controls over VIP data quality for Edmentum, Inc., and K12, Inc.
- Observed and evaluated the adequacy of the processes for the performance and periodic updating of background screenings for instructional and noninstructional employees at Edmentum, Inc. Specifically, we reviewed the initial background screening documentation for six instructional employees and eight noninstructional employees as of December 17, 2014. Furthermore, we reviewed the Florida teacher certifications for 39 instructional employees to determine if the certificates were current as of January 18, 2015.
- Observed and evaluated the adequacy of the processes for the performance and periodic updating of background screenings for instructional and noninstructional employees at K12, Inc. Specifically, we reviewed the initial background screening documentation for ten instructional employees and ten noninstructional employees as of January 15, 2015. Additionally, we reviewed the rescreening documentation for eight noninstructional employees as of October 6, 2014. Furthermore we reviewed the Florida teacher certifications for 20 instructional employees to determine if the certificates were current as of January 18, 2015.
- Inspected the Florida administrative offices of Edmentum, Inc., and K12, Inc., to determine if the VIP providers had complied with the requirements of Section 1002.45(2)(a)(3), Florida Statutes, for locating an administrative office in Florida and requiring all administrative staff to be State residents.
- Communicated on an interim basis with applicable provider management to ensure the timely resolution of issues involving controls and noncompliance.
- Performed various other auditing procedures as necessary to accomplish the objectives of the audit.

- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe those matters requiring corrective action.

**AUTHORITY**

Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our IT operational audit.



David W. Martin, CPA  
Auditor General

**MANAGEMENTS' RESPONSES**

Managements' responses are included as **EXHIBIT A**.

**EXHIBIT A**  
**MANAGEMENTS' RESPONSES**

EDMENTUM, INC.

# State of Florida Virtual Instructions Program

## Edmentum Response to Findings

**Riera, Vin**  
**6/12/2015**

This document contains the response to Finding Nos. 1 through 5 as described in the preliminary and tentative findings report provided on May 27, 2015.

Vin Riera  
President & CEO  
Edmentum, Inc.  
Suite 300, 8200 Tower  
5600 West 83rd Street  
Bloomington, MN 55437

**EXHIBIT A**  
**MANAGEMENTS' RESPONSES**

**Finding No. 1 Recommendation:** - Edmentum, Inc., management should improve data quality controls, including the inclusion of edits on all key data fields, to ensure the completeness, accuracy, and validity of data. Additionally, Edmentum, Inc., management's demonstration of compliance with various laws and controls over its technology-based education programs and data would be enhanced by routinely obtaining an independent service auditor's report on the effectiveness of controls relevant to the security and integrity of data established for its VIP customers.

Response: The Edmentum Academy systems display and report data entered directly by School Districts themselves and are unable to control anomalies created through that entry. Edmentum is reviewing its data quality controls, including edits on key data fields, and will take appropriate remediation action as needed.

**Finding No. 2 Recommendation:** Edmentum, Inc., should improve certain security controls related to user authentication, protection of confidential and sensitive information, and monitoring to ensure the continued confidentiality, integrity, and availability of VIP data and IT resources

Response: Edmentum is reviewing any potential security controls shortcomings and will take appropriate remediation action as needed.

**Finding No. 3 Recommendation:** Edmentum, Inc., should strengthen controls to ensure access privileges to VIP production applications and databases are assigned based on a need to view, change, or delete data and restrict users from performing incompatible functions or functions outside of their areas of responsibility.

Response: Edmentum is reviewing any potential unnecessary IT access privileges and will take appropriate remediation action as needed.

**Finding No. 4 Recommendation:** Edmentum, Inc., should develop a comprehensive, written disaster recovery plan that also includes the Genius, GRAD, and Stars VIP applications. Additionally, upon completion of the comprehensive plan, Edmentum, Inc., should document the periodic testing of the disaster recovery plan to promote readiness and prevent omission of key procedures.

Response: Edmentum has implemented a written disaster recovery plan for PLE which includes periodic testing. In addition, Edmentum is scheduled to have additional documented capabilities for disaster recovery implemented and documented for Genius, GRAD, and Stars VIP

**EXHIBIT A**  
**MANAGEMENTS' RESPONSES**

applications by September 1, 2015.

**Finding No. 5 Recommendation: Edmentum, Inc., should improve procedures to ensure that required background screenings are performed for all employees and contracted personnel in a timely and complete manner and that the screenings are appropriately documented. Such screenings should be reperformed on a periodic basis.**

Response: Edmentum is reviewing the background screening process and will take appropriate remediation action as needed.

**EXHIBIT A**  
**MANAGEMENTS' RESPONSES**

Gregg Levin  
SVP, Institutional Business & Operations

K12 Inc.  
2300 Corporate Park Drive  
Herndon, VA 20171

Phone: 703-483-4599  
E-mail: glevin@getfueled.com



June 26, 2015

Mr. David W. Martin, CPA  
Auditor General  
G74 Claude Pepper Building  
111 West Madison Street  
Tallahassee, FL 32399-1450

**RE: Response to the Florida Auditor General's Report**

Dear Mr. Martin:

I am writing in response to a letter dated May 27, 2015 relative to the preliminary and tentative findings and recommendations which may be included in the final prior operational audit follow-up report on information technology controls for Virtual Instruction Programs in the State of Florida. K12 appreciated the opportunity to work with your staff and was pleased with your team's positive response to the improvements made by K12 since the prior audit as well as K12's cooperation and responsiveness throughout the entire follow-up audit process. Please find below K12's response to the findings.

**1. Finding No. 6: Certain K12 Inc., security controls related to user authentication needed improvement.**

Management Response

K12 Inc. concurs with the auditor's recommendation and will continue to work to improve its security controls, consistent with the discussions with the auditors, related to user authentication.

**2. Finding No. 7: K12 Inc. has developed a comprehensive disaster recovery plan however the disaster recovery plan had not been fully tested.**

Management Response:

K12 Inc. concurs with this recommendation and will continue with its scheduled plan, as discussed with the audit team, to seek to complete a full testing of its disaster recovery plan before the end of this calendar year. Subsequently, K12 will conduct and document the periodic re-testing of its plan.

**3. Finding No. 8: K12 Inc. background screening procedures and documentation needed improvement.**

Management Response:

K12 Inc. concurs with the recommendations and is reviewing its current documentation and re-screening procedures based on the suggestions made by the audit team. Additionally K12 is expanding its scope of coverage for re-screens and will continue to

**EXHIBIT A**  
**MANAGEMENTS' RESPONSES**

work to improve its procedures to ensure that re-screenings are documented and continue to be conducted on a scheduled periodic basis.

In closing, thank you for your staffs' support, professionalism and courtesy during the audit process.

Sincerely,

A handwritten signature in black ink, appearing to read "Gregg Levin". The signature is written in a cursive style with a prominent horizontal stroke at the end.

Gregg Levin