



Corporation for Public Broadcasting

SEMIANNUAL REPORT

OFFICE OF INSPECTOR GENERAL AND CPB AUDIT RESOLUTION ACTIVITIES

APRIL 1, 2019
THROUGH
SEPTEMBER 30, 2019



Foreword

Congress created the Corporation for Public Broadcasting (CPB) in 1967 to promote public media and help keep it free from government interference. CPB is a private non-profit corporation that is governed by a Board of Directors (Board) appointed by the President and confirmed by the Senate. CPB funds more than 1,450 public media stations, as well as research, technology, and program development for public radio, television, and related online services. For fiscal year 2019, CPB received \$445 million for its general appropriation and \$20 million for a public media interconnection appropriation from Congress, as well as \$20.3 million in Ready to Learn funds as part of a five-year grant from the U.S. Department of Education.

Congress created CPB's Office of Inspector General (OIG) in 1988 to promote the economy, efficiency, effectiveness, and integrity of CPB initiatives and operations. As an independent component of CPB, OIG reports to the CPB Board through its Audit and Finance Committee.

Congress requires that the Inspector General and the head of CPB report semiannually about OIG operations and activities and about CPB audit resolution results. Because CPB is a small organization, we created this joint report. In the first section, we report on OIG's efforts and in the second, we present CPB's audit resolution activities.

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I. OFFICE OF INSPECTOR GENERAL

Message from the Inspector General

October 15, 2019

As the newly appointed Inspector General for the Corporation for Public Broadcasting (CPB) Office of Inspector General (OIG), I am pleased to submit this Semiannual Report to Congress detailing the OIG activities during the period April 1, 2019 through September 30, 2019. The work highlighted in this report are products of our objective to promote economy, efficiency and effectiveness in public media through our oversight of CPB's important mission.

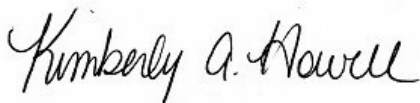
During this period, we issued six final audit reports: five audits of Community Service Grants (CSG) awarded to public radio and television stations and an audit of the grant awarded to the Public Broadcasting Service (PBS) to upgrade the television interconnection system used to transmit public television content. In total we audited \$30,002,171 in CPB grant expenditures and identified questioned costs of \$443,918. For the five CSG audits, we audited \$85,113,625 in reported Non-Federal Financial Support (NFFS) revenues and found overreported NFFS totaling \$1,626,218. This resulted in CSG over payments of \$138,774 to the reporting stations. Multiple audits found NFFS reporting errors in claiming indirect administrative support (IAS) and not adjusting membership contributions for high value premiums given to the donors. Our audit of the television interconnection system found that PBS complied with grant requirements except for minor questioned costs to be corrected in the next financial report to be submitted to CPB and Communication Act requirements that PBS is also addressing.

In September 2019, the CPB Board of Directors accepted the recommendations of the Television CSG Policy Review Panel to simplify the methodology for calculating indirect administrative support (IAS) when using the CPB Basic Method option. We initially raised this issue in our audits of IAS during fiscal year (FY) 2017 and have continually worked with CPB's Office of Grants Administration to simplify this option to achieve more consistency in reporting IAS between institutional stations.

We continued our outreach efforts to the public media community through presentations about our work at the annual Public Media Business Association conference and we assisted CPB's Office of Grants Administration in providing station training in two webinars on CSG compliance.

During this reporting period, we also underwent an external peer review of the Office of Audit's compliance with the *Government Auditing Standards*. We received a pass rating, which is the highest rating possible and the report had no recommendations.

Finally, I would like to express sincere appreciation to the talented individuals responsible for the work contained in this report and our Deputy Inspector General, for his leadership while serving as Acting Inspector General. I would like to thank the CPB Board for their confidence in appointing me to this important position. I am honored to serve, and I look forward to working with the Board, Congress, CPB management, and stations to further accountability in CPB initiatives and operations.

A handwritten signature in black ink, reading "Kimberly A. Howell". The signature is written in a cursive, flowing style.

Kimberly A. Howell
Inspector General

Reports Issued During This Reporting Period

Report Number / Date Issued	Report Title	Questioned Costs		Funds Put To Better Use	Administrative Recommendations
		Total	Unsupported		
ASJ1902-1903 6/12/2019	Audit of Community Service Grants Awarded to WUFT TV and Radio, Gainesville, Florida, for the Period July 1, 2016 through June 30, 2018	\$372,804	\$0	\$25,393	3
ASJ1901-1904 6/28/2019	Audit of Community Service Grants Awarded to West Virginia Public Broadcasting, Charleston, West Virginia, for the Period July 1, 2016 through June 30, 2018	\$61,568	\$61,568	\$103,557	4
ASR1905-1905 8/30/2019	Audit of Community Service Grants Awarded to Public Broadcasting of Colorado, Inc., Colorado Public Radio, Centennial, Colorado, for the Period July 1, 2016 through June 30, 2018	\$0	\$0	\$3,003	3
ASR1904-1906 9/24/2019	Audit of Community Service Grants Awarded to Morgan State University, WEAA-FM, Baltimore, Maryland, for the Period July 1, 2016 through June 30, 2018	\$1,900	\$0	\$6,821	3
ASR1908-1907 9/25/2019	Audit of Community Service Grants Awarded to Vermont Public Radio, Colchester, Vermont, for the Period October 1, 2016 through September 30, 2018	\$0	\$0	\$0	4
APM1906-1908 9/30/2019	Audit of CPB Grant Awarded to Public Broadcasting Service for Public Television Interconnection 2017 Phase I, Arlington, Virginia, for the Period January 1, 2017 through December 31, 2018	\$7,646	\$0	\$0	4
Total		\$443,918	\$61,568	\$138,774	21

As defined by the Inspector General Act (IG Act), as amended, “questioned costs” are those that are: 1) identified due to an alleged violation of a provision governing the expenditure of funds, 2) not supported by adequate documentation, or 3) unnecessary or unreasonable. “Funds put to better use” are those that could be used more efficiently, e.g., by reducing expenditures or deobligating funds. We use the latter category to report excess CSG funds that stations received, because the funds should have been available for distribution to other eligible stations.

Audit Activities

Audit of Community Service Grant Awarded to West Virginia Public Broadcasting, Charleston, West Virginia

We found that West Virginia Public Broadcasting (WVPB) overstated NFFS by \$1,140,705 because some of the NFFS reported was not supported, did not exclude the fair market value of high-value premiums provided to donors, improperly reported ineligible revenues as NFFS, claimed more appropriated state funds than it received, and erroneously reported radio funds as TV NFFS. The overreporting resulted in excess CSG payments of \$103,557. We also found questionable salary costs under the station's American Graduate grant and that the station did not fully comply with CPB discrete accounting requirements.

We audited CSG, Interconnection, and Universal Service Support grants awarded to WVPB for the period July 1, 2016 through June 30, 2018, to determine whether WVPB claimed NFFS on its Annual Financial Report (AFR) in accordance with CPB Financial Reporting Guidelines (Guidelines); expended grant funds in accordance with grant agreements; and complied with the certification and statutory requirements of the Communications Act of 1934, as amended (Act).

Our report found that WVPB overstated NFFS by \$1,140,705 which consisted of NFFS that was not supported, high-end premiums were not offset against membership contributions, ineligible exchange payments, federal funds claimed as NFFS, unearned state appropriated funds, funds received from public broadcasting entities, and radio funds erroneously claimed as TV NFFS. The overstatement resulted in potential CSG overpayments of \$103,557 (\$48,754 in FY 2019 and potentially \$54,803 in FY 2020). We also found that the station claimed undocumented salary costs under the American Graduate grant resulting in questioned CPB costs of \$61,568. Finally, we reported that the station did not discretely account for CPB grant funds in its accounting system as required.

We have reported the CSG overpayments as funds put to better use and recommended that CPB: 1) recover the potential CSG overpayment of \$103,557; 2) determine reasonableness or recover questioned undocumented salary costs of \$61,568 claimed under the American Graduate grant; 3) ensure WVPB discretely accounts for CSG expenditures and other CPB grants funds in accordance with grant requirements; and 4) require WVPB to identify corrective actions and controls it will implement to ensure future compliance with NFFS reporting and grant recordkeeping requirements.

In response to the draft report, WVPB management agreed with our findings and recommendations and indicated it has implemented corrective actions to ensure accurate NFFS reporting and will make it a priority to comply with CPB NFFS and other grant reporting requirements in the future.

Audit of Community Service Grants Awarded to West Virginia Public Broadcasting, Charleston, West Virginia, for the Period July 1, 2016 through June 30, 2018, Report No. ASJ1901-1904 (June 28, 2019)
https://www.cpb.org/files/oig/reports/West_Virginia_Public_Broadcasting_062819.pdf

Audit of Community Service Grants Awarded to WUFT TV and Radio, Gainesville, Florida

We found that WUFT-TV/FM overstated radio NFFS in FY 2017 by \$487,156, allocated \$372,804 in operations expenses to TV CSG grants after the grant spending period had lapsed, and did not discretely account for restricted radio CSG grant revenues and expenses.

We audited CSGs awarded to WUFT-TV/FM at the University of Florida for the period July 1, 2016 through June 30, 2018, to determine whether WUFT: claimed NFFS on its AFRs in accordance with CPB Guidelines; expended CSG and other grant funds in accordance with grant agreement requirements; and complied with the certification and statutory requirements of the Act.

Our report found that WUFT overstated its FY 2017 radio NFFS by \$487,156 because it included membership high end premiums that should have been excluded, ineligible state appropriations, ineligible payments sources, ineligible contribution sources, and ineligible indirect administrative support. The overstatement resulted in a radio CSG overpayment of \$25,393, which we reported as funds put to better use. Additionally, we questioned \$372,804 in CSG operation expenses because the amount was allocated to the CSG fund account after the grant spending period had lapsed. We also found that the station did not discretely account for CSG unrestricted and restricted radio revenues and expenditures, despite maintaining discrete accounting for its TV CSG revenues and expenditures.

We recommended that CPB: 1) recover the radio CSG overpayment of \$25,393; 2) obtain an understanding of WUFT's corrective actions for revising its FY 2018 AFRs to ensure future reporting compliance; 3) determine if the operating expenses identified and reported as CSG expenses after the grant spending period expired are allowable; 4) require that WUFT take corrective actions and implement controls to ensure timely recording and reporting of CSG grant expenses; and 5) ensure that WUFT properly identifies its discrete accounts on its CSG certifications.

In response to the draft report, WUFT-TV/FM agreed with our findings on overstated NFFS and took corrective action in preparing its FY 2018 AFR reporting. The station also agreed that it was not fully compliant with discrete accounting requirements and took corrective action. However, the station did not agree that the TV CSG expenses should be questioned because they were incurred during the grant period and were spent on allowable activities under the terms of the grant. Further, the station said it had taken corrective actions to improve its internal operations to address its grant spending processes.

Audit of Community Service Grants Awarded to WUFT TV and Radio, Gainesville, Florida, for the Period July 1, 2016 through June 30, 2018, Report No. ASJ1902-1903 (June 12, 2019)
https://www.cpb.org/files/oig/reports/WUFT_TV%20FM_Report.pdf

Audit of Community Service Grants Awarded to Morgan State University, WEAA-FM, Baltimore, Maryland

We found that Morgan State University, WEAA-FM (WEAA) overstated its NFFS by \$130,848, resulting in an actual and potential overpayment of \$6,821; spent \$1,900 of FY 2018 CSG funds on non-CPB qualified programming; did not fully comply with Act requirements for open financial records and EEO requirements; and did not fully comply with grant requirements to make its Local Content and Service Report (LCSR) available to the public.

We audited the CSGs awarded to WEAA, for the period July 1, 2016 through June 30, 2018, to determine whether the station claimed NFFS on its AFR in accordance with CPB Guidelines; expended CSGs in accordance with grant agreement requirements; and complied with CPB certification and Act requirements.

Our report found that WEAA overstated NFFS by \$130,848 as a result of improperly calculating its indirect administrative support; this resulted in FY 2019 and potential FY 2020 CSG overpayments totaling \$6,821, which we reported as funds put to better use. The station also spent \$1,900 in FY 2018 CSG funds on productions of the University's pregame football show program, which we found was not CPB qualified programming. We also found the station was not in full compliance with Act requirements for open financial records to be available on its website and equal employment opportunity (EEO) requirements to have its employment statistical report available to the public. Finally, we found the station was not compliant with grant requirements to make the LCSR available to the public.

We recommended that CPB: 1) recover the potential CSG overpayments of \$6,821; 2) recover \$1,900 in questioned CSG costs; and 3) require WEAA to identify the corrective actions and controls it will implement to ensure future compliance with NFFS, CSG expenditures, and Act reporting requirements.

In response to the draft report, WEAA disagreed that it had overstated NFFS. The station responded that it believed its calculation of the indirect administrative support was reasonable, in accordance with CPB guidelines, and conservative in the nature of the accounting estimate. The station agreed with the finding that CSG funds were spent on non-CPB qualified programming. WEAA agreed it did not comply with the Act and LCSR transparency requirements and took corrective actions during audit fieldwork to address these requirements.

Audit of Community Service Grants Awarded to Morgan State University, WEAA-FM, Baltimore, Maryland, for the Period July 1, 2016 through June 30, 2018, Report No. ASR1904-1906 (September 24, 2019) <https://www.cpb.org/files/oig/reports/WEAA-FM-Report-092419.pdf>

Audit of Community Service Grants Awarded to Public Broadcasting of Colorado, Inc., Colorado Public Radio, Centennial, Colorado

We found that Colorado Public Radio (CPR) overstated NFFS by \$57,608, resulting in potential excess CSG payments of \$3,003, that CPR did not fully comply with the open meeting requirements of the Act, and did not discretely account for CSG restricted and unrestricted revenues and expenses.

We audited the CSGs awarded to CPR for the period July 1, 2016 through June 30, 2018 to determine whether CPR claimed NFFS on its AFR in accordance with CPB Guidelines; expended CSG grant funds in accordance with grant agreement requirements; and complied with certification and statutory requirements of the Act.

Our report found that CPR overstated NFFS by \$57,608 (\$31,901 in FY 2017 and \$25,707 in FY 2018) because it reported third party underwriting fees as contributions and reported in kind trades based on the underwriting credit rather than the donor's valuation of the goods or services provided to the station. The overstatement resulted in potential excess CSG payments of \$3,003 which we reported as funds put to better use (\$1,663 in FY 2019 and potential overpayments of \$1,340 in FY 2020). We also found that CPR did not fully comply with the open meeting requirements of the Act by not consistently providing seven days advance notice of its public meetings and by not providing a timely written reason for closing all or portions of meetings available to the public. Finally, we found that CPR did not discretely account for CPB CSG restricted and unrestricted revenues and expenses.

We recommended that CPB: 1) recover potential CSG overpayments of \$3,003; and 2) require CPR to identify the corrective actions and controls it will implement to ensure future compliance with:

- a) CPB's NFFS reporting requirements;
- b) the Act's seven-day advance notice requirement for open meetings and providing the public with a written reason for closing a meeting; and
- c) CPB's discrete accounting requirements for recording the use of CPB's restricted and unrestricted revenues and expenses.

In response to the draft report, CPR disagreed that it had overstated NFFS and stated that it had consulted with its audit and tax teams and confirmed that it reported all underwriting income and expense in accordance with Generally Accepted Accounting Principles and Internal Revenue Service rules. CPR agreed to take corrective action on overstated in-kind valuations. Regarding open meetings, CPR stated it had launched a new website last month, which will make it easier to post and organize information regarding Board meetings. Although CPR said it did not believe the discrete accounting finding was a matter of non-compliance, it added two unrestricted account codes to the chart of accounts and said it will use them in the future.

Audit of Community Service Grants to Public Broadcasting of Colorado Inc., Colorado Public Radio, Centennial, Colorado, for the Period July 1, 2016 through June 30, 2018, Report No. ASR1905-1905 (August 30, 2019) https://www.cpb.org/files/oig/reports/Colorado_Public_Radio_083019.pdf

***Audit of Community Service Grant Awarded to Vermont Public Radio – WVPS,
Colchester, Vermont***

We found Vermont Public Radio (WVPS) over and understated NFFS in FYs 2017-2018 with a net understatement of \$190,099 and was noncompliant with the discrete accounting requirements for unrestricted radio revenues and expenditures. We also found the station did not fully comply with open and closed meeting requirements of the Act.

We audited WVPS for the period October 1, 2016 through September 30, 2018 to determine whether the station claimed NFFS on its AFR in accordance with Guidelines; expended CSG grant funds in accordance with grant agreement requirements; and complied with the Act and CPB's certification requirements.

Our report found that WVPS over and understated NFFS in various revenue categories during FYs 2017 and 2018, with net understatements of \$118,926 in FY 2017 and \$71,173 in FY 2018, because of understated revenues and understated high-end premium exclusions. The station also was not compliant with discrete accounting requirements for CPB CSG unrestricted radio revenues and expenditures nor was it compliant with Act requirements for open and closed board committee meetings.

We recommended that CPB: 1) require WVPS to identify the corrective actions and controls it will implement to ensure future compliance with NFFS reporting, discrete accounting, and open and closed meeting requirements and 2) verify that WVPS properly identified its unrestricted radio revenues and expenditures accounting codes in its FY 2020 grant application.

In response to the draft report, WVPS officials agreed with our findings and stated that they had either already taken corrective action or were in the process of ensuring that they are in full compliance with CPB CSG and Act requirements.

Audit of Community Service Grants Awarded to Vermont Public Radio, Colchester, Vermont, for the Period October 1, 2016 through September 30, 2018, Report No. ASR1908-1907 (September 25, 2019)
https://www.cpb.org/files/oig/reports/Vermont_Public_Radio_Issued_092519.pdf

Audit of Public Television Interconnection 2017 Phase I Grant Awarded to the Public Broadcasting Service, Arlington, Virginia

We found that the Public Broadcasting Service (PBS) allocated charges based on budgeted expenses rather than actual costs resulting in questioned costs of \$7,646 and other charges after our audit period. We also found that PBS did not fully comply with the requirements of the Communications Act to provide reasonable advance notice of meetings and make the reasons for closed meetings available to the public, as well as prohibitions against providing interest free loans to employees during the grant period.

We audited the CPB grant for the Public Television Interconnection 2017 Phase I (sIX) project awarded to PBS for the period January 1, 2017 through December 31, 2018 to determine whether: a) financial reports fairly presented grant expenditures and revenues; b) costs were incurred in accordance with grant requirements; and c) grantee complied with grant requirements.

Our report found that PBS allocated rent and utility charges to the grant based on budgeted expenses rather than actual costs, resulting in questioned costs of \$7,646. We also found that PBS lacked evidence for or did not provide reasonable advance notice for 30 of 79 (38 percent) open public meetings, including 9 of 11 (82 percent) of its interconnection committee meetings; did not make available to the public the reasons meetings were closed for 2 of 87 (2 percent) closed meetings or sessions of meetings; and provided interest free loans to employees during the grant period.

We recommended that CPB require PBS to: 1) claim actual rent and utility costs and correct overreported rent and utility expenses, including indirect costs of \$7,646 on the next interim financial report submitted and that CPB consider requiring grantees to disclose the methods used for charging allocable costs such as occupancy and fringe benefits to grant projects when they are not included in an indirect cost rate; 2) comply with the 47 U.S.C. Section 396(k)(4) of the Act by providing the public reasonable advance notices of public meetings and explanations for closed meetings; 3) develop written procedures to document how it complies with the Act and maintain evidence to document its compliance with advance notice and reasons for closing meetings; and 4) comply with the 47 U.S.C. Section 396(k)(9) and ensure that after the cancellation of the two loan programs that all previously granted interest free loans are repaid and closed.

In response to the draft report, PBS agreed with our findings and recommendations and said it is taking corrective actions.

Audit of CPB Grant Awarded to Public Broadcasting Service for Public Television Interconnection 2017 Phase I, Arlington, Virginia, for the Period January 1, 2017 through December 31, 2018, Report No. APM1906-1908 (September 30, 2019) https://www.cpb.org/files/oig/reports/PBS_Interconnection_2017_Phase_093019.pdf

Additional Reporting Requirements

Resolution of Recommendations

The following table summarizes CPB management's resolution activities for audit and evaluation reports issued by our office. We have included reports with monetary and non-monetary administrative recommendations.

Description	Number of Reports	Questioned Costs		Funds Put To Better Use
		Total	Unsupported	
Reports for which no management decision had been made by the start of the reporting period.	1	\$0	\$0	\$67,575
Reports issued during the reporting period.	6	\$443,918	\$61,568	\$138,774
Subtotals	7	\$443,918	\$61,568	\$206,349
Reports for which a management decision was made during the reporting period:	2			
• Dollar value of recommendations agreed to by management		\$0	\$0	\$181,643*
• Dollar value of recommendations not agreed to by management		\$61,568	\$61,568	\$2,621
Reports with no management decision at the end of the reporting period.	5	\$382,350	\$0	\$35,217

** This total includes the disallowed amount of \$168,511 and CPB assessed penalties of \$13,132. Penalties were added during audit resolution; therefore, this column does not add up to the \$35,217 reported for the five reports with no management decision at the end of the reporting period.*

Reports Issued Before This Reporting Period with Open Recommendations

The following table presents the audit reports that we issued before April 1, 2019 with recommendations open as of September 30, 2019. The five open recommendations include four monetary recommendations totaling \$752,058.

Audit Entity / Report Number / Date Issued	Recommendations	Audit Resolution Date	Potential Cost Savings	Number of Open Recommendations	Date of Corrective Action
WITF-TV/FM ASJ1806-1806 9/19/2018	1) Recover actual and potential CSG overpayments of \$41,311	12/4/2018	\$42,598	1	October 2019
WTTW-TV AST1804-1809 9/26/2018	1) Recover the potential CSG overpayments of \$659,226	1/11/2019	\$640,651	1	October 2019
KZYX-FM ASR1807-1810 9/28/2018	1) Repay CSG overpayments of \$1,234 for FY 2018	2/13/2019	\$1,234	1	October 2019
WILL-TV/FM ASJ1903-1902 3/28/2019	1) Recover \$67,575 in excess CSG payments in FY 2019.	6/21/2019	\$67,575	2	October 2019
	2) Verify during audit resolution that WILL properly identified its restricted radio revenues and expenditure accounting codes	6/21/2019	\$0		October 2019
	Total		\$752,058	5	

Investigative Activities

The IG Act provides for OIG to receive and investigate complaints or allegations involving potential violations of law, rules, or regulations, mismanagement, gross waste of funds, or abuse of authority. We receive allegations through a variety of means, including our hotline. We review allegations to determine whether the complaint should be the subject of an audit, evaluation, investigation, or be referred to CPB or another entity. If we decide to investigate, our results must be reported here. We may refer the results of our investigations to appropriate prosecuting authorities for action, and such actions must be provided in this report.

Allegations and Hotline Complaints

At the beginning of this reporting period, we had one complaint carried over from the prior period and received 28 new complaints; thus, we had 29 complaints pending during the period. Of those 29 complaints, we closed 27. We referred two for possible audit and conferred with or referred seven complaints to CPB management. In response to nine of the complaints, we provided information to the complainants and closed the matter. We closed another nine complaints because we determined that they either lacked specificity or the complaint was not within our purview. At the end of the reporting period, two complaints remained open.

Investigations

During this reporting period, we did not open any new investigations, issue any investigative reports, or refer any persons to prosecuting authorities. We also had no indictments or information resulting from referrals for prosecution.

Other OIG Activities

Audit Peer Review

OIG's most recent audit peer review was conducted by the Export-Import Bank of the United States, OIG for the year that ended March 31, 2019. We received a rating of *pass*, which is the highest level of assurance an audit organization can receive, and the report contained no recommendations. The report is dated September 11, 2019, and can be found on our website at <https://www.cpb.org/files/oig/reports/Audit-Peer-Review-September-11-2019.pdf>

Inspections & Evaluations Peer Review

A team of evaluators from two OIG offices conducted a peer review of our evaluation work and issued its final report on December 4, 2018. The review team determined that our policies and procedures generally met the seven standards of CIGIE's w that were addressed in this review — Quality Control, Planning, Data Collections and Analysis, Evidence, Records Maintenance, Reporting, and Follow-up. The team also concluded that the two reports tested met CIGIE's inspection standards and complied with our internal policies and procedures. The report is on our website at https://www.cpb.org/files/oig/reports/CPB_OIG_2018_Peer_Review_System_Report.pdf

OIG Outreach

OIG outreach activities enable us to discuss with station officials grant compliance requirements and other issues we have identified in our work and obtain a better understanding of the challenges facing officials at public media stations.

PMBA Presentations

In May, the Acting IG and two other OIG staff presented two sessions at the annual conference of the Public Media Business Association conference in Orlando, Florida. They spoke about our recent audit findings, fraud awareness, internal controls, and compliance issues.

CPB webinars

A senior OIG staff member participated in two CPB live webinars conducted by CPB for station officials. These webinars discussed accountability and improving grant compliance by describing OIG's recent audit findings, fraud matters, and internal controls.

Participation in the Council of the Inspectors General on Integrity and Efficiency (CIGIE)

This period, until her retirement on April 30, 2019, the prior IG served as one of four IG members of CIGIE's Integrity Committee. Established by an amendment to the IG Act, this committee reviews and refers for investigation allegations of wrongdoing made against IGs and their designated senior staff. The newly appointed IG will continue to serve as an active member of CIGIE.

II . CPB AUDIT RESOLUTION ACTIVITIES

Message from the Chief Financial Officer and Treasurer

September 30, 2019

The collaborative working relationship between CPB and OIG staffs has led to many enhancements in the public media system. Many OIG audit findings and recommendations have provided the foundation for modifications to CPB policies and procedures, especially in relation to our Community Service Grant (CSG) Program. Our staffs communicate frequently and work cooperatively to discuss and resolve report findings and address any recommendations. OIG audits provide valuable insight into compliance matters associated with our grantees and contractors. Our goal is to respond to them in a timely fashion and to communicate their findings with our grantee community, as the issues uncovered may impact them.

CPB recently completed a consultative process with station representatives of the Television CSG program and refinements to the program were adopted by CPB's Board of Directors at their September 24, 2019 meeting. Many of these refinements were influenced by OIG audit findings. A similar review with the Radio Community Service Grant program is near completion with recommendations to be presented to the CPB Board at their upcoming December meeting.

CPB continues to communicate with grantees and provide them with training on compliance with the Communication Act. The OIG also makes presentations at public media meetings in their efforts to provide insight on their audit findings and to provide recommendations to licensees on compliance matters. Between these efforts we continue to see positive results through fewer audit findings on compliance matters.

We are delighted with the selection by our Board of CPB's new Inspector General and look forward to a positive working relationship for the years to come. Kimberly Howell has a very impressive background working in the federal inspector general community and brings new insights from her vast experience to the Public Broadcasting community.



William P. Tayman, Jr.
Chief Financial Officer and Treasurer

Recovering Disallowed Costs and Funds Put to Better Use

During this reporting period, CPB management issued two management decisions that addressed OIG findings with funds put to better use. The following table presents the results of management's actions.

Description	Number of Reports	Dollar Value of Disallowed Costs	Dollar Value Funds Put to Better Use
Reports with management decisions for which final action had not been completed by the start of the reporting period.	3	\$0	\$687,483
Reports for which management decisions were made during the reporting period	2	\$0	\$181,643
Subtotals	5	\$0	\$869,126
Reports for which final action was taken during the reporting period.	4*		
• Dollar value of disallowed costs that have been recovered through collection or offset.		\$0	\$68,314
• Dollar value of disallowed costs written off as uncollectible.		\$0	\$0
Reports for which final actions were not completed by the end of the reporting period.	5	\$0	\$800,812

* No final collection actions occurred during this reporting period, penalties were collected on three reports and partial collection was received on a fourth report.

Index of IG Act Reporting Requirements

IG Act Reference	OIG Reporting Requirements	Page
Section 4(a)(2)	Review of legislation and regulations	NA
Section 5(a)(1)	Significant problems, abuses, and deficiencies	3-8
Section 5(a)(2)	Recommendations with respect to significant problems, abuses, and deficiencies	3-8
Section 5(a)(3)	Prior significant recommendations not yet completed	NA
Section 5(a)(4)	Matters referred to prosecutive authorities and prosecutions/convictions resulting	NA
Section 5(a)(5)	Summary of instances where information was unreasonably refused or not provided	NA
Section 5(a)(6)	List of audit and inspection reports issued, including questioned costs, unsupported costs, and funds put to better use	2
Section 5(a)(7)	Summary of each significant report	3-8
Section 5(a)(8)	Statistical table showing the number of audit reports and dollar value of questioned costs	9
Section 5(a)(9)	Statistical table showing the number of audit reports and dollar value of recommendations that funds be put to better use	9
Section 5(a)(10)(A)	Summary of audit reports issued before the start of the reporting period - for which no management decision has been made by the end of the reporting period	NA
Section 5(a)(10)(B)	Summary of audit reports issued before the start of the reporting period - for which no establishment comment was returned within 60 days of providing the report the establishment	NA
Section 5(a)(10)(C)	Summary of audit reports issued before the start of the reporting period - for which there are outstanding unimplemented recommendations, including the aggregate potential cost savings of those recommendations	10
Section 5(a)(11)	Description and explanation of reasons for any significant revised decisions by management during the reporting period	NA
Section 5(a)(12)	Information concerning significant decisions by management with which the Inspector General disagrees	NA
Section 5(a)(14) and (a)(15)	Information regarding peer reviews involving the Office of Inspector General	11
Section 5(a)(16) IG Act Reference	Information regarding peer reviews conducted by the Office of Inspector General	NA

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IG Act Reference	OIG Reporting Requirements	Page
Section 5(a)(17)	Statistical tables showing investigative, referral and prosecution results	NA
Section 5(a)(18)	Description of metrics used for investigative statistics	NA
Section 5(a)(19)	Report on substantiated investigations of high-level management officials	NA
Section 5(a)(20)	Description of instances of whistleblower retaliation	NA
Section 5(a)(21)	Description of instances of interference with Inspector General independence	NA
Section 5(a)(22)	Description of audit or investigation reports not made available to the public	NA
Section 5 Notes	Disclosure of government contractor audit findings	NA
CPB Management Reporting Requirements		
Section 5(b)(2)	Statistical table showing the total number of audit reports and results from disallowed costs	14
Section 5(b)(3)	Statistical table showing the total number of audit reports and results from recommendations that funds be put to better use agreed to in a management decision	14
Section 5(b)(4)	Summary of audit reports where final action has not been completed within one year of a management decision	NA



Contact CPB/OIG

If you have information about fraud, waste, or abuse involving CPB funds, initiatives, or operations, please call, fax, write, or e-mail the Office of Inspector General or file a complaint through our website. Your report may be made anonymously or confidentially.

Call: Inspector General Hotline
202-879-9728 or
800-599-2170

Fax: 202-879-9699

Email: oigemail@cpb.org

Write: Corporation for Public Broadcasting
Office of Inspector General
401 Ninth Street, NW
Washington, DC 20004-2129

Website: <https://www.cpb.org/oig/contact>



On October 1, 2017, the Council of the Inspectors General on Integrity and Efficiency (CIGIE) announced the official launch of [Oversight.gov](https://www.oversight.gov). This new website provides a “one stop shop” to follow the ongoing oversight work of all Inspectors General that publicly post reports.

The Corporation for Public Broadcasting, like the other OIGs, will continue to post reports to its own website. But with the launch of Oversight.gov, users can now sort, search, and filter the site’s database of public reports from all of CIGIE’s member OIGs to find reports of interest. In addition, the site features a user-friendly map to find reports based on geographic location, and contact information for each OIG’s whistleblower hotline. Users can receive notifications when new reports are added to the site by following CIGIE’s new Twitter account, [@OversightGov](https://twitter.com/OversightGov).



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