



Pension Benefit Guaranty Corporation

Office of Inspector General
1200 K Street, N.W., Washington, D.C. 20005-4026

February 15, 2011

Kenneth A. Konz
Inspector General
Corporation for Public Broadcasting
401 Ninth Street, NW
Washington DC 20004

We have reviewed the system of quality control for the audit organization of the Corporation for Public Broadcasting (CPB) Office of Inspector General (OIG) in effect for the year ended March 31, 2010. A system of quality control encompasses CPB OIG's organizational structure, the policies adopted, and procedures established to provide it with reasonable assurance of conforming to *Government Auditing Standards*. The elements of quality control are described in *Government Auditing Standards*. CPB OIG is responsible for designing a system of quality control and complying with it to provide CPB OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and CPB OIG's compliance therewith based on our review.

Our review was conducted in accordance with *Government Auditing Standards* and guidelines established by the Council of the Inspectors General on Integrity and Efficiency (CIGIE). During our review, we interviewed CPB OIG personnel and obtained an understanding of the nature of the CPB OIG audit organization, and the design of the CPB OIG's system of quality control sufficient to assess the risks implicit in its audit function. Based on our assessments, we selected engagements and administrative files to test for conformity with professional standards and compliance with the CPB OIG's system of quality control. The engagements selected represented a reasonable cross-section of the CPB OIG's audit organization. We met with CPB OIG management to discuss the results of our review. We believe that the procedures we performed provide a reasonable basis for our opinion.

In performing our review, we obtained an understanding of the system of quality control for the CPB OIG's audit organization. In addition, we tested compliance with the CPB OIG's quality control policies and procedures. These tests covered the application of the CPB OIG's policies and procedures on selected engagements. Our review was based on selected tests; therefore, it would not necessarily detect all weaknesses in the system of quality control, or all instances of noncompliance with it.

There are inherent limitations in the effectiveness of any system of quality control and therefore noncompliance with the system of quality control may occur and not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

The Enclosure to this report identifies the offices of the CPB OIG that we visited and the engagements that we reviewed.

In our opinion, the system of quality control for the audit organization of CPB OIG in effect for the year ended March 31, 2010, has been suitably designed and complied with, to provide CPB OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Federal audit organizations can receive a rating of *pass*, *pass with deficiencies*, or *fail*. CPB OIG has received a peer review rating of *pass*.

In addition to reviewing its system of quality control to ensure adherence with *Government Auditing Standards*, we applied certain limited procedures in accordance with guidance established by the CIGIE related to CPB OIG's monitoring of engagements performed by Independent Public Accountants (IPA) under contract where the IPA served as the principal auditor. It should be noted that monitoring of engagements performed by IPAs is not an audit and therefore is not subject to the requirements of *Government Auditing Standards*. The purpose of our limited procedures was to determine whether CPB OIG had controls to ensure IPAs performed contracted work in accordance with professional standards. However, our objective was not to express an opinion and accordingly, we do not express an opinion, on CPB OIG's monitoring of work performed by IPAs.

We have issued a letter dated February 15, 2011, that sets forth comments on CPB OIG's monitoring of engagements performed by IPAs. These comments do not affect the opinion expressed in this report.

Sincerely,

A handwritten signature in blue ink that reads "Rebecca Anne Batts". The signature is written in a cursive style.

Rebecca Anne Batts
Inspector General

Enclosure

SCOPE AND METHODOLOGY

We tested compliance with the CPB OIG audit organization's system of quality control to the extent we considered appropriate. These tests included a review of two reports issued during the period April 1, 2009, through March 31, 2010.

In addition, we reviewed the CPB OIG's monitoring of engagements performed by IPAs where the IPA served as the principal auditor during the period April 1, 2009, through March 31, 2010. During the period, CPB contracted for the audit of its agency's Fiscal Year 2009 financial statements.

We visited the CPB OIG Washington, DC office.

Reviewed Engagements Performed by CPB OIG		
Report Number	Report Date	Report Title
ASJ904-001	3/30/2010	Audit of CPB Grants Awarded to WHY Y Incorporated, Philadelphia, Pennsylvania For Fiscal Years 2007 and 2008
ASR911-1002	3/31/2010	Examination of Northwest Communities' Education Center, KDNA-FM For Fiscal Year 2008