Why We Did This Audit

We performed this examination based on our Annual Plan to audit a number of public television and radio stations.

Our objectives were to examine Arizona Public Media’s (AZPM) certifications of compliance with Corporation for Public Broadcasting (CPB) grant terms to: a) claim Non-Federal Financial Support (NFFS) on its Annual Financial Reports (AFR) in accordance with CPB Financial Reporting Guidelines; b) expend CSG and other grant funds in accordance with grant agreement requirements; and c) comply with the Certification of Eligibility requirements and the statutory provisions of the Communications Act of 1934, as amended. The amount of NFFS a station reports to CPB affects the amount of CPB funding the station receives.

Send all inquiries to our office at (202) 879-9669 or email OIGemail@cpb.org or visit www.cpb.org/oig

Listing of OIG Reports


What We Found

The station overstated NFFS by $759,529 on its 2015 and 2016 AFRs because it included:

- fundraising and membership development costs in the distribution base in calculating indirect administrative support (IAS)
- unallowable and unsupported NFFS related to DVD sales and an unexplained variance between reported underwriting revenues and the general ledger; and
- misclassified TV and radio NFFS

In addition, we found noncompliance with the Equal Employment Opportunity (EEO) requirements of the Communications Act.

The NFFS overstatement resulted in CSG overpayments of $72,472.

What We Recommend

That CPB:

- recover FY 2017 and FY 2018 CSG payments made to AZPM of $35,287 and $37,185, respectively;
- require AZPM identify the corrective actions and controls it will implement to ensure future compliance; and
- verify during the audit resolution process that the station made the 2017 TV and radio Employment Statistical Report available to the public.