System Review Report

September 7, 2016

Mary Mitchelson
Inspector General
Corporation for Public Broadcasting
401 Ninth Street, NW
Washington, DC 2004-2129

We have reviewed the system of quality control for the audit organization of the Corporation for Public Broadcasting Office of Inspector General (CPB OIG) in effect for the year ended March 31, 2016. A system of quality control encompasses CPB OIG’s organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of conforming with Government Auditing Standards. The elements of quality control are described in Government Auditing Standards. CPB OIG is responsible for establishing and maintaining a system of quality control that is designed to provide CPB OIG with reasonable assurance that the organization and its personnel comply with professional standards and applicable legal and regulatory requirements 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 the Council of the Inspectors General on Integrity and Efficiency (CIGIE) Guide for Conducting Peer Reviews of the Audit Organizations of Federal Offices of Inspector General (September 2014). Based on our assessments, we selected audits and attestation engagements, collectively referred to as “audits,” and administrative files to test for conformity with professional standards and compliance with CPB OIG’s system of quality control. The audits selected represented a reasonable cross-section of CPB OIG audit organization, with emphasis on higher-risk audits. (Enclosure 1 to this report identifies engagements that we reviewed.) Prior to concluding the peer review, we reassessed the adequacy of the scope of the peer review procedures. 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 audit organization. In addition, we tested compliance with CPB OIG’s quality control policies and procedures to the extent we considered appropriate. These tests covered the application of CPB OIG’s policies and procedures on selected audits. 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.

In our opinion, the system of quality control for the audit organization of CPB OIG in effect
for the year ended March 31, 2016, 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. Audit organizations can receive a
rating of pass, pass with deficiencies, or fail. CPB OIG has received an External 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 audits performed by
Independent Public Accountants (IPA) under contract where the IPA served as the auditor.
Monitoring of audits 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 made certain comments related to CPB OIG’s monitoring of audits performed by IPAs
that are included in a letter of comment dated September 7, 2016.

Sincerely,

Adam R. Trzcinski
Inspector General
Government Accountability Office

Enclosure
Scope and Methodology

We tested compliance with CPB OIG audit organization’s system of quality control to the extent we considered appropriate. These tests included a review of 2 of 6 audit or attestation reports issued during the period April 1, 2015, through March 31, 2016. We also reviewed the internal quality control reviews performed by CPB OIG.

In addition, we reviewed CPB OIG’s monitoring of audits performed by IPAs where the IPA served as the auditor during the period April 1, 2015, through March 31, 2016. During the period, CPB OIG did not contract for the audit of its agency’s fiscal year 2015 financial statements.

Reviewed Engagements Performed by CPB OIG

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<tr>
<th>Report Number</th>
<th>Report Date</th>
<th>Report Title</th>
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<tbody>
<tr>
<td>ASR 1508-1604</td>
<td>March 24, 2016</td>
<td>Audit of Community Service Grants at WDCB-FM College of Dupage, Glen Ellyn, II, for the period July 1, 2012 through June 30, 2014 (Attestation)</td>
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Reviewed Monitoring Files of CPB OIG for 2015 Financial Statements Audit

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<th>Report Number</th>
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<tr>
<td>None</td>
<td>02/03/2016</td>
<td>Review of Grant Thornton, LLP FY 2015 CPB Financial Audit Working Papers</td>
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