Background
We performed this audit based on our annual audit plan to audit public television and radio stations.

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

This report contains the views of the OIG. CPB will make the final decision on our findings and recommendations.

Audit of Community Service Grants Awarded to West Virginia Public Broadcasting, Charleston West Virginia, for the Period July 1, 2016 through June 30, 2018

What We Found
WVPB overstated NFFS on its FYs 2017 and 2018 AFRs by $1,140,705 because it:

- reported $605,135 of unsupported NFFS;
- did not exclude the Fair Market Value (FMV) of premiums provided to donors;
- improperly reported exchange income, federal funds, and funds received from public broadcasting entities as NFFS;
- claimed more appropriated funds as NFFS than it received from the State of West Virginia; and
- erroneously claimed radio funds as TV NFFS.

Our audit also found questionable salary costs of $61,568 for lack of time records under the American Graduate grant and that WVPB did not fully comply with CPB discrete accounting requirements.

The station agreed with our findings and implemented corrective actions to ensure proper NFFS reporting in the future. These actions included revising accounting procedures to improve the accuracy of AFR reporting and make it a priority to comply with CPB NFFS reporting and other grant requirements. CPB management will make the final determination on our findings and recommendations.

What We Recommend
That CPB take the following actions:

- recover potential CSG overpayment of $103,557;
- determine the reasonableness or recover undocumented labor expenses of $61,568;
- require WVPB to discretely account for CPB grant funds; and
- require WVPB to identify the corrective actions and controls it will implement to ensure future compliance.