



Report in Brief

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](#)

Audit of Community Service Grants at Arizona Public Media, Tucson, Arizona for the Period July 1, 2014 through June 30, 2016

What We Found

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

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

- 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 station agreed to take corrective actions on our recommendations to ensure future compliance but requested forgiveness on the \$68,988 CSG overpayment related to IAS, because CPB's guidelines did not specifically address such adjustments until FY 2017.

CPB management will make the final determination on our findings and recommendations.

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.