



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 Milwaukee PBS's (WMVS-TV) 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 Community Service Grant (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 (Act). The amount of NFFS a station reports to CPB affects the amount of CSG funding the station receives.

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Audit of Community Service Grants at Milwaukee PBS, Milwaukee, Wisconsin for the Period July 1, 2015 through June 30, 2017

What We Found

The station over and understated NFFS in both fiscal years (FY) with a net understatement of \$42,113 in FY 2016 and \$124,423 in FY 2017.

Net understated NFFS totaling \$42,113 in FY 2016 and \$124,423 in FY 2017.

In addition, we found the station did not fully comply with the open meeting requirement of the Act because it did not provide seven days advance notice for some of its public meetings in 2016. It also did not meet the discrete accounting requirements for CSG interconnection and universal service support expenditures.

The station agreed to take corrective actions on our recommendations to ensure future compliance but disagreed with NFFS overstatements related to: a) payments received in exchange for goods and services; and b) the inclusion of the student accounts and college events cost pools to calculate indirect administrative support. It also disagreed with our noncompliance findings related to advance notice and discrete accounting requirements.

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

What We Recommend

That CPB:

- consult with WMVS-TV on its methodology for claiming future appropriation revenues;
- verify during the audit resolution process that the station is currently meeting the advance notice requirement for open meetings; and
- require WMVS-TV to identify the corrective action and controls it will implement to ensure future compliance with NFFS reporting requirements, seven-days advance notice for open meetings, and discrete accounting requirements.