



Report in Brief

Why We Did This Audit

We performed this examination based on our annual audit plan.

Our objectives were to determine whether: a) the financial reports fairly presented expenditures and revenues; b) costs were incurred in accordance with grant requirements; and c) the grantee complied with Communications Act and grant requirements for the period January 1, 2017 through December 31, 2018.

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

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Audit of CPB Grant Awarded to Public Broadcasting Service for Public Television Interconnection 2017 Phase I for the Period January 1, 2017 through December 31, 2018

What We Found

Except for the matters discussed below, the Public Broadcasting Service (PBS) financial reports submitted to the Corporation for Public Broadcasting (CPB) fairly present the costs of PBS's activities in conformity with the CPB grant agreement requirements:

We found PBS:

- allocated rent and utility charges to the grant based on budgeted expenses rather than actual costs, resulting in questioned costs of \$7,646 (and additional charges after our audit period);
- lacked evidence for or did not provide reasonable advance notice for 30 of 79 (38 percent) open public meetings, including 9 of 11 (82 percent) interconnection committee meetings;
- did not make available to the public the reasons meetings were closed for 2 of 87 (2 percent) closed meetings or sessions of meetings; and
- provided interest free loans to employees during the grant period.

PBS agreed with our findings and responded that it is taking corrective actions.

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

What We Recommend

We recommend that CPB require PBS to:

- claim actual rent and utility costs and correct overreported rent and utility including indirect costs of \$7,646 (and additional charges after our audit period) on its next interim financial report submitted and CPB consider requiring grantees disclose the method it uses to charge allocable costs to CPB grants;
- comply with the Communications Act of 1934, as amended, (Act) by providing reasonable advance notices of public meetings and making explanations of closed meetings available to the public, and develop written procedures to document how it complies with the Act; and
- comply with the Act and ensure that after the cancellation of the two loan programs that all previously granted interest free loans are repaid and closed.