



Office of Inspector General
Corporation for Public Broadcasting
Report in Brief

Report No. ACJ1706-1708
September 22, 2017

Background

The objectives of our limited scope audit were to determine whether the station reported Indirect Administrative Support (IAS) as Nonfederal Financial Support (NFFS) on its Annual Financial Reports (AFR) in accordance with the Corporation for Public Broadcasting's (CPB) Financial Reporting Guidelines (Guidelines) for Fiscal Year (FY) 2016. Accurate reporting of NFFS is critical to ensure an equitable distribution of CPB funds among stations.

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Limited Scope Audit of Indirect Administrative Support Reported as Non-Federal Financial Support at KPBS TV and Radio, San Diego State University, San Diego, CA for the Period July 1, 2015 through June 30, 2016

What We Found

Based on our audit, we found that KPBS TV and Radio (KPBS) overstated the IAS it included as NFFS in FY 2016 by \$1,233,242, resulting in a potential Community Service Grant (CSG) overpayment of \$125,789 in FY 2018.

In response to our draft report, KPBS agreed with our findings and said it has taken corrective actions.

What We Recommend

That CPB take the following actions:

- 1) reduce KPBS's FY 2018 CSG, or recover if paid, by the potential overpayment of \$125,789;
- 2) require KPBS to identify the corrective actions and controls it will implement to ensure future compliance with NFFS Guidelines; and
- 3) review and clarify the AFR Schedule B guidelines for the Basic Method to help institutional stations with varying and unique organizational structures apply guidance consistently in calculating their IAS NFFS to ensure there is an equitable distribution of CPB funds.

This report contains the conclusions of the Office of Inspector General and does not represent CPB's final position on the issues identified. CPB will issue a final determination in accordance with its audit resolution procedures.