



Report in Brief

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) 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.

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Audit of Community Service Grants Awarded to Morgan State University, WEAA-FM, Baltimore, Maryland, for the Period July 1, 2016 through June 30, 2018

What We Found

Our audit found that Morgan State University, WEAA-FM (WEAA) complied with CPB requirements except for the following findings. WEAA:

- overstated NFFS in the amount of \$130,848 resulting in actual and potential CSG overpayment of \$6,821, which we have reported as funds put to better use;
- spent \$1,900 of fiscal year (FY) 2018 CSG funds on non-CPB qualified programming; and
- did not fully comply with Act requirements for open financial records and equal employment opportunity (EEO) requirements; and grant requirements to make the Local Content and Service Report (LCSR) available to the public.

Overstated NFFS resulted in potential excess CSG payments of \$6,821 (\$4,037 FY 2019 and potentially \$2,784 in FY 2020).

WEAA disagreed that it overstated NFFS resulting from its calculation of indirect administrative support. The station agreed that it spent CSG funds on non-CPB qualified programming and it took corrective actions during the audit field work to address compliance with Act 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 overpayments of \$6,821;
- recover \$1,900 in questioned CPB expenditures; and
- require WEAA to identify the corrective actions and controls it will implement to ensure compliance with: 1) CPB's NFFS reporting requirements, 2) grant spending restrictions; and 3) Act requirements.