



Corporation
for Public
Broadcasting

Office of the Inspector General

January 14, 2022

To: Jackie J. Livesay, Deputy General Counsel and Vice President, Compliance
Kathy Merritt, Senior Vice President, Radio, Journalism and CSG Services

From: Kimberly A. Howell, Inspector General

Digitally signed by
Kimberly Howell
Date: 2022.01.14
08:50:25 -05'00'

Subject: Evaluation of WSLU-FM/North Country Public Radio Compliance with Selected Communications Act and Transparency Requirements, Report No. ECR2202-2203

We have completed an unannounced evaluation of compliance with selected requirements of the 2021 Corporation for Public Broadcasting (CPB) Community Service Grant (CSG) awarded to WSLU-FM/North Country Public Radio (NCPR), licensed to St. Lawrence University, Canton, New York. Our specific objectives were to verify compliance with twelve requirements of the Communications Act of 1934, as amended (Act) for open and closed meetings and open financial records, as well as the CSG General Provisions and Eligibility Criteria (General Provisions) for transparency as presented in Exhibit A. Background information on the station and CSG program can be found in Exhibit B.

Based on our review of NCPR's website on October 5, 2021, we found the station was compliant with seven of the eight requirements applicable. Four requirements were not applicable. The station was not compliant with the following requirement to:

- post the most recent CPB Annual Financial Report (AFR) on the station's website.

Station management promptly took corrective action and posted the most recent AFR on its website. NCPR is now compliant with open financial record requirements. Further, station management said they take their commitment to transparency seriously and believe they have remedied the issues that were raised to satisfy CPB's compliance requirements. In response to our draft report, NCPR management accepted our findings and reiterated their commitment to transparency and stated they had instituted management procedures to prevent the error from recurring.

Based on NCPR's response to the draft report, we consider recommendation one resolved but open pending CPB's management decision accepting the station's corrective action. The station's response to the draft report is presented in Exhibit D.

This report presents the conclusions of the Office of the Inspector General (OIG) and the findings do not necessarily represent CPB's final position on the issues. While we have made recommendations that are appropriate to resolve the findings, CPB officials will make final

determinations on our findings and recommendations in accordance with established CPB audit resolution procedures.

We initiated this evaluation to address station accountability as identified in our Annual Plan. We conducted our evaluation in accordance with the Council of the Inspectors General on Integrity and Efficiency *Quality Standards for Inspection and Evaluation*. Our scope and methodology are discussed in Exhibit C.

cc: Bruce M. Ramer, Chair, CPB Board of Directors
Robert Mandell, Chair Audit and Finance Committee, CPB Board of Directors
U.S. Senate Committee on Homeland Security and Governmental Affairs
U.S. House of Representatives Committee on Oversight and Government Reform
U.S. Senate Committee on Commerce, Science and Transportation
U.S. House of Representatives Energy and Commerce Committee
U.S. Senate Committee on Appropriations
U.S. Senate Labor-HHS-Education Appropriations Subcommittee
U.S. House of Representatives Committee on Appropriations
U.S. House of Representatives Labor-HHS-Education Appropriations Subcommittee

FINDINGS AND RECOMMENDATIONS

ACT COMPLIANCE

Annual Financial Report – Public Access

Our evaluation found that NCPR did not fully comply with the open financial records requirement to post the most recent Annual Financial Report (AFR) on its website.

The Act requires stations to make available to the public their annual financial and audit reports and other financial information they are required to provide to CPB. CPB also requires that each CSG recipient post the following documents on its station website: ...

2. Its most recent annual financial report (AFR) or annual financial summary report (FSR) (whichever is applicable).

CPB's Communications Act Compliance requirements, 3. E. The Public's Access to Financial Information (June 2021).

Station management said that, due to a clerical error, it had not posted its most recent AFR on its website. After we presented our preliminary observations to the station, it promptly posted its most recent FY 2020 AFR on its website. NCPR is now compliant with the open financial records requirement.

Station management said it takes their commitment to transparency seriously and believe they have remedied the issues that were raised in our Preliminary Observations to satisfy CPB's compliance requirements.

In summary, at the time of our review the station was not compliant with Act requirements for open financial records and CSG transparency requirements to post the most recent AFR and may be subject to penalties under CPB's CSG Non-Compliance Policy.

Recommendation:

We recommend that CPB management require NCPR to:

- 1) identify the controls it will implement to ensure future compliance with CPB's open financial records and CSG transparency requirements to post its most recent AFR on its website.

NCPR Response:

In response to our draft report, NCPR management stated the station is committed to transparency with its audience and the public at large and accepted the audit findings. NCPR stated it had corrected the error for not posting the AFR timely and corrected promptly when OIG identified the finding. Further, station management said they have instituted new procedures to prevent the error from recurring.

OIG Review and Comment:

Based on NCPR's response, we consider recommendation one resolved but open pending CPB's acceptance of the station's corrective actions to ensure future compliance.

**Summary Review of WSLU- FM/North Country Public Radio
Website Evaluation as of October 5, 2021**

Requirements	Met	Not Met	Unable to Determine
1) Seven-day advance notice of governing body meeting:	N/A ¹		
a) available on website			
b) available by other means			
2) Seven-day advance notice of board committee meetings:	N/A		
a) available on website			
b) available by other means			
3) Seven-day advance notice of Community Advisory Board meetings:			
a) available on website	X		
b) available by other means			
4) If closed meetings were held, was documentation prepared explaining the basis for closing meeting in accordance with Act:	N/A		
a) available on website			
b) available at central office			
5) If closed meeting documentation was prepared, was it available within 10-days of the closed meeting	N/A		
6) Most recent Annual Financial Report available on website		X	
7) Most recent audited or unaudited financial statements available on website	X		
8) Senior/executive management information on website	X		
9) governing body members on website	X		
10) CAB members on website	X		
11) Diversity Statement:			
a) available on website			
b) available at central office	X		
12) Local Service Content Report (Section 6 of the SAS) available on website	X		

¹ N/A: The station’s governing board did not hold any open or closed meetings that discussed NCPR operations during our evaluation period (NCPR’s current fiscal year 2022). According to station management the station’s business is discussed annually during its governing board’s budget and finance committee meeting, which is open to the public with advance notice. The last open meeting when NCPR business was discussed was June 23, 2021.

BACKGROUND

WSLU-FM/North Country Public Radio, Canton, New York, is a public broadcasting station licensed to St. Lawrence University. According to its website, NCPR is a Network of 33 transmitters broadcasting to the entire Adirondack North Country, western Vermont and southeastern Ontario. The station's commercial-free format includes a wide variety of programs from National Public Radio, broadcasts of regional news and an eclectic mix of locally hosted music programs. In addition, the station operates a website and is the emergency broadcast service for many communities in the region.

CPB's Community Service Grant Program

The Act provides that specific percentages of the appropriated funds CPB receives annually from the United States Treasury must be allocated and distributed to licensees and permittees of public TV and radio stations. CPB distributes these funds through its CSG program. Grant award amounts are based in part on the amount of Non-Federal Financial Support (revenues) claimed by all stations on their Annual Financial Reports (AFR) submitted to CPB.

In addition to the annual filing of a station's AFR(s) for radio and/or television, the chief executive of the station and a licensee official annually certify to CPB the station's compliance with Act requirements and selected General Provisions requirements in the legal agreement awarding the station CSG funds. These certifications specifically address Open and Closed Meetings; Open Financial Records; Community Advisory Board, CPB Employment Statistical Report; and Donor information requirements under Section IV Communications Act Compliance of the agreement. Station officials responsible for closed meetings and the CPB Employment Statistical Report requirements are identified in the grant agreement. The certification also includes Website Postings Required under Section V. Selected General Provisions Requirements of the agreement.

Scope and Methodology

We performed an evaluation of NCPR's compliance with selected CSG provisions of the Act and grant certification requirements. Our specific objectives were to verify compliance with selected Act requirements for open and closed meetings and open financial records, as well as Radio Community Service Grant General Provisions and Eligibility Criteria for Transparency. The scope of the evaluation included reviews of the information posted on the station's website as of October 5, 2021, as well as information provided through November 12, 2021, in response to our Preliminary Observations issued on October 21, 2021.

We reviewed documents supporting the station's compliance with the Act requirements to provide advance notice of public meetings; notice of closed meeting reasons; and make financial information available to the public. We also reviewed the station's website and processes to determine its compliance with CPB's transparency requirements for eligibility. We informed station management of our evaluation on October 21, 2021, and we requested the station provide us with transparency information maintained at its central office for information that was required to be made available to the public at its central office if not posted on its website.

We also reviewed CPB's integrated station information system to determine if the information made available to the public was the most recent information submitted to CPB. In addition, we verified with station management that board, CAB, and management listings posted to its website were current.

Our fieldwork was conducted from October 5 through November 12, 2021, and our evaluation was performed in accordance with the Council of the Inspectors General on Integrity and Efficiency *Quality Standards for Inspection and Evaluation*.



North Country Public Radio
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William Richardson III
Deputy Inspector General
Office of the Inspector General
Corporation for Public Broadcasting
401 Ninth Street NW
Washington, DC 20004-2129

January 5, 2022

Dear Mr. Richardson:

North Country Public Radio (NCPR) is in receipt of your letter dated December 6, 2021. We are grateful for the CPB's thorough review of our website and its compliance with transparency requirements.

NCPR is committed to transparency with our audience and the public at large. As such, we fully accept the CPB's findings. As your draft report indicates, due to a clerical error, the most recent CPB Annual Financial Report (AFR) was not posted to our website at the time of your review. The report also notes NCPR corrected the error promptly and the correct AFR is now available for public viewing.

Furthermore, NCPR has instituted management procedures to prevent this error from recurring. Station management has prepared an eight-point checklist (see attachment) to be followed, beginning with the current calendar year. This checklist has been circulated to the key stakeholders at the station (NCPR's accounting and digital departments) and provided to our license holder, St. Lawrence University.

Again, transparency is an integral part of NCPR's ethos. Thus, we take the CPB's recommendations seriously. Please let me know if you have questions or additional recommendations to ensure we are in compliance with all of the requirements of the Communications Act of 1934, as the CPB has reviewed.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "M.C. Teich".

Mitchell C. Teich
Station Manager

From: [Mitch Teich](#)
To: [Bill Haenel](#); [Bob Sauter](#)
Subject: Management QC process for ensuring AFR website post
Date: Wednesday, January 5, 2022 12:27:00 PM
Attachments: [image001.png](#)

Bill and Bob:

As you are aware, we are required to post the most recent CPB Annual Financial Report (AFR) to our website when it is approved. A recent review of our website's compliance with transparency requirements indicated we fell short of that benchmark. I am grateful for both of your efforts to resolve that error.

As we've discussed, NCPR must put into place a management quality control process to ensure this error does not recur. Beginning with the current calendar year (2022), the following process will go into place:

1. CPB notifies accounting and station management of AFR due date
2. Accounting prepares AFR in collaboration with NCPR auditors
3. Accounting/Station Management submits AFR to CPB in advance of due date
4. CPB approves AFR, notifies auditor, accounting, and station management
5. Accounting delivers AFR to digital for publication, notifies station management of handoff
6. Digital publishes report within 72 hours of receipt
7. Digital notifies station management upon publication
8. Station management verifies correct publication within seven days of handoff notification

To ensure this process takes place, each department (accounting, digital, and station management) should include a reminder on its internal calendar on April 1 (the approximate date by which CPB's Senior Financial Review Specialist approves the NCPR AFR).

Please let me know if you have any questions or concerns about this process.

Mitch

Mitch Teich
Station Manager, North Country Public Radio
Producer/Host/Columnist, "[First Person](#)"

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