



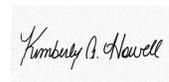
Corporation
for Public
Broadcasting

Office of the Inspector General

August 29, 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: 2022.08.29
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Subject: Evaluation of KTSU-FM, Texas Southern University Compliance with Selected
Communications Act and Transparency Requirements, Report No. ECR2212-2210

We have completed an unannounced evaluation of compliance with selected requirements of the 2022 Corporation for Public Broadcasting (CPB) Community Service Grant (CSG) awarded to KTSU-FM Public Radio, licensed to Texas Southern University, Houston, Texas. 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 the KTSU-FM website on June 14, 2022, we found the station was compliant with seven of the eight requirements reviewed. Four requirements were not applicable. The station was not compliant with the following requirement to:

- post its Annual Financial Report (AFR) on the KTSU-FM website.

In response to our draft report, KTSU-FM management stated that after they received notification that the AFR was not posted to its website, they made corrections within 24 hours. Additionally, KTSU-FM management stated that they have made adjustments to their internal processes and website annual checklist documentation to ensure that they remain in compliance with CPB's open financial records requirements. Based on KTSU-FM's response to the draft report, we consider our recommendations resolved but open pending CPB's management decision accepting the station's corrective actions to ensure future compliance. The station's response to the draft is presented in Exhibit D.

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

FINDING AND RECOMMENDATION

ACT COMPLIANCE

Annual Financial Report – Public Access

We found that KTSU-FM was not fully compliant with the Act requirement for open financial records because the station’s most recent AFR was not posted 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 Act Compliance requirements – 3.E. The Public’s Access to Financial Information (June 2021).

The station’s general manager explained that they were unaware that the AFR needed to be posted to the website. However, we confirmed that the station immediately took corrective action by posting its AFR on the KTSU-FM website. As a result, by posting the AFR to its website the station became fully compliant with the open financial requirements of the Act.

Because the station initially was not fully compliant with the open financial records requirements of the Act, it may be subject to penalties under CPB’s CSG Non-compliance policy.

Recommendation:

- 1) We recommend that CPB management require KTSU-FM to identify the corrective actions and controls it will implement to ensure future compliance with CPB’s open financial records requirements to post its most recent AFR on its website.

KTSU-FM Response:

In response to our draft report, KTSU-FM management stated that after they received notification that the AFR was not posted to the website, they made corrections within 24 hours. Additionally, KTSU-FM management stated that they have made adjustments to their internal processes and website annual checklist documentation to ensure that they remain in compliance with CPB’s open financial records requirements.

Office of the Inspector General Review and Comment:

Based on KTSU-FM's response to the draft report, we consider our recommendations resolved but open pending CPB's management decision accepting the station's corrective actions to ensure its future compliance.

**Summary of KTSU-FM Website Review
as of June 14, 2022**

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

Background

KTSU-FM Radio's audited financial statement explains that the station is a broadcast service of Texas Southern University, an agency of the State of Texas governed by the Board of Regents, appointed by the governor. KTSU-FM began operations in June 1972 providing non-commercial schedules of jazz music and other special programming 24 hours a day. Its mission statement describes Texas Southern University as a student-centered comprehensive doctoral university committed to ensuring equality, offering innovative programs that are responsive to its urban setting, and transforming diverse students into lifelong learners, engaged citizens, and creative leaders in their local, national, and global communities.

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) or Financial Summary Reports (FSR) submitted to CPB.

In addition to the annual filing of a station's AFR or FSR 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 KTSU-FM'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 Grants 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 June 14, 2022, as well as information provided in response to our Preliminary Observations issued on June 28, 2022.

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 June 28, 2022, and we requested additional information to support the station's compliance, including as applicable, transparency information maintained at its central office 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 evaluated information made available to the public was the most recent information submitted to CPB. In addition, we verified with station management that board and management listings posted to its website were current.

We conducted our fieldwork from June 14 through July 6, 2022, and performed our evaluation in accordance with the Council of the Inspectors General on Integrity and Efficiency *Quality Standards for Inspection and Evaluation*.



August 13, 2022

Debra S. Jacobson
Acting Deputy Inspector General
Office of the Inspector General
Corporation for Public Broadcasting
401 Ninth Street, NW
Washington, DC 20004-2129

Subject: KTSU-FM Evaluation Report

Hello Ms. Jacobson,

Thank you for the sharing the KTSU-FM Evaluation Draft Report. Once we received notification regarding our website was out of compliance due to the AFR not being posted, we immediately made the corrections within 24 hours. We have made adjustments to our internal processes and website annual checklist documentation to ensure KTSU-FM remains in compliance with CPB's open financial records requirements.

Please advise if you have any further questions or require any additional information regarding this matter.

Thank you,

Ernest Walker
General Manager

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