



Corporation
for Public
Broadcasting

Office of the Inspector General

September 22, 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: 2022.09.22 16:23:45 -04'00'

Subject: Evaluation of KRSU-TV Compliance with Selected Communications Act and
Transparency Requirements, Report No. ECR2215-2212

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 KRSU-TV licensed to the Board of Regents of the University of Oklahoma/Rogers State University, Claremore Oklahoma. 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 KRSU-TV website on August 22, 2022, we found the station was compliant with eight of the nine requirements applicable. Three requirements were not applicable. The station was not compliant with the requirement to post its Annual Financial Report (AFR) on the KRSU-TV website.

In response to our draft report, KRSU-TV management stated that they believed that having the audited financial statement available on the website was sufficient to satisfy the requirement to post the AFR. Following our preliminary observations, KRSU-TV immediately posted the AFR to the website. Further, KRSU-TV management now understands that the AFR should also be posted to the website. Station management has revised the internal operating procedures to post the AFR after submission and added review of the website for the AFR to the General Manager's AFR oversight responsibilities.

Based on KRSU-TV's response to the draft report, we consider our recommendation resolved but open pending CPB's management decision accepting the station's corrective actions. The station's response to the draft is presented in Exhibit D.

This report presents the conclusions of the Office of the Inspector General (OIG) and the finding does not necessarily represent CPB's final position on the issue. While we have made a recommendation that is appropriate to resolve the finding, CPB officials will make a final

determination on our finding and recommendation 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

FINDING AND RECOMMENDATION

I. ACT COMPLIANCE

We found that KRSU-TV 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 believed that by posting the Audited Financial Statement to the website, they satisfied the requirement to post the station's AFR. However, we confirmed that the station immediately took corrective action by posting its AFR on the KRSU-TV 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 requirements of the Act, it may be subject to penalties under CPB's CSG Non-compliance policy.

Recommendation:

We recommend that CPB management require KRSU-TV to identify the corrective actions and controls it will implement to ensure future compliance with Act requirements.

KRSU-TV Response:

In response to our draft report, KRSU-TV management stated that they believed that having the audited financial statement available on the website was sufficient to satisfy the requirement to post the AFR. Following our preliminary observations, KRSU-TV immediately posted the AFR to the website. Further, KRSU-TV management now understands that the AFR should also be posted to the website. Station management has revised the internal operating procedures to post the AFR after submission and added review of the website for the AFR to the General Manager's AFR oversight responsibilities.

OIG Review and Comment:

Based on KRSU-TV'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.

Exhibit A

Summary of KRSU-TV Website Review
as of August 22, 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:	N/A		
a) available on website			
b) available by other means			
3) Seven-day advance notice of Community Advisory Board 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:			
a) available on website	X		
b) available at central office			
5) If closed meeting documentation was prepared, was it available within 10-days of the closed meeting	X		
6) Most recent Annual Financial Report available on website		X	
7) Most recent audited financial statements unaudited financial statements on website	X		
8) Senior/executive management information on website	X		
9) Governing body members on website	X		
10) Community Advisory Board 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

According to their website, KRSU-TV is the only full powered public television station licensed to a public university in Oklahoma. KRSU-TV provides educational, cultural and general interest programming to an audience of 1.2 million viewers in northeastern Oklahoma and the Tulsa metropolitan area.

They further highlight that KRSU-TV is recognized as a national leader in providing distance learning opportunities for students. In addition to producing educational telecourses and live interactive college and high school concurrent courses, KRSU-TV also produces special interest local programming, children's programs and documentary features.

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) and 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 KRSU-TV'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 television 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 August 22, 2022, as well as information provided in response to our Preliminary Observations issued on August 25, 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 August 25, 2022, and we requested additional information to support the station's compliance, including as applicable transparency information maintained at its central office for documents 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 (ISIS) 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.

Our fieldwork was conducted from August 22, 2022 through August 31, 2022, and our evaluation was performed in accordance with the Council of the Inspectors General on Integrity and Efficiency *Quality Standards for Inspection and Evaluation*.



September 7, 2022

William J. Richardson III
Deputy Inspector General
Corporation for Public Broadcasting
401 Ninth Street, NW
Washington, DC 20004
Via email: brichardson@cpb.org

Re: Evaluation of KRSU-TV Compliance with
Selected Communications Act Transparency
Requirements

Dear Mr. Richardson

Thank you for sharing a copy of the above-referenced Draft Report with us.

As previously described in our response to the OIG's Preliminary Observations, KRSU-TV's Audited Financial Statement has been available on KRSU-TV's website and it was the station's understanding that this was sufficient to satisfy the requirement to post the station's Annual Financial Report (AFR). It was only through receipt of the OIG's preliminary observations that KRSU-TV became aware of the separate requirement to post the AFR and, as indicated in OIG's Draft Report, the station took immediate corrective action by posting the current AFR on the KRSU-TV website.

In response to the Draft Report, we have now updated KRSU-TV's internal operating procedures related to the station's AFR. Specifically, we have now added to the station's operating procedures that upon completion and submission of the AFR to CPB each year, the person responsible for those functions will also ensure that the current AFR is posted on the KRSU-TV website. We have also added to the General Manager's AFR oversight responsibilities that the General Manager will examine the station's website each year to confirm that the current AFR has been properly posted.

We appreciate the opportunity to respond to the OIG's Draft Report. Additionally, please note that I am taking a position with Mississippi Public Broadcasting effective September 19, 2022. Kindly direct all further correspondence to our Business Manager, Angie Coates, who can be reached at acoats@rsu.edu.

Respectfully submitted,

Royal Aills

Royal Aills, General Manager
RSU TV