



Corporation
for Public
Broadcasting

Office of the Inspector General

March 31, 2023

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: 2023.03.31
12:31:30 -04'00'

Subject: Evaluation of KSHI-FM, Zuni Communications Authority, Compliance with Selected
Communications Act, Diversity, and Transparency Requirements, Report No.
ECR2305-2306

We have completed an unannounced evaluation of compliance with selected requirements of the 2023 Corporation for Public Broadcasting (CPB) Community Service Grant (CSG) awarded to KSHI-FM, licensed to the Zuni Communications Authority, Zuni, New Mexico. 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 diversity and 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 KSHI-FM's website on January 20, 2023, we found the station was compliant with two of the six requirements applicable, partially compliant with one requirement, and noncompliant with three requirements. The remaining six requirements were not applicable.

Specifically, the station was not compliant with the following three requirements to:

- post its most recent CPB Financial Summary Report (FSR) on the station's website;
- post its the most recent unaudited financial statement to the station's website; and
- post the members of the Governing Body on the station's website.

The station was not fully compliant with the Diversity Statement requirements in that the station did not meet the following requirements:

- the Diversity Statement is approximately 500 words;
- conduct an annual review with the station's Governing Body or Licensee Official; an

- the Diversity Statement reflects the following:
 - the extent to which Grantee’s staff and governance reflect diversity;
 - the progress the Grantee has made to increase its diversity in the last two to three years; and
 - the Grantee’s diversity plans for the coming year.

We recommend that CPB require KSHI-FM to:

- 1) post the most recent FSR and unaudited financial statements to its website; and
- 2) identify the corrective actions and controls it will implement to ensure future compliance with Act and CPB requirements for open financial records.
- 3) identify the corrective actions and controls it will implement to ensure future compliance with CPB’s General Provision requirements for the Diversity Statement.

In response to our draft report, KSHI-FM management stated their commitment to remaining compliant with CPB transparency requirements. Management also took action to update its website to include a link to CPB transparency information on the station website. The link contains a listing of the members of the governing body. In their written response, KSHI-FM management stated that there are links to the unaudited financial statements and the FSR. However, the link was not functional to the unaudited financial statements at the date of this report, and we didn’t find a link to the FSR.

Additionally, KSHI-FM management provided a copy of an updated Diversity Statement available at their office, which includes a statement on how the staff and governance reflect diversity, but the statement does not address the progress they have made to increase diversity in the last two to three years or the diversity plans for the coming year. KSHI-FM management asserted that the statement is reviewed with station management, the board, program director and accountant during monthly meetings. The station’s full response to the draft report is presented in Exhibit D.

Based on the station’s response to the draft report, we consider our three recommendations unresolved and open.

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: Laura Ross, Chair, CPB Board of Directors
 Elizabeth Sembler, 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

I. ACT COMPLIANCE

Open Financial Records

Our evaluation found that KSHI-FM was not fully compliant with the Act requirements for open financial records to be available on the station's website. Specifically, we found that KSHI-FM had not posted either its FY 2021 unaudited financial statements or its FY 2021 FSR to its website, as of the date of our review, January 20, 2023.

The Act provides:

Funds may not be distributed pursuant to this subsection to any public telecommunications entity that does not maintain for public examination copies of the annual financial and audit reports, or other information regarding finances, submitted to the Corporation....

47 U.S.C. Section 396 (k)(5). CPB's compliance guidance restates the requirement:

The Public's Access to Financial Information: 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:

- 1) its most recent audited financial statement or un-audited statement for stations exempt from providing audited financial statements; and
- 2) its most recent annual financial report (AFR) or annual financial summary report (FSR) (whichever is applicable).

CPB Act Compliance 2021 - III. Open Financial Records, Section E.

After receiving our preliminary observations on February 14, 2023, the station advised that their CPB compliance is handled by an external entity. However, there was no link available on the KSHI-FM website directing the public to the outside entity's website. Further, in reviewing the outside entity's website, KSHI FM's financial information was not available on that website.

The station was not compliant with Act open financial records requirements and may be subject to penalties under CPB's Non-Compliance Policy.

Recommendations:

We recommend that CPB require KSHI-FM to:

- 1) post the most recent FSR and unaudited financial statements to its website; and
- 2) identify the corrective actions and controls it will implement to ensure future compliance with Act and CPB requirements for open financial records.

KSHI-FM Response:

In response to our draft report, KSHI-FM management took action to update its website to include a link to CPB transparency information contained on its website. In their written response, KSHI management stated that there are links on the website to the unaudited financial statements and the FSR. The link was not functional at the date of this report. The station's full response to the draft report is presented in Exhibit D.

OIG Review and Comment:

Based on the station's response, we tested the link to the unaudited financial statements and the link did not work. Further, we did not find a link to the FSR. As a result, we consider our recommendations unresolved and open.

II. GENERAL PROVISIONS - DIVERSITY AND TRANSPARENCY COMPLIANCE

Diversity Statement

Our evaluation found that KSHI-FM generally complied with the CPB requirements to provide a Diversity Statement. However, we found that KSHI-FM was not fully compliant with the following Diversity Statement requirements:

- the Diversity Statement is approximately 500 words;
- conduct an annual review with the station's Governing Body or Licensee Official; and
- the Diversity Statement reflects the following:
 - the extent to which Grantee's staff and governance reflect diversity;
 - the progress the Grantee has made to increase its diversity in the last two to three years; and
 - the progress the Grantee's diversity plans for the coming year.

Based on our review of the Diversity Statement, we identified a goal and elements of diversity important to the station. These include the following two statements.

- "We are committed to and engage our community in authentic and meaningful ways with respect to our culture and language."
- "KSHI is committed to providing equal employment and advancement to all qualified persons regardless of political affiliation, race, gender, age, marital status, religion, national origin, physical disability, sexual orientation, or any other protected class status under federal, state, and Tribal Laws."

While these elements meet CPB requirements, the statement was ninety-seven words, was not reviewed with the Governing Body, and did not report on the extent to which Grantee's staff and governance reflect diversity, the Grantee's diversity plans for the coming year, or the progress the Grantee has made to increase its diversity in the last two to three years.

CPB's FY 2023 Radio Community Service Grant General Provisions and Eligibility Criteria, Section 8. Diversity Statement states:

The Act requires CPB to support diverse non-commercial educational content for unserved and underserved audiences. CPB's goal, therefore, is to support stations in providing a wide variety of educational, informational, and cultural content that addresses the following elements of diversity: gender, age, race, ethnicity, culture, religion, national origin, and economic status. It is appropriate that Grantee engage in practices designed to reflect such diversity of the populations it serves. In support of these objectives, Grantee must comply with the following.

A. Annual Review: Annually review and make any necessary revisions to the station's established diversity goal for its workforce, management, and boards, including community advisory boards and governing boards having governance responsibilities specific to or limited to broadcast stations.

B. Diversity Statement: Undertake the following to achieve Grantee's diversity goal.

1. Annually review with the station's governing board or Licensee Official:

- a. the diversity goal and any revisions thereto; and
- b. practices designed to fulfill the station's commitment to diversity and to meet the applicable FCC guidelines (47 C.F.R. § 73.2080).

2. Maintain on its website or make available at its central office, a diversity statement (approximately 500 words) that reflects on the following points, reviewing and updating the same annually with station management:

- a. the elements of diversity that Grantee finds important to its public media work;
- b. the extent to which Grantee's staff and governance reflect such diversity;
- c. the progress Grantee has made to increase its diversity in the last two to three years; and
- d. Grantee's diversity plans for the coming year....

In response to the Preliminary Observations the station provided the current Diversity Statement available at the station's central office. This Diversity Statement includes a statement on how the staff and governance reflect diversity but does not address the progress they have made to increase diversity in the last two to three years or the diversity plans for the coming year. We concluded that it did not fully address two of the four reporting points spelled out in CPB's criteria.

Posting Governing Body Members to Website

KSHI did not fully comply with CPB Eligibility requirements to make available to the public on the station's website the members of the governing body. The names of the members of the Tribal Council were available on the website of an outside entity but were not linked from the KSHI website.

CPB's 2023 Radio Community Service Grants General Provisions and Eligibility Criteria impose specific transparency requirements for making information available to the public and require certain documents be made available on the station's website or at its central office:

A. Public Inspection of Documents and Website Posting:

To ensure transparency and public confidence in the use of CPB funds, the Communications Act requires Grantees to make certain documents available for public inspection. As set forth below, CPB also requires public access to other documents, and specifies how all documents must be made available for inspection, either by maintaining them at Grantee's office or by posting them on its station website...

B. Documents for Public Inspection: Website Posting Required: At a minimum, each Grantee must post the following on its station website:

2. Governing Body: A list of the members of its governing body; ...

Recommendation:

- 3) We recommend that CPB management require KSHI-FM to identify the corrective actions and controls it will implement to ensure future compliance with CPB's General Provision requirements for the Diversity Statement.

KSHI-FM Response:

KSHI-FM management also took action to update its website to include a link to CPB transparency information contained on its website. The link contains a listing of the members of the governing body. KSHI-FM management's response also asserted that the Diversity Statement is reviewed with station management, the board, program director and accountant during monthly meetings. The station's full response to the draft report, which includes the text of the updated Diversity Statement, is presented in Exhibit D.

OIG Review and Comment:

Based on our review of the station's response, we consider our recommendation unresolved and open regarding the Diversity Statement reporting requirements.

**Summary of KSHI-FM Website Review
as of January 20, 2023**

Requirements	Met	Partially Met	Not Met
1) Seven-day advance notice of governing body meeting: (Zuni Tribal Council)	N/A		
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 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 FSR available on website			X
7) Most recent 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		X	
A. Diversity Statement is available to the public on:			
i. on website			
ii. at central office	x		
B. Annual review of Diversity Statement and statement available to public reflects current goals.	x		
C. Diversity Statement is approximately 500 words.			x
D. The Diversity Statement reflects each of the following points			
i. the elements of diversity that Grantee finds important to its public media work;	x		
ii. the extent to which Grantee's staff and governance reflect such diversity;			x
iii. the progress Grantee has made to increase its diversity in the last two to three years; and			x

Exhibit A (continued)

**Summary of KSHI-FM Website Review
as of January 20, 2023**

Requirements	Met	Partially Met	Not Met
iv. the Grantee's diversity plans for the coming year			x
E. Does the station's management annually review with the Governing Board or licensing official the diversity goals and revisions?			x
12) Grantee's annual report on local content and services included in the grantee's current 2021 SAS on its content and services that serve local needs; and analysis about the reach and impact of the local services in its community.			
i. on website			
ii. at central office	X		

Legend: X designates that the 12 requirements tested were met, partially met, or not met.

x designates that the 5 sub-components of the CPB Diversity Statement requirements were met or not met.

Background

KSHI-FM, Zuni, New Mexico, is a public broadcasting station licensed to the Zuni Communications Authority to serve the Zuni people. According to the Pueblo of Zuni website, the Zuni people have lived in the southwest for thousands of years. Primarily farmers, their cultural and religious traditions are rooted, in large part, in the people's deep and close ties to the mountains, river ways, forests, and deserts of this ancient Zuni homeland.

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 AFRs and Financial Summary Reports (FSR) submitted to CPB.

In addition to the annual filing of a station's AFR(s) or FSR(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 KSHI-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 General Provisions for diversity and transparency. The scope of the evaluation included review of the information posted on the station's website as of January 20, 2023, as well as information provided in response to our Preliminary Observations issued on February 14, 2023.

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 February 14, 2023, and we requested additional information to support the station's compliance, including as applicable diversity and 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. Additionally, we requested station management to complete a Diversity Questionnaire to obtain information on the station's actions to annually review and update its Diversity Statement in compliance with CPB requirements.

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 January through February 2023 and our evaluation was performed in accordance with the Council of the Inspectors General on Integrity and Efficiency *Quality Standards for Inspection and Evaluation*.



KSHI FM

March 24, 2023

P.O. Box 339
Zuni NM 87327

Dear Mr. Richardson:

On February 28, 2023, KSHI FM received a draft titled Compliance with Selected Communication Act and Transparency Requirements from Kimberly Howell, Inspector General for The Corporation for Public Broadcasting. The recommendations and most of the findings of the IG were agreed with generally by KSHI Management and Board.

Corrective Actions were made on the following findings:

- **6) Most recent FSR available on website:**
 - Pueblo of Zuni IT posted the most recent FSR to the Tribal website www.ashiwi.org under the KSHI Radio link- KSHI Transparency Compliance Information.
- **7) Most recent unaudited financial statements on website:**
 - Pueblo of Zuni IT posted the most recent unaudited financial statements to the Tribal website www.ashiwi.org under the KSHI Radio link - KSHI Transparency Compliance Information.
- **9) Governing body members on website:**
 - Governing body members are listed on the Pueblo of Zuni website www.ashiwi.org under the KSHI Radio link – KSHI Transparency Compliance Information.

11) Diversity Statement

- **A. Diversity Statement is available to the public on:**
 - Diversity Statement is posted on the Pueblo of Zuni website under the KSHI Radio link – KSHI Transparency Compliance Information and is posted at the Central Office.

KSHI Radio is a non-commercial educational station that serves the Pueblo of Zuni and surrounding areas. We are committed to engaging our community in authentic and meaningful ways with respect to our unique culture and language. We thrive as a radio station as we strongly support and encourage diversity of thought, opinion, and perspective. KSHI is committed to providing equal employment and advancement to all qualified persons, regardless of political affiliation, race, gender, age, marital status, religion, national origin, physical disability, sexual orientation, or any other protected class status under federal, state, and Tribal Laws.

It is the mission of KSHI Radio to inform, educate and entertain; in order to accomplish this, KSHI created a plan that includes the following goals focused on diversity, equity, and inclusion:

- Reinforce and build our talent through human resources onboarding including current employees, volunteers, and governing board.
- Maintain diverse content that serves people of all backgrounds in our community and surrounding areas.
- Open up new opportunities for achieving and promoting diversity; proctor and assess our accomplishments.
- Develop and maintain positive working relationships with Tribal, Government, Local Schools, and outside community organizations.
- To educate management and staff on best practices for maintaining an inclusive and diverse environment for all persons.

E. Does the station’s management annually review with the Governing Board or licensing official the diversity goals and revisions.

- The Stations management, Board, Program Director, and Accountant meet on a monthly basis to review KSHI’s diversity goals and provide updates on program operation; if need modifications are made to the Diversity Goals.

In closing, corrective actions were made to comply with the CPB Transparency Requirements. KSHI Management and Board will continue to be compliant with all CPB Transparency Requirements. If you have further questions, please give me a call I can be reached at 505-782-7250.

Sincerely,



Paula Lalio

KSHI Program Manager

cc: Ricky Penketewa Councilman, KSHI Liason
Bern Panteah – Division Director
KSHI Governing Board