



Corporation  
for Public  
Broadcasting

## Office of the Inspector General

**Audit of the Editorial Integrity and Leadership Initiative  
Corporation for Public Broadcasting Grant #34872-RAD  
Awarded to the Arizona Board of Regents, Arizona State University  
for the Period October 1, 2018 Through April 30, 2021**

**REPORT NO. APO2312-2405**



## Report in Brief

*Audit of the Editorial Integrity and Leadership Initiative  
Corporation for Public Broadcasting Grant #34872-RAD  
Awarded to the Arizona Board of Regents, Arizona State University,  
for the Period October 1, 2018 through April 30, 2021*

### What We Found

The Arizona Board of Regents, Arizona State University (ASU) complied with:

- grant recordkeeping and reporting requirements to fairly present grant revenues and expenditures;
- grant spending requirements; and
- other grant requirements.

As a result, we had no findings and recommendations to report.

In response to the draft report, ASU personnel were pleased that the report found ASU's adherence to the Corporation for Public Broadcasting's (CPB) guidelines, proper utilization of CPB grant funds, and compliance with CPB grant requirements. Staff noted that they are dedicated to upholding ASU's adherence to CPB's standards and prioritize its mission and operations. ASU staff are encouraged that they fully complied with the requirements for the period October 1, 2018 through April 30, 2021.

### Why We Performed This Audit

We performed this audit based on our annual audit plan.

Our objectives were to determine whether: a) financial reports fairly present grant revenues and expenditures; b) costs were incurred in accordance with grant requirements; and c) grantee complied with grant requirements.

This report contains the conclusions of the Office of the Inspector General.



Corporation  
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Office of the Inspector General

Date: March 19, 2024

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

From: Kimberly A. Howell, Inspector General

Subject: Audit of the Editorial Integrity and Leadership Initiative Corporation for Public  
Broadcasting Grant #34872-RAD Awarded to the Arizona Board of Regents,  
Arizona State University for the Period October 1, 2018 Through April 30, 2021,  
Report No. APO2312-2405

Enclosed please find our final report of Arizona State University's (ASU) compliance with grant recordkeeping and reporting requirements to fairly present grant revenues and expenditures, grant spending requirements, and other grant requirements for Corporation for Public Broadcasting (CPB) Grant #34872-RAD. We found that ASU complied with these requirements during our review period. Based on the results of our audit, we had no findings and recommendations to report to CPB.

Because we did not have any findings and recommendations, we consider this report closed. No further action is required by CPB.

We will post this report to the Office of the Inspector General's website and [Oversight.gov](https://www.oversight.gov) and distribute it to the appropriate Congressional committees as required by the Inspector General Act of 1978, as amended. Please refer any public inquiries about this report to our website or our office.

Enclosure

cc: Laura Ross, Chair, CPB Board of Directors  
Elizabeth Sembler, CPB Board of Directors, Audit and Finance Committee  
U.S. Senate Committee on Homeland Security and Governmental Affairs  
U.S. House of Representatives Committee on Oversight and Accountability  
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

## TABLE OF CONTENTS

Executive Summary .....	1
Background.....	1
Results of Audit .....	2
Exhibit A – Final Financial Report for Editorial Integrity and Leadership Initiative Grant .....	4
Exhibit B – Scope and Methodology .....	5
Exhibit C – ASU Response to Draft Report .....	6

## **EXECUTIVE SUMMARY**

We have completed an audit of the Editorial Integrity and Leadership Initiative grant awarded by the Corporation for Public Broadcasting (CPB) to the Arizona Board of Regents, Arizona State University (ASU) for the period October 1, 2018 through April 30, 2021. Our objectives were to determine whether: a) financial reports fairly present grant revenues and expenditures; b) costs were incurred in accordance with grant requirements; and c) grantee complied with grant requirements.

Based on our audit, we found that ASU complied with:

- grant recordkeeping and reporting requirements to fairly present grant revenues and expenditures;
- grant spending requirements; and
- other grant requirements.

As a result, we had no findings and recommendations to report.

In response to the draft report, ASU personnel were pleased that the report found ASU's adherence to the Corporation for Public Broadcasting's (CPB) guidelines, proper utilization of CPB grant funds, and compliance with CPB grant requirements. Staff noted that they are dedicated to upholding ASU's adherence to CPB's standards and prioritize its mission and operations. ASU staff are encouraged that they fully complied with the requirements for the period October 1, 2018 through April 30, 2021.

We performed this audit based on the Office of the Inspector General's (OIG) annual plan. We conducted our examination in accordance with *Government Auditing Standards* for financial audit engagements. Our scope and methodology are discussed in Exhibit B. ASU's response to the draft report is presented in Exhibit C.

## **BACKGROUND**

The Walter Cronkite School of Journalism and Mass Communication at Arizona State University (Cronkite School) is one of the nation's top journalism and mass communications schools. The Cronkite School has professional programs in digital media, broadcast news, sports reporting, media innovation, public relations, digital marketing, Spanish-language news and more. Students receive hands-on learning experiences and access to competitive internships and career opportunities.

In October 2018, the Corporation of Public Broadcasting (CPB) awarded the Arizona Board of Regents, ASU, Cronkite School the Editorial Integrity and Leadership Initiative (EILI) grant to design and implement a professional development fellowship program for editorial leaders. The grant specified that the two-year program engage 100 fellows in small cohorts with a customized curriculum of onsite and virtual training and activities. The program was led by coaches and

experts with the purpose of improving the knowledge and expertise of public media editors and assuring newsrooms operate with editorial integrity.

The total program budget was \$1,305,282, with CPB funding \$1,099,500 and the balance funded by ASU. Actual expenditures totaled \$1,170,562, with CPB funding \$964,780 and de-obligating \$134,720. The final financial report is presented in Exhibit A.

## **RESULTS OF AUDIT**

We have audited ASU's final financial report of revenues and expenditures for the EILI grant presented in Exhibit A. This report is the responsibility of ASU's management. ASU prepared the final financial report to comply with the grant financial reporting requirements. Our responsibility is to express an opinion on this report based on our audit.

Our audit was conducted in accordance with *Government Auditing Standards* for financial audits and auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial report is free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial report to determine compliance with the grant agreement requirements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial reports. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the final financial report presented in Exhibit A fairly presents the results of ASU's activities in conformity with CPB grant agreement requirements for the period October 1, 2018 through April 30, 2021.

In accordance with *Government Auditing Standards*, we considered ASU's internal control over financial reporting and its compliance with provisions of law and grant agreement requirements. The purpose of the following explanations is to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion of the effectiveness of internal control over financial reporting or on compliance. Accordingly, this information is not suitable for any other purpose.

### ***Internal Control over Financial Reporting***

In planning and performing our audit of the final financial report submitted to CPB, we considered ASU's internal control over financial reporting to design audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial reports provided to CPB, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of ASU's internal control.



A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement on the entity's financial reports will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in ASU's internal controls that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether ASU's financial report is free from material misstatements, we performed tests of its compliance with certain provisions of law and grant agreement requirements, noncompliance with which could have a direct and material effect on the determination of financial report amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests did not identify any instances of noncompliance with CPB grant terms and reporting requirements.

**Final Financial Report for Editorial Integrity and Leadership Initiative Grant  
(CPB Grant #34872-RAD)  
October 1, 2018 through April 30, 2021**

CPB No. 34872-RAD	Budget	Actuals 10/1/18- 4/30/21	Variance	Variance
<b>REVENUE</b>				
CPB	\$1,099,500	\$800,000 <sup>1</sup>	\$299,500	27%
ASU Contribution	\$205,782	\$205,782	\$0	0%
<b>TOTAL REVENUE</b>	<b>\$1,305,282</b>	<b>\$1,005,782</b>	<b>\$299,500</b>	<b>23%</b>
<b>EXPENSES</b>				
<b>Personnel Expenses</b>				
<b>Salaries</b>				
Program Coaches	\$480,000	\$520,500	(\$40,500)	(8%)
Head Coach	\$240,541	\$260,917	(\$20,376)	(8%)
Subject Experts	\$20,000	\$10,000	\$10,000	50%
Program Manager	\$188,446	\$119,097	\$69,349	37%
Evaluator	\$20,000	\$20,000	\$0	0%
Cronkite Admin & Support	\$46,015	\$50,747	(\$4,732)	(10%)
<b>Total Personnel Expenses</b>	<b>\$995,002</b>	<b>\$981,261</b>	<b>\$13,741</b>	<b>1%</b>
<b>Operations Expenses</b>				
Materials & Supplies	\$30,000	\$36,330	(\$6,330)	(21%)
Airfare for onsite	\$126,768	\$70,361	\$56,407	44%
Lodging for onsite	\$97,512	\$56,738	\$40,774	42%
Meals	\$50,000	\$25,871	\$24,129	48%
Travel to CPB	\$6,000	\$0	\$6,000	100%
<b>Operations Expenses Subtotal</b>	<b>\$310,280</b>	<b>\$189,301<sup>2</sup></b>	<b>\$120,979</b>	<b>39%</b>
<b>TOTAL EXPENSES</b>	<b>\$1,305,282</b>	<b>\$1,170,562</b>	<b>\$134,720</b>	<b>10%</b>

<sup>1</sup> Subsequent to the April 30, 2021, final report date, CPB made a final payment to ASU of \$164,780 to fully fund this project. CPB de-obligated the balance of the grant award amount totaling \$134,720.

<sup>2</sup> Exhibit A has been presented as submitted to CPB, expenses reported to CPB included minor rounding differences.



## Scope and Methodology

We conducted our audit in accordance with *Government Auditing Standards* for financial audits to determine whether ASU: a) submitted financial reports that fairly presented total project grant revenues and expenditures; b) incurred costs in accordance with grant requirements; and c) complied with grant requirements.

We performed our audit field work during the period March 2023 through November 2023. The scope of the audit included reviews and tests of the costs reported by ASU on CPB Grant Number 34872-RAD, during the period October 1, 2018 through April 30, 2021. The financial report is presented in Exhibit A.

In conducting our audit, we reviewed CPB's grant files and discussed the award and administration of the grant with a CPB official from the Radio, Journalism, and CSG Services department. We interviewed various ASU officials, including the Head Coach for the Editorial Integrity and Leadership Grant, Director of Fiscal and Business Operations at Arizona PBS, Grant & Contract Officers in the Fiscal Oversight Team, and the ASU Project Officer for the grant about the grant agreements and management's policies and procedures.

We tested the accuracy of grant expenditures that ASU claimed by performing financial reconciliations and comparisons to underlying accounting records to verify transactions recorded in the general ledger and reported to CPB on the final financial report. We also evaluated compliance with the grant agreement terms, in part, by testing 101 judgmentally selected expenditures of \$626,716 from the universe of \$1,170,562 (65%) in direct costs funded by CPB and ASU reported under the grant to supporting documentation maintained by ASU.

We gained an understanding of the internal controls over the preparation of the grant financial reports, cash receipts, and payment authorizations. We also gained an understanding of ASU policies and procedures for compliance with CPB grant agreement terms for allowable costs. We used this information to assess risks and plan the nature and extent of our testing to conclude on our objectives. Further, to obtain reasonable assurance that financial reports submitted to CPB were free of material misstatements, we performed tests of compliance with certain provisions of law and grant agreement requirements, when noncompliance could have a direct and material effect on the grant report amounts.



Operations

Office of Research and Sponsored Projects Administration

March 11, 2024

William J. Richardson III  
Deputy Inspector General  
Office of Inspector General  
Corporation of Public Broadcasting  
401 Ninth Street, NW  
Washington, DC 20004-2129

Re: Audit of Editorial Integrity and Leadership Initiative CPB Grant #36872-RAD Awarded to the Arizona Board of Regents, Arizona State University for the Period October 1, 2018 through April 30, 2021

Dear Mr. Richardson,

Thank you for the opportunity to respond to the Office of Inspector General Draft Audit Report dated February 16, 2024.

We are pleased to note that the Draft Report confirms Arizona State University's (ASU) adherence to Corporation of Public Broadcasting (CPB) guidelines, proper utilization of CPB grant funds, and compliance with CPB and Communications Act requirements.

We are dedicated to upholding ASU's adherence to CPB's standards and prioritize our mission and operations. We are encouraged by the acknowledgment in the Draft Report that ASU fully complied with the requirements for the period October 1, 2018 through April 30, 2021.

Thank you again for the chance to address this matter.

Sincerely,

A handwritten signature in cursive script that reads 'Lindsey Havranek'.

Lindsey Havranek

Grant & Contract Officer  
Office of Research and Sponsored Projects Administration  
Knowledge Enterprise  
Arizona State University

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## Contact CPB OIG

If you have information about fraud, waste, or abuse involving CPB funds, initiatives, or operations, please call, write, or e-mail the Office of the Inspector General or file a complaint through our website. Your report may be made anonymously.

Call: Inspector General Hotline  
202-879-9728 or  
800-599-2170

Email: [oigemail@cpb.org](mailto:oigemail@cpb.org)

Write: Inspector General Hotline  
Office of the Inspector General  
Corporation for Public Broadcasting  
401 Ninth Street, NW  
Washington, DC 20004-2129

Website: <https://cpboig.oversight.gov/hotline>



On October 1, 2017, the Council of the Inspectors General on Integrity and Efficiency (CIGIE) announced the official launch of [Oversight.gov](https://oversight.gov). This new website provides a “one stop shop” to follow the ongoing oversight work of all Inspectors General that publicly post reports.

The Corporation for Public Broadcasting, like the other OIGs, will continue to post reports to its own website. But with the launch of Oversight.gov, users can now sort, search, and filter the site’s database of public reports from all of CIGIE’s member OIGs to find reports of interest. In addition, the site features a user-friendly map to find reports based on geographic location, and contact information for each OIG’s whistleblower hotline. Users can receive notifications when new reports are added to the site by following CIGIE’s new Twitter account, [@OversightGov](https://twitter.com/OversightGov).