



Corporation
for Public
Broadcasting

April 6, 2018

VIA ELECTRONIC MAIL AND HARDCOPY TO FOLLOW

Mr. Tom Karlo
General Manager
KPBS TV/FM
5200 Campanile Drive
San Diego, CA 92182

Dear Mr. Karlo,

RE: Limited Scope Audit of Indirect Administrative Support Reported as Non-Federal Financial Support at KPBS Television and Radio, San Diego State University, San Diego, California for the Period July 1, 2015 - June 30, 2016 (Report No. ACJ1706-1708)

We have reviewed your correspondence of March 15, 2018 concerning our determinations in the audit referenced above and our response follows.

As we recognized in our determination letter, KPBS has been prompt and thorough in its response to the audit and went beyond the recommendations issued to improve your processes. That along with your history of leadership and innovation is commendable. Nonetheless, the penalty is consistent with our application of penalties in other audits. There are two instances where we waived a penalty, in one the penalty was di minimis and in the other there were several relevant factors. You may review these on our website. Your situation is not comparable to those and does not warrant a reduction or waiver.

KPBS disclosed to us during the audit that it had applied the same procedures for at least 15 years without updating them to comply with our guidance¹. Therefore, we do not accept the argument that our guidance led to the misreporting and the penalty will stand.

Our response to the recommendation in the audit report that is directed to CPB is under review and will be posted on our website once it is finalized. We follow this process for every recommendation addressed to CPB.

As you have requested, we will extend the deadline to provide the report on your 2014 and 2015 annual financial reports to May 15, 2018.

¹ Audit report page 9.

We appreciate the good work that KPBS does in support of public media.

Kind regards,



Jackie J. Livesay
Assistant General Counsel & Vice President, Compliance

CC: VIA ELECTRONIC MAIL

Agnes Wong Nickerson, Associate Vice President, San Diego State University
Vince Petronzio, Associate General Manager, Business and Financial Affairs, KPBS
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