

September 30, 2005

MEMORANDUM TO: Timothy F. Hagan, Director
Office of Administration

Sharon D. Stewart, Director
Division of Facilities and Security
Office of Administration

Mark J. Flynn, Director
Division of Administration Services
Office of Administration

FROM: Mary Lynn Scott, Director **/RA/**
Division of Contracts
Office of Administration

SUBJECT: PURCHASE CARD REVIEW

We have completed our review of Purchase Card transactions completed by the Office of Administration. This is to provide you with the results of our review.

Review Process and Scope

We reviewed two consecutive months and a third randomly selected month of transactions completed by the ADM cardholders from October 1, 2003, through September 30, 2004, to ensure that purchases and requisite record keeping are in compliance with NRC's "Procedures for the Use of the U.S. Government Purchase Card" and applicable laws and regulations. During the course of our review, we also met with the cardholders and approving officials to discuss specific transactions and obtain clarification where needed.

Findings

ADM completed 878 transactions totaling \$491,486.03 during the review period; we reviewed 260 transactions totaling \$156,697.55. We found that the cardholders are using the Purchase Card in accordance with NRC Purchase Card procedures.

Additional Information

The Office of Management of Budget (OMB) has issued new guidance entitled, "Improving Government Charge Card Management" and released as Appendix B to OMB Circular A-123, Management's Responsibility for Internal Control. A copy of the Circular may be obtained from

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www.omb.gov. The guidance establishes requirements and suggest best practices in areas such as planning, training, risk management, data collection, credit worthiness, and strategic sourcing. In accordance with the OMB Circular A-123, we will be required to obtain a Fair Isaac Corporation (FICO) score to evaluate the credit worthiness of new purchase card holders effective October 1, 2005. This will be accomplished through the Division of Security, Office of Administration.

Beginning October 1, 2005, training for all new cardholders and approving officials, including the new OMB guidance, will be provided on-line at website <http://grape.nrc.gov/readygo/adm/PurchaseCard/index.htm>. The offices will continue to submit their requests to the Director, Division of Contracts, Office of Administration. Upon receipt of the request, the Agency Program Coordinator (APC) will notify the selected employee via e-mail to complete the on-line training and provide a copy of the certificate to the APC. The APC will then provide the delegation of authority memorandum and Purchase Card directly to the selected employee.

Please express my appreciation to your cardholders and approving official for their responsiveness and cooperation during our review.

Addressees

2

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