

October 19, 2005

Mr. Gary T. Engel, Director
Financial Management Assurance
United States Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Mr. Engel:

Thank you for the opportunity to review the United States Government Accountability Office's draft report, *Financial Audit: Restatement to the Nuclear Regulatory Commissions Fiscal Year 2003 Financial Statements*.

I agree with the report's recommendation that the Nuclear Regulatory Commission's Chief Financial Officer determine whether the new fee billing procedures effectively ensure that all eligible licensee fees are recorded and billed. However, to more accurately reflect the actions the Nuclear Regulatory Commission has taken with respect to its fee billing system, I recommend the following change to the first sentence of the last paragraph on page 13 of the draft report:

According to NRC officials, the fee billing system has since been modified ~~so that it now records all billable hours~~ to improve the functionality of the system's interface, and the acceptance testing of fee billing system software modifications has been expanded and is now independently validated and verified.

If you have any questions concerning our response, please contact Mary S. Givvines, Director, Division of Financial Management on (301) 415-7379.

Sincerely,

/RA/

Jesse Funches

cc: Chairman Diaz
Commissioner McGaffigan
Commissioner Merrifield
Commissioner Jaczko
Commissioner Lyons
L. A. Reyes, EDO
M. Malloy, OEDO

October 19, 2005

Mr. Gary T. Engel, Director
Financial Management Assurance
United States Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Mr. Engel:

Thank you for the opportunity to review the United States Government Accountability Office's draft report, *Financial Audit: Restatement to the Nuclear Regulatory Commissions Fiscal Year 2003 Financial Statements*.

I agree with the report's recommendation that the Nuclear Regulatory Commission's Chief Financial Officer determine whether the new fee billing procedures effectively ensure that all eligible licensee fees are recorded and billed. However, to more accurately reflect the actions the Nuclear Regulatory Commission has taken with respect to its fee billing system, I recommend the following change to the first sentence of the last paragraph on page 13 of the draft report:

According to NRC officials, the fee billing system has since been modified so ~~that it now records all billable hours~~ to improve the functionality of the system's interface, and the validation and verification of fee billing system software modifications has been expanded and is now performed by an independent contractor.

If you have any questions concerning our response, please contact Mary S. Givvines, Director, Division of Financial Management on (301) 415-7379.

Sincerely,

/RA/

Jesse Funches

cc: Chairman Diaz
Commissioner McGaffigan
Commissioner Merrifield
Commissioner Jaczko
Commissioner Lyons
L. A. Reyes, EDO
M. Malloy, OEDO

Distribution:

OCFO/DFM RF OCFO RF DFM-5-163 2005-482 EDO R/F OIG R/F
C. Schumm GT20050683

DOCUMENT NAME: E:\Filenet\ML052930040.wpd

ADAMS ☐ Yes ☐ No Initials _____

☐ Publicly Available ☐ Non-Publicly Available ☐ Sensitive ☐ Non-Sensitive

To receive a copy of this document, indicate in the box: "C" = Copy without attachment/enclosure "E" = Copy with attachment/enclosure "N" = No copy

*See Previous Concurrence

OFFICE	OCFO/DFM/FSRT	OCFO/DFS	OCFO/DFM/LFT	OCFO/DFM	DCFO	CFO
NAME	LFleischer*	BGusack	GSPeterson*	MSGivvines*	PJRabideau /RA/	JLFunctiones /RA/
DATE	10/14/05	10/14/05	10/14/05	10/14/05	10/19/05	10/19/05