

March 8, 2006

MEMORANDUM TO: Luis A. Reyes  
Executive Director for Operations

FROM: Stephen D. Dingbaum/RA/  
Assistant Inspector General for Audits

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF  
THE BUDGET FORMULATION PROCESS  
(OIG-05-A-09)

REFERENCES: EXECUTIVE DIRECTOR FOR OPERATIONS  
MEMORANDUM DATED FEBRUARY 24, 2006

Attached is the Office of the Inspector General's analysis and status of recommendations as discussed in the agency's response dated February 24, 2006. Based on this response, recommendation 4 is closed.

If you have any questions or concerns, please call me on 415-5915.

Attachments: As stated

cc: William Dean, OEDO  
Melinda Malloy, OEDO  
Patricia Tressler, OEDO

## **Audit Report**

### **Audit of the Budget Formulation Process (OIG-05-A-09)**

#### **Status of Recommendations**

Recommendation 4: Document the methodology for the common prioritization process for program offices.

**EDO Response**

Dated February 24,  
2006:

I am providing a follow-up to my memorandum dated March 17, 2005, in which I responded to Recommendation 4 of the Office of the Inspector General's (OIG) audit report, "Audit of the Budget Formulation Process," dated February 9, 2005. Recommendation 4 stated, "Document the methodology for the common prioritization process for program offices." Enclosed is a procedure which formally documents guidance to the program offices for implementing the common prioritization process.

The program offices have implemented this procedure for the 2008 Budget process. Additionally, this process was followed during the last budget cycle. The only changes that were incorporated into the final procedure were: (1) The optional tie-breaking methodology was eliminated since it was not used by all programs, and; (2) The goal priority ranking for the waste program was revised to mirror the reactor and materials programs. This closes Recommendation 4 of OIG-05-A-09.

**OIG Analysis:**

OIG reviewed and evaluated the document titled "Program Office Common Prioritization Procedures for Prioritizing Program and Stakeholder Office Planned Activities for the Reactor Safety and the Materials and Waste Safety Programs in the PBPM Process." OIG determined that the procedures document the methodology for the common prioritization process for program offices. This recommendation is therefore closed.

**Status:**

Closed.