

March 2, 2006

MEMORANDUM TO: Jesse L. Funches  
Chief Financial Officer

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

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF THE  
NUCLEAR REGULATORY COMMISSION'S  
FY 2002 FINANCIAL STATEMENTS (OIG-03-A-04)

REFERENCE: ASSISTANT INSPECTOR GENERAL FOR AUDITS  
MEMORANDUM DATED DECEMBER 8, 2004

Attached is the Office of the Inspector General's analysis and status of recommendation 3 from the audit of NRC's FY 2002 Financial Statements. Based on the issuance of Management Directive 4.1, recommendation 3 is now closed. All recommendations related to this report are now closed.

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

Attachment: As stated

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

## **Audit Report**

### **Audit of the Nuclear Regulatory Commission's FY 2002 Financial Statements (OIG-03-A-04)**

#### **Status of Recommendations**

<u>Recommendation 3:</u>	The CFO should implement policy and procedures to independently determine project status for software capitalization purposes. Use of a project tracking mechanism or regular access to project status reports would enhance the awareness of projects and enable OCFO to improve monitoring activities. This process would enable OCFO to compare those activities to the time and cost being capitalized in the agency's records.
OIG Analysis:	In correspondence dated December 8, 2004, OIG indicated that this recommendation would be closed upon issuance of Management Directive 4.1. The agency issued Management Directive 4.1 in September 2005. Accordingly, this recommendation is closed.
Status:	Closed.