

March 16, 2006

MEMORANDUM TO: Jesse L. Funches
Chief Financial Officer

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

SUBJECT: STATUS OF RECOMMENDATIONS: GOVERNMENT
PERFORMANCE AND RESULTS ACT: REVIEW OF
FY 1999 PERFORMANCE REPORT (OIG-01-A-03)

REFERENCE: DEPUTY CHIEF FINANCIAL OFFICER
MEMORANDUM DATED MARCH 7, 2006

Attached is the Office of the Inspector General (OIG) analysis and status of the recommendations as discussed in the agency's response dated March 7, 2006. Based on this response, recommendations 1 and 3 remain resolved. Recommendation 2 was previously closed. Please provide an updated status of the resolved recommendations by October 31, 2006.

If you have questions or concerns, please call me at 415-5915 or Steven Zane at 415-5912.

Attachment: As stated

cc: W. Dean, OEDO
M. Malloy, OEDO
P. Tressler, OEDO

Audit Report

Government Performance and Results Act: Review of FY 1999 Performance Report

OIG-01-A-03

Status of Recommendations

Recommendation 1: Develop an NRC Management Directive to provide the management controls needed to ensure that NRC produces credible GPRA documents.

Response dated
March 7, 2006:

As described on page 197 of the NRC's FY 2005 Performance and Accountability Report, interim guidance for performance management and reporting performance information was issued in July 2001. In July 2002, a new Management Directive and Handbook 4.8, Performance Measurements, was issued for intra-agency review and comment. It was subsequently decided that performance measurement should be addressed in the broader context of budget and performance integration. Therefore, Management Directive 4.8 is being incorporated into a revised Management Directive and Handbook 4.7, Planning, Budgeting, and Performance Management (MD 4.7). The revised MD 4.7 will clarify the roles and responsibilities in setting the agency's strategic direction, determining planned activities and resources, measuring and monitoring performance, and assessing performance. The revised MD 4.7 is scheduled to be issued for intra-agency review and comment in March 2006, and finalized in September 2006. Issuance of this management directive and handbook will complete agency actions on the Office of the Inspector General's recommendations from this audit.

OIG Analysis: The corrective action stated addresses the intent of our recommendation. Upon receipt and review of the final NRC Management Directive 4.7, OIG will determine whether this recommendation can be closed.

Status: Resolved.

Audit Report

Government Performance and Results Act: Review of FY 1999 Performance Report

OIG-01-A-03

Status of Recommendations

<u>Recommendation 3:</u>	Include guidance on reporting unmet goals in both the Management Directive and the interim policy guidance on implementing GPRA initiatives.
Response dated March 7, 2006:	As described on page 197 of the NRC's FY 2005 Performance and Accountability Report, interim guidance for performance management and reporting performance information was issued in July 2001. In July 2002, a new Management Directive and Handbook 4.8, Performance Measurements, was issued for intra-agency review and comment. It was subsequently decided that performance measurement should be addressed in the broader context of budget and performance integration. Therefore, Management Directive 4.8 is being incorporated into a revised Management Directive and Handbook 4.7, Planning, Budgeting, and Performance Management (MD 4.7). The revised MD 4.7 will clarify the roles and responsibilities in setting the agency's strategic direction, determining planned activities and resources, measuring and monitoring performance, and assessing performance. The revised MD 4.7 is scheduled to be issued for intra-agency review and comment in March 2006, and finalized in September 2006. Issuance of this management directive and handbook will complete agency actions on the Office of the Inspector General's recommendations from this audit.
OIG Analysis:	The corrective action stated addresses the intent of our recommendation. Upon receipt and review of the final NRC Management Directive 4.7, OIG will determine whether this recommendation can be closed.
Status:	Resolved.