

EDO Principal Correspondence Control

FROM: DUE: 02/15/12

EDO CONTROL: G20110588

DOC DT: 08/08/11

FINAL REPLY:

Stephen D. Dingbaum, OIG

TO:

Borchardt, EDO

FOR SIGNATURE OF :

\*\* GRN \*\*

CRC NO:

Greene, ADM

DESC:

ROUTING:

Status of Recommendations: Audit of NRC's  
Purchase Card Program (OIG-11-A-13)  
(EDATS: OEDO-2011-0552)

Borchardt  
Weber  
Virgilio  
Ash  
Mamish  
OGC/GC  
Arildsen, OEDO

DATE: 08/08/11

ASSIGNED TO:

CONTACT:

ADM

Greene

SPECIAL INSTRUCTIONS OR REMARKS:

Please provide a complete response to Stephen D. Dingbaum, OIG addressing ALL resolved recommendations. Be sure to include the target completion date and identify the current point-of-contact for each recommendation. Forward final memo via email (Forward as Attachment) to Judy Gordon, Stephen Dingbaum, Steven Zane and RidsEdoMailCenter by February 15, 2012. If applicable, be sure to attach in email any Enclosures to the response. See additional instructions attached.

Template: EDO-001

E-RIDS: EDO-01

# EDATS

Electronic Document and Action Tracking System

**EDATS Number:** OEDO-2011-0552

**Source:** OEDO

## General Information

**Assigned To:** ADM

**OEDO Due Date:** 2/15/2012 11:00 PM

**Other Assignees:**

**SECY Due Date:** NONE

**Subject:** Status of Recommendations: Audit of NRC's Purchase Card Program (OIG-11-A-13)

**Description:**

**CC Routing:** NONE

**ADAMS Accession Numbers - Incoming:** NONE

**Response/Package:** NONE

## Other Information

**Cross Reference Number:** G20110588, OIG-11-A-13

**Staff Initiated:** NO

**Related Task:**

**Recurring Item:** NO

**File Routing:** EDATS

**Agency Lesson Learned:** NO

**OEDO Monthly Report Item:** NO

## Process Information

**Action Type:** Memo

**Priority:** Medium

**Signature Level:** ADM

**Sensitivity:** None

**Urgency:** NO

**Approval Level:** No Approval Required

**OEDO Concurrence:** NO

**OCM Concurrence:** NO

**OCA Concurrence:** NO

**Special Instructions:** Please provide a complete response to Stephen D. Dingbaum, OIG addressing ALL resolved recommendations. Be sure to include the target completion date and identify the current point-of-contact for each recommendation. Forward final memo via email (Forward as Attachment) to Judy Gordon, Stephen Dingbaum, Steven Zane and RidsEdoMailCenter by February 15, 2012. If applicable, be sure to attach in email any Enclosures to the response. See additional instructions attached.

## Document Information

**Originator Name:** Stephen D. Dingbaum

**Date of Incoming:** 8/8/2011

**Originating Organization:** OIP

**Document Received by OEDO Date:** 8/8/2011

**Addressee:** R. W. Borchardt, EDO

**Date Response Requested by Originator:** 2/15/2011

**Incoming Task Received:** Memo



**UNITED STATES**  
**NUCLEAR REGULATORY COMMISSION**  
WASHINGTON, D.C. 20555-0001

OFFICE OF THE  
INSPECTOR GENERAL

August 8, 2011

MEMORANDUM TO: R. W. Borchardt  
Executive Director for Operations

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

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF NRC's  
PURCHASE CARD PROGRAM (OIG-11-A-13)

REFERENCE: DEPUTY EXECUTIVE DIRECTOR FOR CORPORATE  
MANAGEMENT MEMORANDUM DATED  
JULY 6, 2011

Attached is the Office of the Inspector General's (OIG) analysis and status of the recommendations as discussed in the agency's response dated July 6, 2011. Based on this response, recommendations 1 through 6 are in resolved status. Please provide an updated status on the resolved recommendations by February 15, 2012.

If you have any questions or concerns, please call me at 415-5915 or Kathleen Stetson, Team Leader, at 415-8175.

Attachment: As stated

cc: D. Ash, OEDO  
N. Mamish, OEDO  
J. Andersen, OEDO  
J. Arildsen, OEDO  
C. Jaegers, OEDO

## **Audit Report**

### **AUDIT OF NRC'S PURCHASE CARD PROGRAM**

**OIG-11-A-13**

#### **Status of Recommendations**

**Recommendation 1:**

Issue periodic reminders to cardholders and approving officials to reiterate the requirements for closing accounts, tagging property, and increasing spending limits.

**Agency Response**

**Dated July 6, 2011:**

Agree. The Division of Contracts (DC) will send semi-annually a periodic reminder via e-mail to purchase cardholders and approving officials to raise awareness of the procedures for closing accounts, tagging property, and increasing spending limits, as well as any emergent topics.

**Targeted Completion Date:** July 29, 2011

**OIG Analysis:**

The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and reviews a copy of the first two periodic reminders to cardholders and approving officials reiterating the requirements for closing accounts, tagging property, and increasing spending limits.

**Status:**

Resolved.

## **Audit Report**

### **AUDIT OF NRC'S PURCHASE CARD PROGRAM**

**OIG-11-A-13**

#### **Status of Recommendations**

**Recommendation 2:**

Update the NRC Purchase Card Handbook to include more clear examples of split transactions and a detailed definition and examples of miscellaneous expenses in the discussion of convenience checks.

**Agency Response  
Dated July 6, 2011:**

Agree, in part. DC will revise the NRC Purchase Card Handbook to include more clear examples of split transactions and emphasize the need for strict compliance. The term "miscellaneous expense" is Citibank's banking term associated with all convenience check transactions. The term serves no purpose in the Handbook and, therefore, will be deleted. An explanation of the authorized use of convenience checks will be updated to match the criteria authorized in Office of Management and Budget (OMB) Circular A-123, Appendix B.

The updated Handbook will be sent to all purchase cardholders and approving officials, and will also be posted on DC's SharePoint site.

**Targeted Completion Date:** January 31, 2012

**OIG Analysis:**

The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and reviews a copy of the updated NRC Purchase Card Handbook that includes the new examples of split transactions as well as the deletion of the term "miscellaneous expense."

**Status:**

**Resolved.**

## **Audit Report**

### **AUDIT OF NRC'S PURCHASE CARD PROGRAM**

**OIG-11-A-13**

#### **Status of Recommendations**

<u>Recommendation 3:</u>	Revise the purchase card training course to incorporate more clear examples of split transactions and a detailed definition and examples of miscellaneous expenses in the discussion of convenience checks.
Agency Response Dated July 6, 2011:	Agree, in part. Both initial purchase card training and refresher training will be revised to incorporate clear examples of split transactions, as well as a clear discussion regarding the authorized use of convenience checks. Because the term "miscellaneous expense" serves no purpose, training will instead incorporate the criteria for authorized convenience check use based on OMB Circular A-123, Appendix B.  Targeted Completion Date: April 30, 2012
OIG Analysis:	The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and reviews a copy of the revised information for the purchase card training courses that includes more clear examples of split transactions and the deletion of the term "miscellaneous expense."
Status:	Resolved.

## **Audit Report**

### **AUDIT OF NRC'S PURCHASE CARD PROGRAM**

**OIG-11-A-13**

#### **Status of Recommendations**

**Recommendation 4:**

Document procedures requiring (1) the continuous monitoring of NRC purchase card transactions to assess whether split transactions are occurring and convenience checks are being used improperly and (2) follow up with NRC offices that are not following the agency's requirements.

**Agency Response**

**Dated July 6, 2011:**

Agree. DC will develop desk procedures which document its current process for continuous monitoring of NRC's purchase card transactions in Citibank's Card Management System to assess whether split transactions are occurring and convenience checks are being used improperly. The requirement for follow-up with NRC offices that are not complying with the agency's requirements will be incorporated in the desk procedures.

**Targeted Completion Date:** August 31, 2012

**OIG Analysis:**

The proposed corrective action addresses the intent of this recommendation; however, the planned completion date does not conform to the requirements stated in a February 1996 amendment to the IG Act of 1978. The Section titled "Prompt Management Decisions and Implementation of Audit Recommendations" states the following: "the head of a Federal agency shall complete final action on each management decision required with regard to a recommendation in an inspector general's report . . . within 12 months after the date of the inspector general's report."

Based on the referenced requirements of the IG Act, the agency's planned corrective actions should be fully implemented by June 2012.

**Status:**

**Resolved.**

## **Audit Report**

### **AUDIT OF NRC'S PURCHASE CARD PROGRAM**

**OIG-11-A-13**

#### **Status of Recommendations**

<u>Recommendation 5:</u>	Develop desk procedures for agency Purchase Card Program management to ensure complete records of purchase cardholder and designated check writer information.
Agency Response Dated July 6, 2011:	Agree. DC will develop desk procedures which will include the roles and responsibilities of the Agency Program Coordinator (APC), and procedures for adding and deleting cardholders and check writers.
	Targeted Completion Date: August 31, 2012
OIG Analysis:	<p>The proposed corrective action addresses the intent of this recommendation; however, the planned completion date does not conform to the requirements stated in a February 1996 amendment to the IG Act of 1978. The Section titled "Prompt Management Decisions and Implementation of Audit Recommendations" states the following: "the head of a Federal agency shall complete final action on each management decision required with regard to a recommendation in an inspector general's report . . . within 12 months after the date of the inspector general's report."</p> <p>Based on the referenced requirements of the IG Act, the agency's planned corrective actions should be fully implemented by June 2012.</p>
Status:	Resolved.



## **Audit Report**

### **AUDIT OF NRC'S PURCHASE CARD PROGRAM**

**OIG-11-A-13**

#### **Status of Recommendations**

**Recommendation 6:**

Document periodic reconciliations of Citibank active accounts and NRC's master file on official cardholder records.

**Agency Response  
Dated July 6, 2011:**

Agree. DC will develop desk procedures for the APC to include instructions for documenting the periodic reconciliations of cardholder accounts between Citibank and NRC. Documentation of these reconciliations will be maintained by the APC.

Targeted Completion Date: August 31, 2012

**OIG Analysis:**

The proposed corrective action addresses the intent of this recommendation; however, the planned completion date does not conform to the requirements stated in a February 1996 amendment to the IG Act of 1978. The Section titled "Prompt Management Decisions and Implementation of Audit Recommendations" states the following: "the head of a Federal agency shall complete final action on each management decision required with regard to a recommendation in an inspector general's report . . . within 12 months after the date of the inspector general's report."

Based on the referenced requirements of the IG Act, the agency's planned corrective actions should be fully implemented by June 2012.

**Status:**

Resolved.

## **Additional Instructions to Action Offices/Regions on Responding to OIG Requests for Status Updates for OIG Report Recommendations**

The action Offices/Region should provide a memorandum addressed to the Assistant Inspector General for Audits (AIGA) signed by the Office Director or Regional Administrator. The response should provide the status of each recommendation in the associated OIG audit report.

The memorandum should provide updated status for the OIG report recommendations by the date specified. An extension will not be granted since the memorandum is requesting a status of the recommendation(s), not the completion of the recommendation(s).

Please ensure the updated status memorandum addresses all “resolved” and “unresolved” recommendations and include for each recommendation separately:

- (a) the recommendation by number, repeating its text verbatim,
- (b) a response that describes under each recommendation the action(s) needed for closure,
- (c) the target completion date for the action(s), and
- (d) the identification of the current point-of-contact.

When appropriate, ensure applicable document(s) to support OIG closure of recommendation(s) are attached as Enclosures and/or provide an ADAMS accession number with viewer rights. Be sure to include the audit number, for example: OIG-11-A-01, and task number(s) to the case reference field in the ADAMS profile.

Forward the memorandum to OIG via email, as described in the Special Instructions or Remarks in the associated action item ticket.

Please note that status update memoranda that are in response to publically available OIG audit report recommendations should be profiled in ADAMS to be publically available, and the memorandum should not be marked to the contrary.