

February 7, 2012

MEMORANDUM TO: Stephen D. Dingbaum
Assistant Inspector General for Audits
Office of the Inspector General

FROM: Kathryn O. Greene, Director */RA/*
Office of Administration

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF U.S. NUCLEAR
REGULATORY COMMISSION'S PURCHASE CARD PROGRAM
(OIG-11-A-13)

The following provides a response to Recommendations 1 through 6 as contained in the subject audit report. The Point of Contact for each of these recommendations is Betty Freeman.

Recommendation 1:

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

Response:

The Division of Contracts (DC) has and will continue to provide periodic e-mail guidance to agency purchase cardholders and their approving officials to address a wide range of issues, including those not specified in Recommendation 1. Topics have included: (1) notifications of mandatory guidelines governing use of the Federal Strategic Sourcing Initiative's office supply blanket purchase agreements to purchase office supplies and toner; and (2) reminders for cardholders to fill in the description field when filing information related to their bank card obligations. Also, future periodic reminders will be posted on DC's Contracting Officer Representative (COR) Site "The CORner." Copies of the last two periodic reminders may be referenced under ADAMS Accessions ML12033A045 and ML12033A047. The Office of Administration (ADM) requests this recommendation be closed.

Recommendation 2:

Update the NRC [U.S. Nuclear Regulatory Commission] 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.

CONTACT: Betty Freeman, ADM/DC
301-492-3631

Response:

DC has revised the NRC Purchase Handbook to address the issues in Recommendations 1 and 2. The term "miscellaneous expense" has been deleted from the Handbook. The revised enclosed Handbook was transmitted to all purchase cardholders and approving officials on January 31, 2012. ADM requests this recommendation be closed.

Recommendation 3:

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.

Response:

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. As indicated in Recommendation 2 above, reference to "miscellaneous expenses" has been deleted from the Handbook and, therefore, will not be incorporated into the training. The revised training remains on schedule to be offered beginning on April 30, 2012.

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.

Response:

DC will develop desk procedures that document its current process for continuous monitoring of the NRC's purchase card transactions and Citibank's Card Management System to assess whether employees are making split transactions or using convenience checks improperly. The desk procedures will incorporate the requirement for follow-up with NRC offices that are not complying with the agency's requirements. The completion date for developing desk procedures has been accelerated to May 31, 2012.

Recommendation 5:

Develop desk procedures for agency Purchase Card Program management to ensure complete records of purchase cardholder and designated check writer information.

Response:

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. The completion date for developing desk procedures has been accelerated to May 31, 2012.

Recommendation 6:

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

Response:

DC will develop desk procedures for the APC that will include instructions for documenting the periodic reconciliations of Citibank and NRC records of cardholder accounts. The APC will maintain the documentation of these reconciliations. The completion date for developing desk procedures has been accelerated to May 31, 2012.

Enclosure:

As stated

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Enclosure:

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