

EDO Principal Correspondence Control

FROM: DUE: 06/15/12 EDO CONTROL: G20120165
DOC DT: 03/08/12
FINAL REPLY:

Stephen D. Dingbaum, OIG

TO:

Borchardt

FOR SIGNATURE OF : ** GRN ** CRC NO:

Greene, ADM

DESC:

ROUTING:

Status of Recommendations: Audit of the Nuclear
Regulatory Commission's Purchase Card Program
(OIG-11-A-13) (EDATS: OEDO-2012-0139)

Borchardt
Weber
Virgilio
Ash
Mamish
OGC/GC
Arildsen, OEDO

DATE: 03/08/12

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, cc: Stephen Dingbaum, Steven Zane and
the RidsEdoMailCenter by June 15, 2012. If
applicable, be sure to attach in email any
Enclosures to the response. See additional
instructions attached.

TEMPLATE: OEDO-001

E-RIDS OEDO-01

EDATS

Electronic Document and Action Tracking System

EDATS Number: OEDO-2012-0139

Source: OEDO

General Information

Assigned To: ADM

OEDO Due Date: 6/15/2012 11:00 PM

Other Assignees:

SECY Due Date: NONE

Subject: Status of Recommendations: Audit of the Nuclear Regulatory Commission'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: G20120165, 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

Sensitivity: None

Signature Level: ADM

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, cc: Stephen Dingbaum, Steven Zane and the RidsEdoMaiCenter by June 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: 3/8/2012

Originating Organization: OIG

Document Received by OEDO Date: 3/8/2012

Addressee: R. W. Borchardt, EDO

Date Response Requested by Originator: 6/15/2012

Incoming Task Received: Memo



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

OFFICE OF THE
INSPECTOR GENERAL

March 8, 2012

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: DIRECTOR, OFFICE OF ADMINISTRATION,
MEMORANDUM DATED FEBRUARY 7, 2012

Attached is the Office of the Inspector General's (OIG) analysis and status of the recommendations as discussed in the agency's response dated February 7, 2012. Based on this response, recommendation 2 is now closed. Recommendations 1, 3, 4, 5, and 6 remain in resolved status. Please provide an updated status on the resolved recommendations by June 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
K. Brock, OEDO
J. Arildsen, OEDO
C. Jaegers, OEDO

Audit Report

AUDIT OF NRC'S PURCHASE CARD PROGRAM

OIG-11-A-13

Status of Recommendations

<u>Recommendation 1:</u>	Issue periodic reminders to cardholders and approving officials to reiterate the requirements for closing accounts, tagging property, and increasing spending limits.
Agency Response Dated February 7, 2012:	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.
OIG Analysis:	The proposed corrective action addresses the intent of OIG's recommendation. The second attachment ADAMS Accession provided (ML12033A047) was a reminder issued prior to the completion of this audit. OIG agrees that the periodic reminders can cover a wide range of issues, including other issues not specified in this recommendation. However, at a minimum, the periodic reminders should reiterate the requirements for closing accounts, tagging property, and increasing spending limits. This recommendation will be closed when OIG receives and reviews a copy of 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 February 7, 2012:

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.

OIG Analysis:

The agency's revision of the NRC Purchase Card Handbook satisfies the intent of this recommendation. Therefore, recommendation 2 is now closed.

Status:

Closed.

Audit Report

AUDIT OF NRC'S PURCHASE CARD PROGRAM

OIG-11-A-13

Status of Recommendations

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.

Agency Response

Dated February 7, 2012: 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.

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 course 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

<u>Recommendation 4:</u>	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 February 7, 2012:	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.
OIG Analysis:	The proposed corrective action addresses the intent of this recommendation. This recommendation will be closed when OIG receives and reviews a copy of the desk procedures that document (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.
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 February 7, 2012:	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.
OIG Analysis:	The proposed corrective action addresses the intent of this recommendation. This recommendation will be closed when OIG receives and reviews a copy of the desk procedures for agency Purchase Card Program management to ensure complete records of purchase cardholder and designated check writer information.
Status:	Resolved.

Audit Report

AUDIT OF NRC'S PURCHASE CARD PROGRAM

OIG-11-A-13

Status of Recommendations

<u>Recommendation 6:</u>	Document periodic reconciliations of Citibank active accounts and NRC's master file on official cardholder records.
Agency Response Dated February 7, 2012:	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.
OIG Analysis:	The proposed corrective action addresses the intent of this recommendation. This recommendation will be closed when OIG receives and reviews: (1) a copy of the procedures that demonstrate how the APC will document periodic reconciliations of Citibank active accounts and NRC's master file on official cardholder records; and (2) documentation demonstrating these periodic reconciliations.
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.