



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

September 10, 2012

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

FROM: Margaret M. Doane, Director *Margaret M. Doane*
Office of International Programs

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF THE
U.S. NUCLEAR REGULATORY COMMISSION'S
MANAGEMENT OF IMPORT/EXPORT
AUTHORIZATIONS (OIG-12-A-13) (EDATS:
OEDO-2012-0366)

This memorandum responds to the June 21, 2012, memorandum requesting an updated status on the resolved recommendations 1 through 6. With respect to your specific recommendations, I submit the following:

Recommendation 1

Develop, document, and implement a systematic biennial fee review process.

Status

The Office of International Programs (OIP) drafted OIP Office Procedure LIC-05 – Biennial Fee Assessment Procedure, Revision 0 (Enclosure 1) which establishes the standards for administrative and technical evaluation and outlines staff responsibilities, for analysis and assessment of fees associated with Title 10 of the Code of Federal Regulations (10 CFR) Part 110 export/import license applications.

Target Completion Date: Completed.

Recommendation 2

Develop program office Technical Assignment Controls (TAC) to specifically support export/import fee billable licensing activities in all offices which have a role in this licensing process.

Status

OIP staff worked with program office personnel and determined that the desired process is for support offices to utilize the same existing TACs that OIP Licensing Officers use in conducting

reviews of license applications. In a memorandum dated July 25, 2012 (Enclosure 2), OIP captured this understanding for program office staff to begin using these TACs effective August 1, 2012.

Target Completion Date: Completed.

Recommendation 3

Develop one or more export/import licensing-related performance evaluation metric(s) related to revenue reconciliation.

Response

OIP will expand the Operation Plan to include a metric that is updated quarterly and related to export/import licensing revenue reconciliation based on reports independently verified by the Office of the Chief Financial Officer (OCFO).

Target completion date: September 28, 2012.

Recommendation 4

Develop policies and procedures related to fee revenue which include effective internal control. Specifically:

- Separation of duties related to fee revenue handling.
- Monthly reconciliations of receipts to deposits.
- Routine management review of fee revenue reconciliations.

Response

OIP plans to develop a fee revenue management procedure to identify export/import license fee policies and processes, which incorporates the noted internal control aspects. OIP intends to incorporate and manage the revised document in accordance with the OIP Procedure Management Program.

Target completion date: April 20, 2013.

Recommendation 5

Review and reconcile prior fee revenue receipts to licensing actions completed for which a fee was owed from 2008 – 2011 to verify that all revenue for export/import licenses has been collected and deposited.

Response

OIP, in coordination with OCFO, will identify all of the payments received from 2008-2011 and will use that information to reconcile with completed licensing actions. This cross-check exercise will pinpoint licensing actions completed during that timeframe in which payment was not received

and/or processed. OCFO will then communicate with the undercharged licensees to retroactively collect payment.

Target completion date: April 20, 2013.

Recommendation 6

Document applicability or non-applicability of all steps on all checklists and the dates the steps were completed.

Status

The OIG Analysis in "Status of Recommendations" stated that the revised checklists have been accepted with the exception of the Appendix P checklist because the steps applicable to the *Federal Register* notice were missing. The type of export license applications that must be published in the *Federal Register* are set forth in 10 CFR 110.70(b) and the regulations do not require Appendix P applications to be published in the *Federal Register*.

Target completion date: Completed.

Recommendation 7

Require that management document review and certification of license application file completeness before issuing an export/import license.

Status

Closed.

If you have any questions please contact Brooke G. Smith of my staff at 301-415-2347 or via e-mail to brooke.smith@nrc.gov.

Enclosures:

1. OIP Office Procedure LIC-05 – Biennial Fee Assessment Procedure, Revision 0
2. July 25, 2012, Memorandum re: Technical Assignment Control Number Changes in Support of Export/Import Licensing Actions

cc: Chairman McFarlane
Commissioner Svinicki
Commissioner Apostolakis
Commissioner Magwood
Commissioner Ostendorff
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