



## **CHARTER**

### **PROGRAMMATIC SENIOR ASSESSMENT TEAM**

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## I. MISSION

The Programmatic Senior Assessment Team (PSAT) is an Internal Control (IC) governance body to ensure that the U.S. Nuclear Regulatory Commission (NRC) program managers and staff are accountable for meeting their responsibility for adhering to IC in accordance with the *Federal Managers' Financial Integrity Act* (FMFIA or the Integrity Act), its implementing guidance in U.S. Office of Management and Budget (OMB) Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, and U.S. Government Accountability Office (GAO) *Standards for Internal Control in the Federal Government* (Green Book).

The PSAT:

- Directs the assessment of IC over program operations as stated in Management Directive (MD) 4.4, Internal Control;
- Elevates any significant IC or risk management issue from the business/product line level to the enterprise-wide level at the Quarterly Performance Review (QPR) meeting; and
- Provides oversight and guidance to NRC's programmatic IC program in collaboration with the Executive Director for Operations (EDO), Chief Financial Officer (CFO), and the Executive Committee on Internal Control (ECIC).

## II. GOVERNANCE STRUCTURE

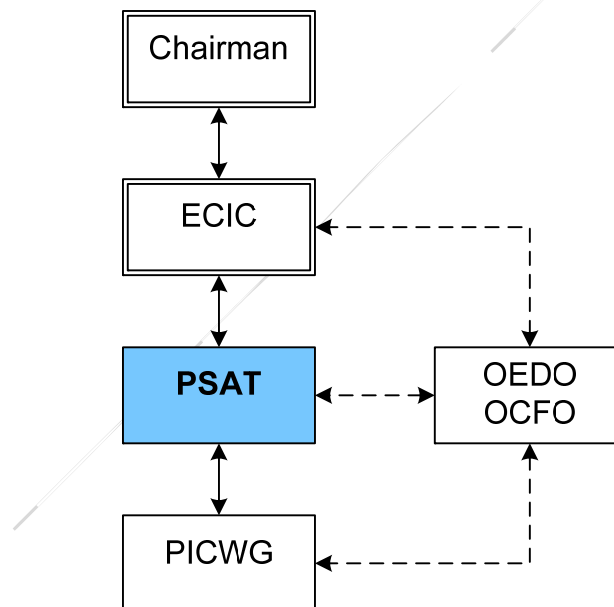


Figure 1, NRC Internal Control Governance Structure

- The ECIC is the executive body that advises the Chairman on whether there are any IC deficiencies that are serious enough to report as material weaknesses to the President and the Congress. The ECIC is comprised of the EDO (Chair), CFO (Co-Chair), Deputy EDOs, Assistant for Operations, and two advisory members, the Inspector General and General Counsel.

- The PSAT directs the assessment of IC over program operations. The PSAT is comprised of Office Directors for lead offices who certify reasonable assurance for business/product lines.
- The Programmatic Internal Control Working Group (PICWG) supports the PSAT and coordinates efforts to develop, analyze, communicate, and implement programmatic IC across the business/product lines ([ADAMS ML12131A380](#)).
- The programmatic IC program is jointly managed by the Office of the Executive Director for Operations (OEDO) and the Office of the Chief Financial Officer (OCFO). The OCFO staff are responsible for working with the PICWG, business/product line leads, and partner offices to support the overall risk assessment and reasonable assurance process.

### III. MEMBERSHIP

The PSAT membership comprises the EDO and Office Directors for lead offices who certify reasonable assurance for business/product lines. See Appendix A for a list of Memoranda of Understanding (MOUs) regarding Programmatic IC and Reasonable Assurance roles and responsibilities. The membership is as follows:

PSAT Members	Business Line / Product Line
Executive Director for Operations (EDO), Chair	
Chief Financial Officer (CFO), Co-chair	Financial Management, Policy Support
Office Director, Office of Nuclear Reactor Regulation (NRR)	Operating Reactors
Office Director, Office of New Reactors (NRO)	New Reactors
Office Director, Office of Nuclear Materials Safety and Safeguards (NMSS)	Fuel Facilities, Spent Fuel Storage and Transportation, Nuclear Materials Users, Decommissioning and Low-Level Waste, High-Level Waste
Office Director, Office of Small Business and Civil Rights (SBCR)	Outreach
Chief Information Officer (OCIO)	Information Technology, Information Management
Chief Human Capital Officer (CHCO)	Human Resources Management, Training
Office Director, Office of Administration (ADM)	Administrative Services, Acquisitions
Performance Improvement Officer (PIO) (Assistant for Operations, Office of the Executive Director for Operations)	

Figure 2, PSAT Membership

#### IV. ROLES AND RESPONSIBILITIES

The PSAT will be responsible to:

Continue to provide management oversight for reasonable assurance of IC:

- Ensure that programmatic IC meets the requirements of FMFIA, its implementing guidance in OMB Circular A-123, and the GAO Green Book.
- Ensure that programmatic IC's purpose and requirements are clearly communicated throughout the agency.
- Maintain MOUs regarding Programmatic IC and Reasonable Assurance roles and responsibilities. See Appendix A for a list of IC MOUs by business/product line.
- Certify reasonable assurance for their respective business/product line.
- Summarize significant deficiencies that the ECIC should consider, if any. For OMB's definitions and reporting requirements for deficiencies, see [OMB A-123, Section VI, Exhibit 1, Summary of A-123 Reporting Requirements](#).
- Work with the OCFO in support of the overall risk assessment and reasonable assurance process.

Continue to direct assessments and maintain the business/product line IC Plan:

- Ensure that programmatic IC planning is consistent with the annual focus areas as decided by the ECIC at its annual meeting and the annual report, "Inspector General's Assessment of the most Serious Management and Performance Challenges Facing the NRC."
- Approve and monitor programmatic IC assessment methodology and documentation (including to use existing assessment and reporting procedures that are part of the agency's regulatory programs and internal management) and ensure that assessments are carried out in a thorough, effective, and timely manner.
- Monitor corrective actions as part of the IC Plan and IC-related activities, including the Agency Action Review Meeting ([MD 8.14, Agency Action Review Meeting](#)) and the Lessons-Learned Program ([MD 6.8, Lessons-Learned Program](#)).
- Approve and monitor the IC Plan for their respective business/product line.

Incorporate as part of the QPR process:

- Elevate any significant IC or risk management issue from the business/product line level to the enterprise-wide level. As a team, prioritize enterprise-wide risk based on likelihood of occurrence and impact to program operations.
- Identify emerging risks and concentrations of risk that should be assessed.
- Ensure that adequate resources are available for programmatic IC activities.
- Implement direction from the ECIC.
- Task the PICWG, as appropriate (e.g., to analyze results of testing controls, review assessment reports, and summarize any deficiencies identified for the PICWG member's respective business/product line).

Provide training:

- Ensure that program managers and staff are knowledgeable of their responsibility for adhering to IC and how programmatic IC activities are carried out at NRC as a part of day-to-day activities. The OCFO will support the PSAT in developing and implementing IC training.

## **V. OPERATING PROCEDURES**

The PSAT will leverage the existing QPR process to preclude the need to develop a separate process and meeting. The PSAT will convene as part of the QPR meeting for Fiscal Year (FY) 2017, Quarter 1, and remain active indefinitely. The OEDO performance management guidance will provide implementation details on an annual basis.

The PSAT can hold additional meetings as needed.

## **VI. MEETING SUMMARIES**

PSAT meetings will be documented as part of the QPR reports. The OEDO performance management guidance will provide a template for the report. The QPR meeting summary will record action items.

If an additional PSAT meeting is held, then it will be documented in a separate meeting summary.

**APPENDIX A**

**List of Memoranda of Understanding  
Regarding Programmatic Internal Control and Reasonable Assurance**

1. Operating Reactors Business Line (BL) (ML14251A052)
2. New Reactors BL (ML14251A053)
3. Fuel Facilities BL (ML14251A054)
4. Spent Fuel Storage and Transportation BL (ML14251A049)
5. Nuclear Materials Users BL (ML14251A051)
6. Decommissioning and Low-Level Waste BL (ML14251A050)
7. High-Level Waste BL (ML15187A155)
8. Financial Management Product Line (PL) (ML14197A051)
9. Outreach PL (ML14197A060)
10. Information Technology/Information Management PLs (ML14197A043)
11. Human Resources Management PL (ML14196A090)
12. Administrative Services PL (ML14197A046)
13. Acquisitions PL (ML14196A096)

Note: There are no MOUs for the Training PL and Policy Support PL.

## **APPENDIX B**

### **Internal Control Requirements and Guidance**

- [Federal Managers' Financial Integrity Act \(FMFIA or the Integrity Act\)](#)
- [OMB Circular A-123, Management's Responsibility for Internal Control](#)
- [GAO Standards for Internal Control in the Federal Government \(Green Book\)](#)
- [Management Directive 4.4, Internal Control](#)
- Annual Programmatic Internal Control and Reasonable Assurance Guidance issued by the EDO and CFO (FY 2016, [ADAMS ML16035A348](#))