



OFFICE OF THE
INSPECTOR GENERAL

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

September 25, 2018

MEMORANDUM TO: Margaret M. Doane
Executive Director for Operations

Maureen E. Wylie
Chief Financial Officer

FROM: Dr. Brett M. Baker */RA/*
Assistant Inspector General for Audits

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF THE U.S.
NUCLEAR REGULATORY COMMISSION'S CONTRACT
ADMINISTRATION PROCESS (OIG-17-A-20)

REFERENCE: OFFICE OF ADMINISTRATION'S MEMORANDUM DATED
AUGUST 15, 2018

Attached is the Office of the Inspector General's (OIG) analysis and status of the recommendations as discussed in the agency's response dated August 15, 2018. Based on this response, recommendations 1 and 3 are resolved. Recommendation 2 was previously closed. Please provide a status update on the resolved recommendation by December 30, 2018.

If you have questions or concerns, please call me at (301) 415-5915 or Eric Rivera, Team Leader, at (301) 415-7032.

Attachments: As stated

cc: R. Lewis, OEDO
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Audit Report

AUDIT OF THE U.S. NUCLEAR REGULATORY COMMISSION'S CONTRACT ADMINISTRATION PROCESS

OIG-17-A-20

Status of Recommendations

Recommendation 1: Develop and implement a system that centralizes the management of contractor provided invoices and supporting documentation.

Agency Response Dated
August 15, 2018:

Status: Ongoing. The Invoice Processing Platform (IPP) has been implemented to the maximum extent possible given its current functionality. IPP does not have the ability to process invoices for contract types that may have a holdback associated with them, such as cost-plus-fixed-fee contracts. The NRC continues to work closely with the Department of Treasury to determine what options are available for inclusion of cost-plus-fixed-fee contracts in IPP. The target completion date is being extended in order to allow time for IPP to be updated to accept invoices for cost-plus-fixed-fee contracts. Invoices associated with other contract types are being processed using IPP.

Target Completion Date: June 30, 2019.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. OIG will close this recommendation after verifying that the IPP roll out is complete for all invoice types and corresponding training has been implemented.

Status: Resolved.

Audit Report

AUDIT OF THE U.S. NUCLEAR REGULATORY COMMISSION'S CONTRACT ADMINISTRATION PROCESS

OIG-17-A-20

Status of Recommendations

Recommendation 3: Design and implement procedures for timely contract closeout initiation by CORs.

Agency Response Dated
August 15, 2018:

Status: Ongoing. The Acquisition Management Division (AMO) continues to work with the Office of the Chief Financial Officer (OCFO) to develop interim guidance to supplement the closeout procedures currently outlined in Management Directive and Handbook 11.1, "NRC Acquisition of Supplies and Services." While the Office of Administration (ADM) originally believed this would be completed by the end of July 2018, it has taken longer than anticipated because development of this guidance was rolled into a complete rewrite of MD 11.1. To avoid a more lengthy delay, ADM will separate out the closeout guidance so interim guidance can be issued before the full MD is updated. While this interim guidance is being finalized, OCFO and ADM will be issuing a joint memo by the end of August 2018 highlighting older unliquidated obligations with a reminder to offices on the proper procedures for initiation of contract closeout.

Target Completion Date: November 30, 2018.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. OIG will close this recommendation upon verification and review of implemented procedures for more timely initiation of contract closeout by CORs.

Status: Resolved.