



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

**OFFICE OF THE
INSPECTOR GENERAL**

August 20, 2019

MEMORANDUM TO: Maureen E. Wylie
Chief Financial Officer

Margaret M. Doane
Executive Director for Operations

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

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF THE U.S.
NUCLEAR REGULATORY COMMISSION'S FISCAL YEAR
2018 COMPLIANCE WITH IMPROPER PAYMENTS LAWS
(OIG-19-A-12)

REFERENCE: CHIEF FINANCIAL OFFICER MEMORANDUM DATED JULY
3, 2019

Attached is the Office of the Inspector General's (OIG) analysis and status of recommendations as discussed in the agency's response dated July 3, 2019. Based on this response, recommendations 1, 2, and 3 remain open and resolved. Please provide an updated status of recommendations 1, 2, and 3 by January 16, 2020.

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

Attachment: As stated

cc: C. Haney, OEDO
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Audit Report

AUDIT OF NRC'S FISCAL YEAR 2018 COMPLIANCE WITH IMPROPER PAYMENTS LAWS

OIG-19-A-12

Status of Recommendations

Recommendation 1: Take steps to ensure that the Appendix C risk assessment provides supportable information for IPIA compliance. This should include creating contract deliverables addressing Appendix C requirements and performing a quality assurance review to ensure that the contractor's conclusions are thoroughly supported by evidence.

Agency Response Dated
July 3, 2019:

Agree. NRC's Office of the Chief Financial Officer (OCFO) will modify the existing internal control contract to strengthen the language relating to the prompt delivery of complete workpapers for the annual assessment.

Target date for Completion: December 31, 2019

OIG Analysis:

The actions proposed by the agency meet the intent of the recommendation but do not address the second part of the recommendation. This recommendation will be closed after OIG reviews and verifies that (1) the internal control contract has been modified with stronger language relating to the prompt delivery of complete workpapers for the annual assessment and (2) OCFO staff perform quality assurance reviews of any conclusions documented under internal control contracts to ensure they are thoroughly supported by evidence.

Status:

Open: Resolved.

Audit Report

AUDIT OF NRC'S FISCAL YEAR 2018 COMPLIANCE WITH IMPROPER PAYMENTS LAWS

OIG-19-A-12

Status of Recommendations

Recommendation 2: Review the various payment integrity-related internal control efforts and review procedures to enhance consistency among the different internal control compliance requirements.

Agency Response Dated
July 3, 2019:

Agree. NRC's OCFO will update the OMB Circular A-123 Appendix A Senior Assessment Team (SAT) charter to include the OCFO Internal Control Team Leader as a member of the SAT. Additionally, the OCFO will implement quarterly meetings with Division of Budget and Division of the Comptroller management and staff to enhance consistency among the NRC's internal control efforts.

Target date for Completion: December 31, 2019

OIG Analysis:

The actions proposed by the agency meet the intent of the recommendation. This recommendation will be closed when OIG reviews and verifies that the updated OMB Circular A-123 Appendix A SAT charter includes the OCFO Internal Control Team Leader as a member of the SAT and verifies the implementation of quarterly meetings between management and staff of the Division of Budget, and the Division of the Comptroller.

Status:

Open: Resolved.

Audit Report

AUDIT OF NRC'S FISCAL YEAR 2018 COMPLIANCE WITH IMPROPER PAYMENTS LAWS

OIG-19-A-12

Status of Recommendations

Recommendation 3: Update policies/procedures pertaining to the agency's improper payment notification, tracking, and monitoring. This policy/procedure should include steps to address and correct the high-level root cause of the improper payments identified.

Agency Response Dated
July 3, 2019:

Agree. NRC's OCFO will update its accounting policy manual to include procedures relating to improper payments.

Target date for Completion: December 31, 2019

OIG Analysis:

The actions proposed by the agency meet the intent of the recommendation. This recommendation will be closed when OIG reviews the updated policies and procedures pertaining to the agency's improper payment notification, tracking, and monitoring, and verifies the inclusion of steps to address and correct the high-level root cause of any improper payments identified.

Status:

Open: Resolved.