



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

October 28, 2019

MEMORANDUM TO: Dr. Brett M. Baker  
Assistant Inspector General for Audits

FROM: K. Steven West /***RA Robert J. Lewis Acting for/***  
Deputy Executive Director for Materials, Waste,  
Research, State, Tribal, Compliance, Administration,  
and Human Capital Programs  
Office of the Executive Director for Operations

SUBJECT: STAFF RESPONSE TO THE OFFICE OF INSPECTOR  
GENERAL'S AUDIT OF THE NUCLEAR REGULATORY  
COMMISSION GRANTS ADMINISTRATION AND CLOSEOUT  
(OIG-19-A-21)

The staff has received the Office of Inspector General's (OIG) report for Audit OIG-19-A-21, "Audit of NRC's Grants Administration and Closeout," dated September 30, 2019. This memorandum provides the staff's responses to nine OIG recommendations. Each staff response includes the staff's planned actions and target dates for completion.

Recommendation 1:

Update the Nuclear Regulatory Commission (NRC) Grants Management Certification and Training Program guidance to include: (1) instructions for recording completed training, (2) management's responsibility for monitoring training, and (3) the addition of Automated Standard Application Payments (ASAP) training as a core course for grant management professionals.

Response:

Agree. The Office of Administration (ADM) will update the Grants Management Certification and Training program guidance to include: (1) instructions for recording completed training in FAITAS, (2) management's responsibility for monitoring training, and (3) the addition of role-appropriate ASAP training as a core course for grant management professionals.

Target Completion Date: March 2, 2020.

Point of Contact: Jill Daly, (301) 415-8079

Recommendation 2:

Develop and implement a formal process for monitoring student service agreement requirements and associated awarded funds, from Fiscal Year (FY) 2015 forward. The process should include, but not be limited to: (1) how to process grants funds that are recaptured or

returned to NRC because of withdrawal from school, GPA lower than required, non-nuclear employment, or other unmet requirements; and (2) a timeframe by which students are required to obtain employment in a nuclear field after graduation.

Response:

Agree. The Office of Nuclear Regulatory Research (RES) created a process, in coordination with the Office of the Chief Financial Officer (OCFO) and the Office of the General Counsel (OGC), for a repayment plan for students that have not fulfilled their service agreement requirements. The plan was finalized during FY2019, and is now in place. The plan includes a procedure for processing grants funds that are recaptured or returned to NRC because of withdrawal from school, GPA lower than required, non-nuclear employment, or other unmet requirements. In addition, the FY2019 Funding Opportunity Announcement (FOA) included this language: "Students have up to 6 months after graduation to secure nuclear related employment." This statement will be included in future FOAs.

Completed: September 30, 2019

Point of Contact: Nancy Hebron-Isreal, (301) 415-6996

Recommendation 3:

Continue and finalize the transition to electronic files implementing a checklist for completeness.

Response:

Agree. FY2019 grant awards and associated documentation are completely electronic, and a checklist for completeness is included in each electronic file. Documentation from grant files that were previously partially paper and partially electronic have been scanned and uploaded to STAQS.

Completed: May 2019

Point of Contact: M'Lita Carr, (301) 415-6869

Recommendation 4:

Implement knowledge management procedures such as maintaining an accurate succession planning document and desk procedures for grant functions.

Response:

Agree. ADM and RES will develop succession planning documents and prepare desk procedures for grant functions.

Target Completion Date: June 30, 2020

Point of Contact: Monique Williams, (301) 415-6971

Recommendation 5:

Coordinate the review of performance progress reports and Federal financial reports.

Response:

Partially Agree. Under the current process, NRC staff reviews all reports in a timely manner. Each staff member conducts their review of the appropriate report and coordinates if issues are found. Beginning with the FY18 grant awards, the performance progress reports and federal finance report are submitted through fed connect and automatically filed under the applicable grant award in STAQS, allowing grant staff from ADM, RES, and SBCR access to all reports, so that comparisons can be made as needed.

Completed: September 30, 2018

Point of Contact: M'Lita Carr, (301) 415-6869

Recommendation 6:

Increase accountability for grant functions by adding grant duties to performance elements and standards.

Response:

Agree. In FY2019, grant duties were added to performance elements and standards for ADM employees, and RES will add grant duties to performance elements and standards for FY2020.

Target Completion Date: November 19, 2019

Points of Contact: Monique Williams, (301) 415-6971, Mike Brezovec, (301) 415-7174

Recommendation 7:

Train all employees who perform grant duties on closeout processes in the computer grants management systems, including proper completion of the grant closeout checklist, management monitoring of checklist use, and evaluation of results.

Response:

Agree. All employees who perform grant closeouts have been trained, but they will receive refresher training on the use of STAQS to close out grant awards, to include proper completion of the grant closeout checklist. Management will receive training on monitoring use of the checklist during the grant closeout process.

Target Completion Date: December 31, 2019

Point of Contact: Jill Daly, (301) 415-8079

Recommendation 8:

Develop interim guidance to eliminate existing guidance in MD 11.6 concerning issuance of modifications in lieu of new grants.

Response:

Agree. ADM will develop interim guidance to eliminate existing guidance in MD 11.6 concerning issuance of modifications in lieu of new grants.

Target Completion Date: December 31, 2019

Point of Contact: Jill Daly, (301) 415-8079

Recommendation 9:

Develop and implement a grants closeout plan to include:

- a. Measurable metrics for deobligation of funds.
- b. Procedures for identifying and closing expired grants.
- c. Method(s) to address closing grants with modifications that have period of performance end dates that are different from the original grant.

Response:

Agree. ADM will develop and implement a grants closeout plan that includes measurable metrics for deobligation of funds, procedures for identifying and closing expired grants, and method(s) to address closing grants with modifications that have period of performance end dates that are different from the original grant.

Target Completion Date: March 31, 2020

Point of Contact: Jill Daly, (301) 415-8079

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Non-Public

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**ADAMS Accession No.:** ML19283E101

\*Concurrence via e-mail

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DATE	10/22/19	10/22/19	10/28/19	

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