



OFFICE OF THE  
INSPECTOR GENERAL

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

July 6, 2021

MEMORANDUM TO: Margaret M. Doane  
Executive Director for Operations

FROM: Eric Rivera */RA/*  
Acting Assistant Inspector General for Audit

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF THE  
NRC'S PROPERTY MANAGEMENT PROGRAM  
(OIG-20-A-17)

REFERENCE: OFFICE OF ADMINISTRATION DIRECTOR  
MEMORANDUM DATED MARCH 30, 2021 AND  
ENCLOSURE

Attached is the Office of the Inspector General's (OIG) analysis and status of recommendations as discussed in the agency's response dated March 30, 2021. Based on this response, recommendations one through seven from this report are open and resolved. Please provide a status update for the open, resolved recommendations by December 31, 2021.

If you have questions or concerns, please call me at (301) 415-5915 or Vicki Foster, Team Leader, at (301) 415-5909.

Attachment: As stated

CC: C. Haney, OEDO  
S. Miotla, OEDO  
J. Jolicoeur, OEDO  
S. Mroz, OEDO  
RidsEdoMailCenter Resource  
OIG Liaison Resource  
EDO\_ACS Distribution

**Audit Report**  
**AUDIT OF THE NRC'S PROPERTY MANAGEMENT PROGRAM**  
**OIG-20-A-17**

**Status of Recommendations**

Recommendation 1: Modify the definition of accountable property to align with the agency's procedures for accounting for property under the property management program. This encompasses defining and addressing the accountability of items not tracked in the Space and Property Management System (SPMS) including pilferable property.

Agency Response Dated  
March 30, 2021:

Status: Completed.

Revised definition of accountable property to comprise of both the agency's Accountable Property System Records and the SPMS and Office of the Chief Information Officer (OCIO) Remedy (IT) databases. See enclosure.

Completed: February 2021

OIG Analysis:

The proposed actions meet the intent of this recommendation. This recommendation will be closed when the OIG verifies that the ADM has modified the definition of accountable property in the NRC's property management program policy, MD 13.1, to include controls that will (1) ensure practices are consistent with agency procedures (2) address the accountability of property not tracked in SPMS, and (3) include definitions needed for identifying pilferable property.

Status:

Open: Resolved.

## Audit Report

### AUDIT OF THE NRC'S PROPERTY MANAGEMENT PROGRAM

OIG-20-A-17

#### Status of Recommendations

Recommendation 2:

Include the receipt, management, and proper disposal of IT assets planned and currently tracked in Remedy within the property management program. This may include, but is not limited to actions such as:

- a. Updating MD 13.1, *Property Management* to designate Remedy as the property tracking system specifically for IT assets;
- b. Updating MD 13.1 to include the *NRC IT Logistics Index* policy for inputting IT assets greater than or equal to \$2,500, or which contain NRC information or data within the property management program;
- c. Specify in the updated MD 13.1, the use of unique identifiers to track and manage those IT assets within the NRC property management program;
- d. Specify in the updated MD 13.1, the methods and documentation of periodic inventories using unique identifiers within the NRC property management program;
- e. Provide appropriate acquisition information in excess property reporting for IT assets that contain NRC information or data; and,
- f. Ensure IT assets in the property disposal process comply with documenting media sanitation in accordance with the National Institute of Standards and Technology (NIST) Special Publication 800-88, Revision 1: *Guidelines for Media Sanitization* (NIST 800-88).

Agency Response Dated  
March 30, 2021:

Items a, b, c, d, and f are in progress. Item e is completed.

- a. Updating MD 13.1, *Property Management* to designate Remedy as the property tracking system specifically for IT assets;

Agency Response: Remedy will be designated as the IT property tracking system in the MD 13.1 update.

**Audit Report**  
**AUDIT OF THE NRC'S PROPERTY MANAGEMENT PROGRAM**  
**OIG-20-A-17**

**Status of Recommendations**

Recommendation 2 (continued):

- b. Updating MD 13.1 to include the *NRC IT Logistics Index* policy for inputting IT assets greater than or equal to \$2,500, or which contain NRC information or data within the property management program;

Agency Response: OCIO's Hardware Asset Management Playbook, which contains the "IT Asset and Logistics Index Appendix", will be included or referenced in the MD 13.1 update.

- c. Specify in the updated MD 13.1, the use of unique identifiers to track and manage those IT assets within the NRC property management program;

Agency Response: NRC blue and red tags are the unique identifiers for managing IT assets. NRC blue tags are tracked in both SPMS and Remedy for IT equipment with acquisition cost of \$2500+. NRC red tags are tracked in Remedy only for IT assets less than \$2500. This will be specified in the MD 13.1 update.

- d. Specify in the updated MD 13.1, the methods and documentation of periodic inventories using unique identifiers within the NRC;

Agency Response: The Office of Administration (ADM) and OCIO will conduct and document quarterly SPMS and Remedy reconciliations and maintain reports of stated reconciliations. Currently working on an automated process for reconciliation.

- e. Provide appropriate acquisition information in excess property reporting for IT assets that contain NRC information or data; and;

**Audit Report**  
**AUDIT OF THE NRC'S PROPERTY MANAGEMENT PROGRAM**  
**OIG-20-A-17**

**Status of Recommendations**

Recommendation 2 (continued):

Agency Response: The OCIO's Hardware Asset Management Playbook documents the process for excessing IT assets  
<https://usnrc.sharepoint.com/teams/OCIOITAM/SitePages/Policyand-Process-Documentation.aspx>). OCIO uses Remedy to track all IT assets from acquisition to disposal. As of 2018, when NRC/OCIO took ownership for IT assets, the appropriate acquisition information was captured in Remedy for all new IT property. However, prior IT assets (legacy) that predated 2018, may not contain the appropriate acquisition information.

- f. Ensure IT assets in the property disposal process comply with documenting media sanitation in accordance with the National Institute of Standards and Technology (NIST) Special Publication 800-88, Revision 1: *Guidelines for Media Sanitization* (NIST 800- 88);

Agency Response: ADM has developed a draft NRC form that incorporates information from the NIST form currently in use.

Target Completion Date: March 31, 2022

OIG Analysis:

The proposed actions meet the intent of this recommendation. This recommendation will be closed when the OIG verifies that the ADM has updated MD 13.1, *Property Management*, to include all relevant practices and procedures and has implemented procedures for the receipt, management, and disposal of the IT assets in Remedy.

Status:

Open: Resolved.

**Audit Report**  
**AUDIT OF THE NRC'S PROPERTY MANAGEMENT PROGRAM**  
**OIG-20-A-17**

**Status of Recommendations**

Recommendation 3: Update and implement property receipt and tagging processes and procedures for the Facilities, Operations, and Space Management Branch (FOSMB), warehouse personnel, and property custodians, that will address:

- a. Decentralized property receipt and tagging functions; and,
- b. Providing property staff with acquisition information such as the cost and shipping information necessary to perform their property-related duties through automated notification.

Agency Response Dated  
March 30, 2021:

Status: In progress.

- a. Decentralized property receipt and tagging functions; and,

Agency Response: ADM is in the process of reevaluating decentralized property receipt and tagging functions.

- b. Providing property staff with acquisition information such as the cost and shipping information necessary to perform their property-related duties through automated notification.

Agency Response: Property staff has begun meetings with the Acquisitions Management Division to develop a process workflow for property staff to receive acquisition information through automated notification.

Target Completion Date: November 2021

OIG Analysis:

The proposed actions meet the intent of this recommendation. This recommendation will be closed when the OIG verifies that the ADM has updated and implemented receipt and tagging processes and procedures for the FOSMB, warehouse personnel, and property custodians that addresses:

**Audit Report**  
**AUDIT OF THE NRC'S PROPERTY MANAGEMENT PROGRAM**  
**OIG-20-A-17**

**Status of Recommendations**

Recommendation 3 (continued):

- a. The results of the NRC's reevaluation of decentralized property receipt and tagging functions; and,
- b. Providing property staff with specific acquisition information through automated notification.

Status: Open: Resolved.

**Audit Report**  
**AUDIT OF THE NRC'S PROPERTY MANAGEMENT PROGRAM**  
**OIG-20-A-17**

**Status of Recommendations**

Recommendation 4: Limit the regional and the Technical Training Center (TTC) property item assignments to regional property custodians.

Agency Response Dated  
March 30, 2021:

Status: Completed.

ADM completed a thorough review of the SPMS database and worked with property custodians updating property assignments to ensure all property was in appropriate organizations.

Completed: March 2021

OIG Analysis:

The proposed actions meet the intent of this recommendation. This recommendation will be closed when the agency provides documentation for the OIG to review and verify that the ADM has reviewed and adjusted regional and TTC property item assignments to ensure they have assigned property in the property custodian's jurisdictions to the regional property custodian, as appropriate.

Status:

Open: Resolved.



**Audit Report**  
**AUDIT OF THE NRC'S PROPERTY MANAGEMENT PROGRAM**  
**OIG-20-A-17**

**Status of Recommendations**

Recommendation 5: Consolidate the notification of stolen NRC property to one NRC form.

Agency Response Dated  
March 30, 2021: Status: In Progress.

ADM Property and Security teams are reviewing options to consolidate both forms for processing as a single submission.

Target Completion Date: July 2021

OIG Analysis: The proposed actions meet the intent of this recommendation. This recommendation will be closed when the OIG verifies documentation that demonstrates the ADM has revised the policy and process to consolidate the notification of stolen NRC property into a single NRC form.

Status: Open: Resolved.

**Audit Report**  
**AUDIT OF THE NRC'S PROPERTY MANAGEMENT PROGRAM**  
**OIG-20-A-17**

**Status of Recommendations**

Recommendation 6: Digitize the property process to facilitate reconciliation and property management workflow.

Agency Response Dated  
March 30, 2021:

Status: In Progress.

ADM has begun digitizing the property management workflow process and will continue this process where applicable.

Target Completion Date: December 2021

OIG Analysis:

The proposed actions meet the intent of this recommendation. This recommendation will be closed when the OIG verifies that the ADM has digitized the property process to facilitate reconciliation and property management workflow.

Status:

Open: Resolved.

**Audit Report**  
**AUDIT OF THE NRC'S PROPERTY MANAGEMENT PROGRAM**  
**OIG-20-A-17**

**Status of Recommendations**

Recommendation 7: Self-reassess the risk to the agency for the policy changes of the tracking threshold increase and removal of cell phones, laptops, and tablets from the sensitive items list, for loss or theft of property items.

Agency Response Dated  
March 30, 2021:

Status: In Progress.

ADM and OCIO are planning to conduct a reassessment of the risk to the agency for the policy changes of the property tracking threshold increase. This reassessment will include the discussion of the removal of cell phones, laptops, and tablets from the sensitive items list and the risk of loss or theft of these property items.

Target Completion Date: September 24, 2021

OIG Analysis:

The proposed actions meet the intent of this recommendation. This recommendation will be closed when the OIG verifies that the ADM and the OCIO have self-reassessed the risk to the agency for the policy changes of the tracking threshold increase and removal of cell phones, laptops and tablets from the sensitive items list, for loss or theft of property items in accordance with the OMB Circular A-123, Appendix A and NRC's ERM risk assessments.

Status:

Open: Resolved.