



February 16, 2022

MEMORANDUM TO: Daniel H. Dorman
Executive Director for Operations

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

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

REFERENCE: OFFICE OF ADMINISTRATION DIRECTOR
MEMORANDUM DATED DECEMBER 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 December 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 June 30, 2022.

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: S. Miotla, OEDO
J. Jolicoeur, 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
December 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. Definition revision completed in February 2021 and provided in March 30, 2021 update.

Target Completion Date: December 31, 2023

July 2021 OIG Analysis:

The proposed actions meet the intent of this recommendation. This recommendation will be closed when the OIG verifies that the Office of the Administration (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 the SPMS, and (3) include definitions needed for identifying pilferable property.

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Status of Recommendations

Recommendation 1 (continued):

Agency Status:

Targeted Completion: December 31, 2023

These changes will be incorporated into the MD 13.1 revision scheduled for December 31, 2023. ADM will publish a Yellow Announcement highlighting the changes for this recommendation by the end of March 2022.

POC: Charemagne Grimes, 301-415-8422

OIG Analysis:

The proposed actions meet the intent of this recommendation. OIG will close this recommendation upon review of the Yellow Announcement highlighting the definition changes and incorporation of the definition into the finalized and updated MD 13.1.

Status:

Open: Resolved.

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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).

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Status of Recommendations

Recommendation 2 (continued):

Agency Response Dated
December 30, 2021:

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

- a. Remedy will be designated as the IT property tracking system in the MD 13.1 update.
- b. 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. 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. The Office of Administration (ADM) and the 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. 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>). The OCIO uses Remedy to track all IT assets from acquisition to disposal. As of 2018, when the 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.

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Status of Recommendations

Recommendation 2 (continued):

- f. The ADM has developed a draft NRC form that incorporates information from the NIST form currently in use.

July 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 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.

Agency Status:

Targeted Completion: December 31, 2023

MD 13.1 is scheduled to be updated on December 31, 2023. We will adhere to this schedule. An update for all items in this recommendation will be provided by March 2022.

POC: Charemagne Grimes, 301-415-8422

Target Completion Date: December 31, 2023

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.

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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
December 30, 2021:

Status: In progress.

- a. The ADM is in the process of reevaluating decentralized property receipt and tagging functions.
- b. 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.

July 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:

- a. The results of the NRC's reevaluation of decentralized property receipt and tagging functions; and,

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Status of Recommendations

Recommendation 3 (continued):

- b. Providing property staff with specific acquisition information through automated notification.

Agency Status:

A further update will be provided by March 2022.

POC: Charemagne Grimes, 301-415-8422

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:

- 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.

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Status of Recommendations

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

Agency Response Dated
December 30, 2021:

Status: Completed.

The ADM completed a thorough review of the SPMS database and worked with property custodians updating property assignments to ensure all property items assignments to regional property custodians.

Completed: March 2021

July 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.

Agency Status:

Documentation for this recommendation will be provided by March 2022.

POC: Charemagne Grimes, 301-415-8422

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Status of Recommendations

Recommendation 4 (continued):

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.
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Status:	Open: Resolved.
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Status of Recommendations

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

Agency Response Dated
December 30, 2021:

Status: In Progress.

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

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.

Agency Status:

A further update will be provided by March 2022.

POC: Charemagne Grimes, 301-415-8422

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.

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Status of Recommendations

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

Agency Response Dated
December 30, 2021:

Status: In Progress.

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

July 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.

Agency Status:

A further update will be provided by March 2022.

POC: Charemagne Grimes, 301-415-8422

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.

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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
December 30, 2021:

Status: In Progress.

The 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.

July 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.

Agency Status:

A further update will be provided by March 2022.

POC: Charemagne Grimes, 301-415-8422

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

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Status of Recommendations

Recommendation 7 (continued):

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.