

August 9, 2001

MEMORANDUM TO: Those on the Attached List

FROM: Jesse L. Funches */RA/ Peter J. Rabideau (for)*
Chief Financial Officer

SUBJECT: REASONABLE ASSURANCE STATEMENTS

BACKGROUND:

Pursuant to NRC Management Directive 4.4, Management Controls, each office director and regional administrator is required to submit a reasonable assurance statement annually. The reasonable assurance statements provide the basis for the Chairman's statement to the President and the Congress (1) whether there is reasonable assurance that the agency's management controls are achieving their intended objectives, and (2) a report on material weaknesses in the agency's controls.

NRC managers are required to continuously monitor, evaluate, and improve the effectiveness of management controls associated with their administrative activities. Sources of information used to assess the adequacy of management controls include:

- Management knowledge gained from the daily operation of agency programs, administrative activities, and systems;
- Management reviews conducted expressly for the purpose of assessing management controls;
- Reports issued by the Office of Inspector General and the General Accounting Office;
- Program evaluations;
- Reviews of information resource management functions, applications, and processes;
- Reports and other information provided by the NRC's Congressional oversight committees; and
- Other reviews or reports relating to agency operations.

REQUIRED ACTION:

Each office director and regional administrator is requested to complete one of the two attached certification forms and return it to me by October 12, 2001. The first attachment is a certification that based on your judgement and pursuant to the requirements of NRC

TOTAL

2

Management Directive 4.4 and the accompanying Handbook, that as of September 30, 2001, there is reasonable assurance that the management controls in your office or region are adequate and there are no significant weaknesses to report.

The second attachment is a certification that adequate management controls in your office are in place with certain exceptions that you consider significant in nature. A definition and examples of significant weaknesses are contained on page 9 of the Handbook. You are requested to attach to this certification a complete description of the weakness(es), and a remediation plan with major milestones. Managers are reminded that these corrective action plans must be periodically assessed and updates included in periodic updates to each office's operating plan.

NEXT STEPS:

Upon receipt of all certifications, I will prepare a report that summarizes all significant weaknesses for consideration by the Executive Committee on Management Controls (ECMC). The ECMC replaces the extended Executive Council as the executive body that will advise the Chairman on whether there are any management control deficiencies that are serious enough to report as material weaknesses to the President and the Congress. The Chairman's statement and report will be included in the agency's annual Performance and Accountability Report due February 27, 2002.

If you have any questions or require additional information about this process, please call me or have your staff contact Carl Dolinka at (301) 415-5646.

Attachments: As stated

cc: W. Travers, EDO
H. Bell, IG

TOTAL

2

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OFFICE	OCFO	DCFO	CFO	
NAME	CDolinka	Prabideau /RA/	Jfunches /RA/	
DATE	08/08/01	08/09/01	08/09/01	

OFFICIAL RECORD COPY

MEMORANDUM TO THOSE ON THE ATTACHED LIST DATED: August 9, 2001

SUBJECT: REASONABLE ASSURANCE STATEMENTS

	<u>Mail Stop</u>	
B. John Garrick, Chairman, Advisory Committee on Nuclear Waste	T-2	E26
George E. Apostolakis, Chairman, Advisory Committee on Reactor Safeguards	T-2	E26
John T. Larkins, Executive Director, Advisory Committee on Reactor Safeguards/Advisory Committee on Nuclear Waste	T-2	E26
G. Paul Bollwerk, III, Chief Administrative Judge, Atomic Safety and Licensing Board Panel	T-3	F23
Karen D. Cyr, General Counsel	O-15	D21
John F. Cordes, Jr., Director, Office of Commission Appellate Adjudication	O-16	C1
Jesse L. Funches, Chief Financial Officer	O-17	F3
Janice Dunn Lee, Director, Office of International Programs	O-4	E9
Dennis K. Rathbun, Director, Office of Congressional Affairs	O-16	C1
William M. Beecher, Director, Office of Public Affairs	O-2	A13
Annette Vietti-Cook, Secretary of the Commission	O-16	C1
Stuart Reiter, Chief Information Officer	O-16	C1
Michael L. Springer, Director, Office of Administration	T-7	D57
Frank J. Congel, Director, Office of Enforcement	O-14	E1
Guy P. Caputo, Director, Office of Investigations	O-3	F1
Paul E. Bird, Director, Office of Human Resources	T-3	A2
Irene P. Little, Director, Office of Small Business and Civil Rights	T-2	F18
Martin J. Virgilio, Director, Office of Nuclear Material Safety and Safeguards	T-8	A23
Samuel J. Collins, Director, Office of Nuclear Reactor Regulation	O-5	E7
Ashok C. Thadani, Director, Office of Nuclear Regulatory Research	T-10	F12
Paul H. Lohaus, Director, Office of State and Tribal Programs	O-3	C10
Richard H. Wessman, Director, Incident Response Operations	T-4	D18
Hubert J. Miller, Regional Administrator, Region I	RGN-I	
Luis A. Reyes, Regional Administrator, Region II	RGN-II	
James E. Dyer, Regional Administrator, Region III	RGN-III	
Ellis W. Merschoff, Regional Administrator, Region IV	RGN-IV	

REASONABLE ASSURANCE CERTIFICATION

This is to certify that as of September 30, 2001, there is reasonable assurance that the management controls in my office/region are adequate to achieve the following objectives:

- Programs are achieving there intended results;
- Resources are being used consistently with the agency's mission;
- Programs and resources are protected from waste, fraud and mismanagement;
- Laws and regulations are followed; and
- Reliable and timely information is obtained, maintained, reported, and used for sound decision making.

In reaching this determination, I relied on all available sources of information including those identified in NRC Management Directive 4.4, and the accompanying Handbook.

Printed Name

Signature and Date

Title

REASONABLE ASSURANCE CERTIFICATION

This is to certify that as of September 30, 2001, there is reasonable assurance that the management controls in my office/region are adequate, with exception(s) , to achieve the following objectives:

- Programs are achieving there intended results;
- Resources are being used consistently with the agency's mission;
- Programs and resources are protected from waste, fraud and mismanagement;
- Laws and regulations are followed; and
- Reliable and timely information is obtained, maintained, reported, and used for sound decision making.

In reaching this determination, I relied on all available sources of information including those sources identified in NRC Management Directive 4.4, and the accompanying Handbook. A complete description of the deficiency(ies) with a remediation plan is attached to this certification. Further, I understand it is my responsibility to monitor corrective actions and advise the CFO when corrective actions are complete.

Printed Name

Signature and Date

Title